

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-575

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/19/24 Filing Description: Initial Listing of the EUR/USD Cross-Currency Basis Futures Contract

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Official Product Name:** See filing.

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**

December 19, 2024

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
 Office of the Secretariat  
 Commodity Futures Trading Commission  
 Three Lafayette Centre  
 1155 21st Street, N.W.  
 Washington, D.C. 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the EUR/USD Cross-Currency Basis Futures Contract.  
 CME Submission No. 24-575**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC”) the initial listing of the EUR/USD Cross-Currency Basis Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, February 2, 2025, for trade date Monday, February 3, 2025.

**Section 1 – Contract Specifications for EUR/USD Cross-Currency Basis Futures**

<b>Contract Title</b>	EUR/USD Cross Currency Basis Futures
<b>CME Globex and CME ClearPort Code</b>	XEU
<b>Rulebook Chapter</b>	CME 479
<b>Settlement Type</b>	Financially settled
<b>Contract Size</b>	\$25 X Contract-grade Index
<b>Pricing Quotation</b>	Basis Points
<b>Minimum Price Fluctuation</b>	0.25 Index points (¼ basis point per annum)
<b>Value Per Tick</b>	\$6.25 per contract
<b>Termination of Trading</b>	Trading shall terminate at 16:00 London time on the Friday preceding the third Wednesday of the contract month. If such Friday is not an Exchange Business Day, then trading shall terminate on the immediately preceding Exchange Business Day.

<b>Listing Schedule</b>	Four nearest quarterly months (March, June, September, December)
<b>Initial Listing</b>	March, June, September, December 2025
<b>Block Trade Minimum Threshold/Reporting Window</b>	100 contracts - subject to a 15 minute reporting window
<b>CME Globex Matching Algorithm</b>	K - Configurable
<b>Trading and Clearing Hours</b>	<p><b>CME Globex PreOpen:</b>  Sunday: 4:00 p.m. – 5:00 p.m. Central Time (CT)  Monday–Thursday: 4:45 p.m. – 5:00 p.m. CT</p> <p><b>CME Globex:</b>  Sunday – Friday 5:00 p.m. – 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT</p> <p><b>CME ClearPort:</b>  Sunday 5:00 p.m. – Friday 5:45 p.m. CT with no reporting Monday – Thursday from 5:45 p.m. – 6:00 p.m. CT</p>

**Section 2 – Core Principles**

**Core Principle 2 – Compliance with Rules**

Trading in the Contract will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.

**Core Principles 3 - Contract Not Readily Subject to Manipulation**

The Contract will reference CBA’s CME EUR/USD Cross Currency Basis Index. which references a marker price of CME SR3 futures, ESR futures, and 6E futures, all highly liquid marketplaces. The 4pm London Markers for each of the three futures is used. For the Contract, a 30-second VWAP time span from 15:59:30 p.m. to 16:00:00 p.m. London time is utilized. For SR3 futures and ESR futures, a one-minute VWAP from 15:59:00 p.m. to 16:00:00 p.m. London time is utilized.

Four weeks (from September 30, 2024, to October 25, 2024) of daily volume, bid/ask, and unique participants data during the settlement window in the front month for the above futures contracts are included below:

<b>Contract</b>	<b>Average Volume</b>	<b>Average Buy Volume</b>	<b>Average Sell Volume</b>	<b># of Unique Participants</b>
SR3	229	7	222	99
ESR	28	3	25	12

***Core Principle 4 – Prevention of Market Disruption***

Trading in the Contract shall be subject to CME Rulebook Chapter 4, which include prohibitions on manipulation, price distortion, and disruption to the expiration process. As with any product listed for trading on a CME Group designated contract market, futures trading activity shall be subject to monitoring and surveillance by CME Group's Market Regulation Department.

***Core Principle 5 – Position Limits or Accountability***

The Contract shall be subject to a Position Reporting Level of 850 contracts, a Single-Month Position Accountability Level of 10,000 net futures contract equivalents, and an All-Month Position Accountability Level of 10,000 net futures contract equivalents.

