CME Group

Special Executive Report

S-9219   **July 11, 2023**

Amendments to CME and CBOT Rule 524. ("Trading at Settlement ('TAS'), Basis Trade at Index Close ('BTIC') and Basis Trade at Cash Open ('TACO') Transactions") to Include ("Trade Marker at Close ('TMAC') Transactions")

Effective on trade date Monday, July 31, 2023, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") will amend CME and CBOT Rule 524. ("Trading at Settlement ('TAS'), Basis Trade at Index Close ('BTIC') and Basis Trade at Cash Open ('TACO') Transactions") to add new CME and CBOT Rule 524.D. ("Trade Marker at Close ('TMAC') Transactions") (collectively, the "Rule Amendments").

The new TMAC transaction type will allow market participants to trade certain equity index futures contracts at the current day's applicable marker price, or at any valid price increment up to four ticks higher or lower than the marker.

The marker price for TMAC transactions will be derived from the volume-weighted average price ("VWAP") of outright transactions in the underlying instrument executed on CME Globex electronic trading platform ("CME Globex") in the 30-second window ending at 4:00 p.m. Eastern Prevailing Time ("EPT"). Trading activity in this 30-second window is also used by the Exchanges for purposes of calculating reference prices known as the Fixing Prices for the respective instruments. The daily TMAC marker price for each eligible instrument will therefore equal the Fixing Price, published by the Exchanges and made available on the CME Group website.

Effective concurrently on trade date Monday, July 31, 2023, the following CME and CBOT equity index futures contracts noted in Table 1. below shall be eligible for TMAC transactions (see **_SER-9210_** dated July 11, 2023).

Table 1.

Contract Title	Rulebook Chapter	CME Globex and CME ClearPort Code	TMAC Code	TMAC Eligibility
E-mini Standard and Poor's 500 Stock Price Index Futures	CME 358	ES	ESX	First active contract month – (Mar, Jun, Sep, Dec) only
E-mini Nasdaq-100 Index Futures	CME 359	NQ	NQX	
E-mini Russell 2000 Index Futures	CME 393	RTY	RTX	

E-mini Dow Jones Industrial Average Index Futures	CBOT 27	YM	YMX	

The amendments to CME and CBOT Rule 524. appear below with additions underscored and deletions overstruck.

Questions regarding the Rule Amendments may be directed to Erin Middleton, Director, Rules & Regulatory Outreach, at 312.341.3286.

CME and CBOT Rulebooks
Chapter 5
("Trading Qualifications and Practices")
(additions are underscored; deletions are overstruck)

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524. TRADING AT SETTLEMENT ("TAS"), BASIS TRADE AT INDEX CLOSE ("BTIC"), AND BASIS TRADE AT CASH OPEN ("TACO") AND TRADE MARKER AT CLOSE ("TMAC") TRANSACTIONS

The Exchange shall determine the products, contract months and time periods during which TAS, BTIC, and TACO, and TMAC transactions shall be permitted. Specific products, contract months and spreads eligible for pricing as TAS, BTIC, or TACO, or TMAC transactions are set forth in the TAS, BTIC, and TACO, and TMAC Table ("Table") at the end of Chapter 5.

[Sections A.-C. remain unchanged]

524.D. Trade Marker at Close ("TMAC") Transactions

The following shall govern TMAC transactions:

1. A TMAC order may be entered on Globex at any time the applicable contract is available for TMAC trading on Globex and during such TMAC-eligible contract's prescribed pre-open time period. The initiation of any TMAC order on Globex outside these time periods is prohibited.
2. Unless otherwise specified in the Table, a TMAC-eligible product and contract month may be executed as a block trade pursuant to the requirements of Rule 526 or as an Exchange of Futures for Physical ("EFP") or Exchange of Futures for Risk ("EFR") transaction pursuant to the requirements of Rule 538.
3. Unless otherwise specified by the Exchange, a TMAC transaction may be executed at the current day's applicable marker price or at any valid price increment four ticks higher or lower than the applicable marker price.

[End of Rule.]