



Special Executive Report

DATE: April 26, 2018

SER#: 8124R

SUBJECT: Basis Trade at Cash Open (TACO) Transaction Eligibility for the E-mini Standard and Poor's 500 Stock Price Index Futures Contract

(This SER supersedes SER 8124 dated April 20 and is being issued to provide additional information regarding the trading and clearing hours in Exhibit 1. No other amendments have been made to the original SER.)

Effective Sunday, May 13, 2018, for trade date Monday, May 14, 2018, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will permit Basis Trade At Cash Open ("TACO") transactions for trading on the CME Globex electronic trading platform and for submission for clearing on CME ClearPort, in the E-mini Standard and Poor's 500 Stock Price Index Futures contract (the "Contract") (CME Globex/CMEClearPort Code: ES; BTIC Code: EST; TACO Code: ESQ; Rulebook Chapter: 358.)

TACO is an Exchange futures pricing mechanism in which the price of the futures contract, which has been designated by the Exchange as eligible for TACO transactions, is quoted and traded by reference to the next following special opening quotation ("SOQ") of the contract's underlying cash index (the "Basis"), where such SOQ is as officially published. The futures price at which the TACO transaction is booked is set by CME Clearing, and is equal to the SOQ value adjusted up or down by the value of the Basis established in the TACO transaction.¹

Trading and clearing hours for TACO transactions of the Contract are set forth in Exhibit 1.

Block trade minimum threshold level for TACO transactions of the Contract is set forth in Exhibit 2.

Exchange fees for TACO transactions of the Contract are set forth in Exhibit 3.

Amendments to CME Rulebook Chapter 358 ("E-mini Standard and Poor's 500 Stock Price Index") are provided in Exhibit 4 in blackline format.

Additional information regarding TACO transactions may be viewed [HERE](#).

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¹ For information on the index SOQ, see: <http://www.cmegroup.com/education/understanding-the-special-opening-quotation-soq.html>

**Exhibit 1
Trading and Clearing Hours**

**TACO Trading and Clearing Hours for the
E-mini Standard & Poor's 500 Stock Price Index Futures Contract**

	CME ClearPort Hours Eastern Time/ET	CME Globex Hours Eastern Time/ET
Sunday	6:00 p.m. - Monday 9:30 a.m.*	6:00 p.m. - Monday 9:30 a.m.
Monday - Thursday	11:00 a.m. - 5:00 p.m. and 6:00 p.m. - 9:30 a.m.*	11:00 a.m. - 5:00 p.m. and 6:00 p.m. - 9:30 a.m.
Friday	11:00 a.m. - 5:00 p.m.	No day session. Trading shall resume on Sunday evening.

The maintenance period for both CME ClearPort and CME Globex is Monday-Thursday 5:00 p.m. – 6:00 p.m. ET.

*There is a five (5) minute reporting window for TACO block transactions. Therefore, block trades executed at 9:30a.m. ET may be submitted on CME ClearPort until 9:35a.m. ET to achieve that trade date's basis.

Exhibit 2
Block Trade Minimum Threshold Level

Product Group	Clearing Code	Product Description	Block Threshold	Reporting Window
Equities	ESQ	TACO on e-mini S&P 500 Futures	500	5

Exhibit 3 Exchange Fees

Fees are charged per side (both buy and sell side) per contract.	Venue/Transaction Type	E-mini Equity Index
		Futures
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	EFP EFR Block BTIC TACO	\$1.84
Rule 106.D Lessees Rule 106.F Employees	EFP EFR Block BTIC TACO	\$1.96
Rule 106.R Electronic Corporate Member <i>(For other than CME Globex - See Non-Members)</i>	CME Globex - BTIC TACO	\$2.14
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	EFP EFR Block BTIC TACO	\$2.14
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants <i>(For other than CME Globex - See Non-Members)</i>	CME Globex - BTIC TACO	\$2.15
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants <i>(For other than CME Globex - See Non-Members)</i>	CME Globex - BTIC TACO	\$2.15
CBOE Members <i>(For S&P Products Only; For All Other Products - See Non-Members)</i>	EFP EFR Block BTIC TACO	\$2.10
Non-Members	EFP EFR Block BTIC TACO	\$2.15

Exhibit 4
CME Rulebook
(additions are underscoring; deletions are ~~struckthrough~~)

Chapter 358
E-mini Standard and Poor's 500 Stock Price Index

35806.

BASIS TRADE AT INDEX CLOSE (“BTIC”) AND BASIS TRADE AT CASH OPEN (“TACO”) TRANSACTIONS

All BTIC transactions and TACO transactions must be executed in accordance with the requirements of Rules 524.B. and 524.C., respectively.

35806.A. ~~BTIC~~ Block Trade Requirements

1. BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.
2. TACO block trades must be executed in accordance with the requirements of Rule 526. For a TACO block trade executed on a given Trading Day on or before the scheduled opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index special opening quotation (“SOQ”) for such Trading Day. For a TACO block trade executed on a given Trading Day after the scheduled start of the opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the SOQ for the next Trading Day.

35806.B. ~~BTIC~~-Price Assignment Procedures

1. The futures price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the Primary Listing Exchange in the case of an early scheduled close of the Primary Listing Exchange). Such price determination shall be deemed final.
2. The futures price of a TACO transaction made by reference to the Index SOQ for a given Trading Day shall be determined by the Exchange no later than 3:00 p.m. on such Trading Day. Such price determination shall be deemed final.

35806.C. ~~BTIC~~ Minimum Price Increments

The valid basis or price increment applied either to the Index closing value to establish the BTIC futures price or to the Index SOQ to establish the TACO futures price must be an integer multiple of the contract minimum price increment ~~stated in full tick increments~~ of 0.05 index points.