To appreciate the proportions of the Position Accountability standards, assume that the representative issuance level is around \$906 billion per day (equal to the median SOFR volume during the 3-year historical interval in Exhibit 2.3C). Relative to this trading flow, the hypothetical holdings reflected in the Position Accountability Levels for the Contract signify 1.1% percent. The median €STR volumes during the historical interval in Exhibit 2.2A is about \$56 billion per day, or a Position Accountability Level of 17.7%, and the median monthly EUR M1 Money supply during the historical interval in Exhibit 2.4A is \$11,037 billion, or a Position Accountability Level of 0.01%.

***Core Principle 7 – Availability of General Information***

The Exchange disseminated a Special Executive Report ("SER") that sets forth information regarding the specifications, terms, and conditions of the Contract. The SER is also be posted on CME Group's website.

***Core Principle 8 – Daily Publication of Trading Information***

The Exchange shall publish trading volumes, open interest levels, and price information for the Contract daily on its website and through quote vendors.

***Core Principle 9 – Execution of Transactions***

The Contract will be available for trading on CME Globex, which provides for efficient, competitive, and open execution of transactions. Additionally, CME Globex affords reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges shall be as set forth in Appendix C. The Contract will also be available for clearing via CME ClearPort.

***Core Principle 10 – Trade Information***

All requisite trade information will be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

***Core Principle 11 – Financial Integrity of Contract***

The transactions in the Contract will be cleared by CME Clearing, which is registered with the Commission as a derivatives clearing organization, and which is subject to all CFTC regulations related thereto.

***Core Principle 12 – Protection of Markets and Market Participants***

CME Rulebook Chapter 4 contains multiple prohibitions precluding intermediaries from disadvantaging their customers and which apply to trading on all of the Exchange's competitive trading venues.

***Core Principle 13 – Disciplinary Procedures***

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the Contract will be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement in the event that rule violations in the Contract are identified.

**Core Principle 14 – Dispute Resolution**

Disputes in respect of the Contract are subject to the arbitration provisions set forth in CME Rulebook Chapter 6, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

Appendix A provides CME Rulebook Chapter 479. Appendix B provides the Position Limit, Position Accountability, and Reportable Level Table (under separate cover). Appendix C provides CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table. Appendix D provides CME Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table. Appendix E provides the Exchange fees. Appendix F provides the Daily Settlement Procedure Document. Appendix G provides the Deliverable Supply Analysis (under separate cover) (confidential treatment requested).

Pursuant to Section 5c(c) of the Act and Regulation 40.2(a), the Exchange certifies that the Contract complies with the Act, including all regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-fillings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or [CMESubmissionInquiry@cmegroup.com](mailto:CMESubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliot  
Managing Director and Chief Regulatory Counsel

Attachments:	Appendix A	CME Rulebook Chapter 479
	Appendix B	Position Limit, Position Accountability, and Reportable Level Table (under separate cover)
	Appendix C	CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
	Appendix D	CME Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table
	Appendix E	Exchange Fees
	Appendix F	Daily Settlement Procedure Document
	Appendix G	Deliverable Supply Analysis (under separate cover) (Confidential Treatment Requested)

**Appendix A**  
**CME Rulebook**

**Chapter 479**  
**EUR/USD Cross Currency Basis Futures**

**47900. SCOPE OF CHAPTER**

This chapter is limited in application to EUR/USD Cross Currency Basis futures. In addition to this chapter, EUR/USD Cross Currency Basis futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred herein shall refer to and indicate London time.

**47901. CONTRACT SPECIFICATIONS**

Each contract is valued at \$25 times the contract-grade Index (Rule 47902.C.).

**47902. TRADING SPECIFICATIONS**

**47902.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and delivery in such months as may be determined by the Exchange.

**47902.B. Trading Unit**

The size of the unit of trading shall be \$25.00 times the EUR/USD Cross Currency Basis Index.

