

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 16-401

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): October 6, 2016 Filing Description: Adoption of CME SEF Rule 575 "Disruptive Practices Prohibited"

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                                     |                                     |            |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" 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: 575

**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 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:**

**Rule Numbers:**

October 6, 2016

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Adoption of CME SEF Rule 575. (“Disruptive Practices Prohibited”).  
CME SEF Submission No. 16-401**

Dear Mr. Kirkpatrick:

The Swap Execution Facility Division of Chicago Mercantile Exchange Inc. (“CME SEF”), pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), hereby notifies the Commission that it is self-certifying the adoption of new CME SEF Rule 575. (“Disruptive Practices Prohibited”), effective on Monday, October 24, 2016.

The adoption of Rule 575. is in response to a request by the Commission to all registered SEFs to adopt a disruptive practices prohibition into each of their respective rulebooks. CME SEF has determined to add Rule 575. which is identical to Rule 575. in each of CME Group’s designated contract market rulebooks.

CME SEF reviewed the swap execution facility core principles (“Core Principles”), as set forth in the CEA, and identified the following Core Principle as potentially being impacted:

- Compliance with Rules – Rule 575. is being adopted to expressly prohibit abusive trading practices on the CME SEF, as is required under this Core Principle. Rule 575. provides the marketplace with a description of the conduct deemed by CME SEF to constitute disruptive activity in the market.

Pursuant to Section 5c(c) of the Commodity Exchange Act (“CEA”) and Commission Regulation 40.6(a), CME SEF certifies that the proposed adoption of CME SEF Rule 575. complies with the CEA and regulations thereunder. CME SEF is not aware of any substantive opposing views to the proposed adoption.

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

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact the undersigned at 212-299-2200.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – CME SEF Rule 575. (“Disruptive Practices Prohibited”) (blackline format)

## EXHIBIT A

### CME SEF Rulebook

#### Chapter 5 - Qualifications for Execution and Trading Practices

(additions are underlined)

##### Rule 575. Disruptive Practices Prohibited

All orders must be entered for the purpose of executing bona fide transactions. Additionally, all non-actionable messages must be entered in good faith for legitimate purposes.

- A. No person shall enter or cause to be entered an order with the intent, at the time of order entry, to cancel the order before execution or to modify the order to avoid execution;
- B. No Person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to mislead other market participants;
- C. No Person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to overload, delay, or disrupt the systems of the Exchange or other market participants; and
- D. No person shall enter or cause to be entered an actionable or non-actionable message with intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions.

To the extent applicable, the provisions of this Rule apply to electronic trading activity. Further, the provisions of this Rule apply to all market states, including the pre-opening period, the closing period and all trading sessions.