CME Group

Special Executive Report

S-7951R **July 13, 2017**

Enable Committed Cross (C-Cross) in Six (6) Volatility-Quoted Options on Foreign Exchange (FX) Futures Contracts on CME Globex

(This SER supersedes SER-7951 dated July 6, 2017 and is being issued to correct the Crossing Protocols Table to reflect that CME will only enable Committed Cross ("C-Cross") for FX VQO. No other changes have been made to the original SER.)

Effective Sunday, August 6, 2017 for trade date Monday, August 7, 2017, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange ("CME" or "Exchange") will amend the table located in the Interpretations & Special Notices Section of Chapter 5 (CME Rule 539.C. ("Crossing Protocols Table")) with respect to pre-execution communications for crossing protocols on volatility-quoted foreign exchange ("FX") options ("VQO") for trades executed on the CME Globex electronic trading platform for the FX VQO contracts (the "Contracts") listed below.

Contract Title	CME Rulebook Chapter	Commodity Code	
		Weekly	Monthly
Australian Dollar/US Dollar ("AUD/USD") Volatility-Quoted European-Style Options - 2 pm Fix	255A	VAA-VAE	VXA
Canadian Dollar/US Dollar ("CAD/USD") Volatility-Quoted European-Style Options - 2 pm Fix	252A	VCA-VCE	VXC
British Pound/US Dollar ("GBP/USD") Volatility-Quoted European-Style Options - 2 pm Fix	251A	VBA-VBE	VXB
Euro/US Dollar ("EUR/USD") Volatility-Quoted European-Style Options - 2 pm Fix	261A	VTA-VTE	VXT
Japanese Yen/US Dollar ("JPY/USD") Volatility-Quoted European-Style Options - 2 pm Fix	253A	VJA-VJE	VXJ
Swiss Franc/US Dollar ("CHF/USD") Volatility-Quoted European-Style Options - 2 pm Fix	254A	VSA-VSE	VXS

Specifically, CME will enable Committed Cross ("C-Cross") functionality for the Contracts on CME Globex. The C-Cross protocol will incorporate a better price match ("BPM") algorithm of 50 percent. In addition, the Exchange will eliminate the CME Globex Cross ("G-Cross") protocol from the Contracts. These amendments to the Contracts are consistent with the current crossing protocols for the premium-quoted options ("PQO") on these same currency pair futures on CME Globex.

Exhibit 1 summarizes these amendments in black-line format.

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Exhibit 1

Amendments to CME Rule 539.C. (“Crossing Protocols Table”)

(Additions are underlined; deletions are ~~struck-though~~.)

Legend	
✓	Permitted
✓*	Permitted, see Notes Section for details
	Crossing Not Permitted, Method Not Available, BPM Allocation not available or Product Subgroup Not Offered by Exchange

Product Class	DCM	Product Subgroup	Globex ("G") Cross		Agency ("A") Cross		RFQ + RFC ("R") Cross		Committed ("C") Cross***	
			Futures	Options	Futures	Options	Futures	Options	Futures	Options
Agriculture	CME	ALL	✓					✓		
Equities	CME	Commodity Index	✓					✓		
Agriculture	CBOT	Grain/Oilseed (except EU Wheat)						✓*		
Agriculture	CBOT	EU Wheat	✓					✓		
Agriculture	NYMEX	Softs	✓		✓			✓		
Energy	CBOT	Biofuels	✓					✓		
Energy	NYMEX	ALL	✓		✓**	✓**		✓		
Equities	CME	ALL	✓							✓
Equities	CBOT	ALL	✓							✓
FX	CME	30 Products in Appendix	✓		✓	✓			✓ 40%	✓ 20%
FX	CME	All Other Products	✓		✓	✓			✓ 0%	✓ 20%
FX	CME	Volatility-Quoted Options		~~✓~~						✓ 50%
Interest Rate	CME	ALL	✓						✓ 0%	✓ 20%
Interest Rate	CBOT	Swap Futures	✓						✓ 40%	
Interest Rate	CBOT	Invoice Swap Spreads	✓						✓ 50%	
Interest Rate	CBOT	Treasuries and Fed Funds	✓						✓ 0%	✓ 20%
Metals	NYMEX	ALL	✓		✓**	✓**		✓		
Metals	COMEX	ALL	✓		✓**	✓**		✓		
Real Estate	CME	ALL	✓					✓		
Real Estate	CBOT	ALL	✓							
Weather	CME	ALL	✓					✓		

Notes:
* RFQ + RFC Cross in CBOT Grain/Oilseed options (with the exception of EU Wheat options) permitted solely from 7:00 p.m. - 7:45 a.m. Central Time each trading day , including covered options which include one or more futures contracts.
** Agency Cross available in select NYMEX and COMEX energy and metals contracts - see http://www.cmegroup.com/trading/energy/agency-cross-eligible-products-for-energy-and-metals.html
***Number shown indicates the better price match (BPM) percentage

Appendix: FX Currency Futures with BPM percentage of 40%
Australian Dollar/Canadian Dollar (AUD/CAD) Cross Rate Futures
Australian Dollar/Japanese Yen (AUD/JPY) Cross Rate Futures
Australian Dollar/New Zealand Dollar (AUD/NZD) Cross Rate Futures
Canadian Dollar/Japanese Yen (CAD/JPY) Cross Rate Futures
Swiss Franc/Japanese Yen (CHF/JPY) Cross Rate Futures
Chinese Renminbi/Euro (RMB/EUR) Cross Rate Futures
Chinese Renminbi/U.S. Dollar (RMB/USD) Futures
Czech Koruna/Euro (CZK/EUR) Cross Rate Futures
Czech Koruna/U.S. Dollar (CZK/USD) Futures
Euro/Australian Dollar (EUR/AUD) Cross Rate Futures
Euro/Canadian Dollar (EUR/CAD) Cross Rate Futures
Euro/Norwegian Krone (EUR/NOK) Cross Rate Futures
Euro/Swedish Krona (EUR/SEK) Cross Rate Futures
Euro/Turkish Lira (EUR/TRY) Cross Rate Futures
British Pound Sterling/Swiss Franc (GBP/CHF) Cross Rate Futures
British Pound Sterling/Japanese Yen (GBP/JPY) Cross Rate Futures
Hungarian Forint/Euro (HUF/EUR) Cross Rate Futures
Hungarian Forint/U.S. Dollar (HUF/USD) Futures
Israeli Shekel/U.S. Dollar (ILS/USD) Futures
Indian Rupee/U.S. Dollar (INR/USD) Futures
Korean Won/U.S. Dollar (KRW/USD) Futures
Norwegian Krone/U.S. Dollar (NOK/USD) Futures
Polish Zloty/Euro (PLN/EUR) Cross Rate Futures
Polish Zloty/U.S. Dollar (PLN/USD) Futures
Swedish Krona/U.S. Dollar (SEK/USD) Futures
U.S. Dollar/Chilean Peso (USD/CLP) Futures
U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures
U.S. Dollar/Chinese Renminbi (USD/RMB or CNY) Futures with U.S. Dollar Banking
U.S. Dollar/South African Rand (USD/ZAR) Futures
U.S. Dollar/Turkish Lira (USD/TRY) Futures