**47902.C. Price Increments**

Prices shall be quoted in basis point terms. (Example: A EUR/USD Cross Currency Basis Index rate of -8.30 shall be quoted as -8.30.) Minimum price fluctuations shall be in multiples of one-quarter basis points (0.25bp equal to \$6.25).

**47902.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

**47902.E. Special Price Fluctuation Limits**

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**47902.F. [Reserved]**

**47902.G. Termination of Trading**

Trading shall terminate at 16:00 London time on the Friday preceding the third Wednesday of the contract month. If such Friday is not an Exchange Business Day, then trading shall terminate on the immediately preceding Exchange Business Day.

**47902.H. [Reserved]**

**47903. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

**47903.A. Final Settlement Price**

The final settlement price shall be equal to the EUR/USD Cross Currency Basis Index, rounded to the nearest 1/10,000th of a percentage point (0.01bp), on the Termination of Trading (Rule 47902.G).

**47903.B. Final Settlement**

Clearing members holding open positions in a contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

**47903.C.-I. [Reserved]**

**47904.-06. [RESERVED]**

(End Chapter 479)

**Appendix B**

**CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")  
Position Limit, Position Accountability, and Reportable Level Table  
(additions underscored)  
(attached under separate cover)**

**Appendix C  
CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")  
CME Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table  
(additions underscored)**

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<a href="#">EUR/USD Cross Currency Basis Futures</a>	<a href="#">XEU</a>	<a href="#">10 basis points</a>	<a href="#">1000</a>	<a href="#">40</a>	<a href="#">Each leg evaluated as an outright</a>	

**Appendix D  
CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")  
CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table**

Product	RULEBOOK CHAPTER	COMMODITY CODE	PRIMARY/ASSOCIATED	ASSOCIATED WITH	<u>Dynamically Calculated Variant</u>
<a href="#">EUR/USD Cross Currency Basis Futures</a>	<a href="#">479</a>	<a href="#">XEU</a>	<a href="#">Primary</a>	<a href="#">Primary</a>	<a href="#">40 basis points</a>

## Appendix E

### Exchange Fees

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Delivery	\$0.07
	CME Globex	\$0.44
	EFP EFR Block	\$0.44
Rule 106.D Lessees Rule 106.F Employees	Delivery	\$0.27
	CME Globex	\$0.64
	EFP EFR Block	\$0.64
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.75
Rule 106.H and 106.N Firms	Delivery	\$0.45
	CME Globex	\$0.75
	EFP EFR Block	\$0.75
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.80
Latin America Fund Manager Incentive (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$1.50
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$1.00
Non-Members (Including: CTA/Hedge Fund Incentive Program Participants & CBOE Members)	Delivery	\$0.60
	CME Globex	\$1.50
	EFP EFR Block	\$1.50

Processing Fees	Fee
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40



## Appendix F

### EUR/USD Cross Currency Basis Futures Contract Daily Settlement Procedure Document

#### Normal Daily Settlement Procedure

CME Group staff determine the daily settlements for EUR/USD Cross Currency Basis Futures (XEU) based on trading activity on CME Globex between 15:59:00 and 16:00:00 London Time, the settlement period.

**Tier 1:** Each contract month settles to a volume-weighted average price (VWAP) of all trades that occur between 15:59:00 and 16:00:00 London Time rounded to the nearest tradable tick.

**Tier 2:** If no trades occur on CME Globex between 15:59:00 and 16:00:00 London Time then the last trade is used to determine the settlement price validated against the CME Globex bid/ask.

**Tier 3:** In the absence of any trading activity, the daily settlement price will be determined by applying the net change from the preceding contract month to the given contract month's prior daily settlement price validated against the CME Globex bid/ask and adjusted to the bid or ask if necessary.

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

**Note:** In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

**Appendix G**

**Deliverable Supply Analysis**

**(under separate cover)**

**(CONFIDENTIAL TREATMENT REQUESTED)**