

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-507

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

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/29/2015 **Filing Description:** Amendments to Rule 452A01.C. ("Minimum Fluctuations") for Options on Three-Month Eurodollar Futures

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

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

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

Official Name(s) of Product(s) Affected: Options on Three-Month Eurodollar Futures

Rule Numbers: CME Rule 452A01.C.

December 29, 2015

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification. Amendments to Rule 452A01.C. (“Minimum Fluctuations”) for Options on Three-Month Eurodollar Futures. CME Submission No. 15-507

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to CME Rule 452A01.C. (“Minimum Fluctuations”) for options on Three-Month Eurodollar futures (CME Rulebook Chapter 452A; Clearing Code: ED, CME Globex Code: GE, Trading Floor Code: ZE) (“Options”), effective on Monday, January 18, 2016 for trade date Tuesday, January 19, 2016.

The purpose of the amendments certified herein is to clarify organization and presentation of Rule 451A01.C. in respect of contract minimum price increments. The amendments change neither the substance nor the meaning of the Rule. In respect of outright transactions, the amendments reorganize the Rule text to elucidate the relationship between option minimum price increment and option term to expiry. In respect of intra-market option spreads, the amended Rule text provides a more rigorous account of conditions in which an intra-market spread is eligible to trade in reduced minimum price increments.

Appendix A displays such amendments in blackline format, and Appendix B sets forth the Rule text as amended.

The Exchange has reviewed the Core Principles for designated contract markets set forth in the Commodity Exchange Act (“CEA” or “Act”), and has determined that the rule amendments certified herein bear upon on the following Core Principles:

Core Principle 2 – Compliance with Rules

Trading in the Contract is subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the Options is subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in Options is subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 7 – Availability of General Information

The Exchange shall publish on its website information in regard to Option specifications, terms, and conditions, as well as daily trading volume, open interest, and price information. To notify the marketplace of the amendments, CME will issue a Special Executive Report (“SER”), which will be posted on the Exchange’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that these rule amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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

Should you have questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – Amendments to CME Rule 452A01.C. (blackline format)
Appendix B – CME Rule 452A01.C. (clean)

Appendix A

Amendments to CME Rule 452A01.C.

(Additions are underlined. Deletions are ~~struck through~~.)

Chapter 452A -- Options on Three-Month Eurodollar Futures

452A01.C. Minimum Fluctuations

~~The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point (1 basis point) shall represent \$25 per option contract. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25 per option contract).~~

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point shall represent one (1) basis point per annum in terms of the three-month Eurodollar time deposit rate for such option's Underlying Futures Contract (Rule 452A01.D.), and shall be equal to \$25 per option contract. For example, a quote of 0.35 IMM Index points represents an option price of \$875 (equal to 35 basis points x \$25 per basis point per option contract).

Minimum price fluctuations shall be as follows --

~~1. Contract Month Whose Underlying Futures Contract is the Nearest Expiring Futures Contract Month~~

~~The minimum fluctuation shall be 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick).~~

~~2. All Other Contract Months~~

~~The minimum fluctuation shall be 0.005 IMM Index point (\$12.50 per option contract, also known as one-half tick). Trades may also occur at a price of 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.~~

~~Further, options that expire in the nearest or second nearest March quarterly contract months (Rule 452A01.D.1.) or the nearest or second nearest non-March quarterly contract months (Rule 452A01.D.2.), and that are trading at a premium of no more than 0.05 IMM Index points, may trade in increments of 0.0025 IMM index points.~~

~~Further, for any option spread or combination that trades at a net premium of no more than 0.05 IMM Index points, and that comprises options that expire only in the nearest or second nearest March quarterly months (Rule 452A01.D.1.) or the nearest or second nearest non-March quarterly months (Rule 452A01.D.2.), the options comprised within such spread or combination may trade in increments of 0.0025 IMM index points.~~

~~For the purpose of Rule 813-- Settlement Prices, the minimum fluctuation shall be 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick)~~

1. Quarterly Options (Rule 452A01.D.1.) Expiring in the Nearest March Quarterly Month

Where such options are for the next nearest monthly option expiration date, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where such options are not for the next nearest monthly option expiration date, then:

Where any such option trades outright at a premium not greater than 0.05 IMM Index points the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

2. Quarterly Options (Rule 452A01.D.1.) Expiring in the Second-Nearest March Quarterly Month and All Serial Options (Rule 452A01.D.2.)

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

3. Mid-Curve Options

~~The minimum fluctuation shall be 0.005 IMM Index point (\$12.50 per option contract, also known as one-half tick). Trades may also occur at a price of 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.~~

3. All Other Quarterly Options (Rule 452A01.D.1.) and All Mid-Curve Options (Rule 452A01.D.3.)

For all Quarterly options other than those that expire in the nearest March Quarterly month or the second-nearest March Quarterly month, and for all Mid-Curve options, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract), provided that trade may occur at a price level of 0.0025 IMM Index point (equal to \$6.25 per option contract), whether or not such trade results in liquidation of positions for both parties to such trade.

Any option spread or combination that comprises one or more such Other Quarterly Options or Mid-Curve Options shall trade in minimum price increments of 0.005 IMM Index points.

4. Option Spreads and Combinations

All option spreads and combinations shall trade in minimum price increments of 0.005 IMM Index points, subject to the following exceptions:

(a) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if (i) such option spread or combination comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.), and (ii) all such options are for the nearest monthly option expiration date.

(b) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if such option spread or combination (i) trades at a net premium not greater than 0.05 IMM Index points and not less than -0.05 IMM Index points and (ii) comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.) and/or Quarterly Options Expiring in the Second-Nearest March Quarterly Month (Rule 452A01.C.2.) and/or Serial Options (Rule 452A01.C.2.).

~~For the purpose of Rule 813—Settlement Prices, the minimum fluctuation shall be 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick).~~

~~If options are quoted in volatility terms, the minimum fluctuations shall be 0.05 percent.~~

For the purpose of Rule 813 for Settlement Prices, the minimum price fluctuation for all options shall be 0.0025 IMM Index point (equal to \$6.25 per option contract).

Where the price of an option is quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Appendix B

CME Rule 452A01.C.

Chapter 452A -- Options on Three-Month Eurodollar Futures

452A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point shall represent one (1) basis point per annum in terms of the three-month Eurodollar time deposit rate for such option's Underlying Futures Contract (Rule 452A01.D.), and shall be equal to \$25 per option contract. For example, a quote of 0.35 IMM Index points represents an option price of \$875 (equal to 35 basis points x \$25 per basis point per option contract).

Minimum price fluctuations shall be as follows --

1. Quarterly Options (Rule 452A01.D.1.) Expiring in the Nearest March Quarterly Month

Where such options are for the next nearest monthly option expiration date, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where such options are not for the next nearest monthly option expiration date, then:

Where any such option trades outright at a premium not greater than 0.05 IMM Index points the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

2. Quarterly Options (Rule 452A01.D.1.) Expiring in the Second-Nearest March Quarterly Month and All Serial Options (Rule 452A01.D.2.)

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

3. All Other Quarterly Options (Rule 452A01.D.1.) and All Mid-Curve Options (Rule 452A01.D.3.)

For all Quarterly options other than those that expire in the nearest March Quarterly month or the second-nearest March Quarterly month, and for all Mid-Curve options, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract), provided that trade may occur at a price level of 0.0025 IMM Index point (equal to \$6.25 per option contract), whether or not such trade results in liquidation of positions for both parties to such trade.

Any option spread or combination that comprises one or more such Other Quarterly Options or Mid-Curve Options shall trade in minimum price increments of 0.005 IMM Index points.

4. Option Spreads and Combinations

All option spreads and combinations shall trade in minimum price increments of 0.005 IMM Index points, subject to the following exceptions:

- (a) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if (i) such option spread or combination comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.), and (ii) all such options are for the nearest monthly option expiration date.
- (b) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if such option spread or combination (i) trades at a net premium not greater than 0.05 IMM Index points and not less than -0.05 IMM Index points and (ii) comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.) and/or Quarterly Options Expiring in the Second-Nearest March Quarterly Month (Rule 452A01.C.2.) and/or Serial Options (Rule 452A01.C.2.).

For the purpose of Rule 813 for Settlement Prices, the minimum price fluctuation for all options shall be 0.0025 IMM Index point (equal to \$6.25 per option contract).

Where the price of an option is quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.