CME Group

Special Executive Report

S-8418R **August 7, 2019**

Amendments to Price Specifications for Exchange for Related Position ("EFRP") Transactions and for Termination of Trading in Certain CME and CBOT Equity Index Futures Contracts

Effective Sunday, September 8, 2019, for trade date Monday, September 9, 2019, 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") shall amend the contract price specifications for Exchange for Related Position ("EFRP") transactions and termination of trading rules for the CME and CBOT contracts listed in the table below (the "Contracts") (collectively the "Rule Amendments"). Where each Contract's minimum price increment ("MPI") is expressed in contract-grade US equity total return index points --

Futures Contract Name	Rulebook Chapter	Trading and Clearing Code / BTIC Code	Current MPI		Amended MPI		BTIC MPI
			Clearing MPI	Daily Settle MPI	Clearing MPI	Daily Settle MPI	
S&P 500 Total Return Index	CME 357	TRI / TRB	0.25	0.25	0.05	0.05	0.05
Nasdaq-100 Total Return Index	CME 396	N1R / N1T	1	1	0.1	0.1	0.1
Russell 1000 Total Return Index	CME 397	R1R / R1B	1	1	0.1	0.1	0.1
Russell 2000 Total Return Index	CME 398	R2R / R2T	1	1	0.1	0.1	0.1
Dow Jones Industrial Average Total Return Index	CBOT 31	DTR / DTT	5	5	0.5	0.5	0.5

Currently, the Contracts' rules restrict prices to be quoted and made only in Basis Trade at Index Close ("BTIC") terms, as set forth in Rule 524.B. The Rule Amendments provide that the prices of the Contracts will be permitted to be quoted and made in standard full index terms exclusively in EFRP transactions for submission for clearing via CME ClearPort (pursuant to Rule 538.), in minimum price increments identical to those that now apply to BTIC transactions.

Currently, the Contracts' rules require trading in any contract month to terminate 10 minutes before the close of equity share trading on US Primary Listing Exchanges on the last day of trading in any such Contract. As amended, termination of trading in any such Contract shall coincide with the close of trading on US Primary Listing Exchanges on such Contract's last day of trading.

The Rule Amendments are provided in Appendixes 1 and 2 below, with additions <u>underscored</u> and deletions ~~struck though~~.

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Appendix 1
CME Rulebook
(additions underscored; deletions ~~struck though~~)

Chapter 357
S&P 500 Total Return Index Futures

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35702. TRADING SPECIFICATIONS

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35702.C. Price Increments
~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 357.~~
Subject to the Interpretations & Special Notices Relating to Chapter 357, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.05 Index points, equal to $1.25 per contract.

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35702.G. Termination of Trading
Subject to the Interpretations & Special Notices Relating to Chapter 357, there shall be no trading of expiring futures contracts after the open of the Primary Listing Exchange on the day of Final Settlement Price determination for such contracts (Rule 35703.A.).

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 357

1. Trading Specifications
Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 35706. of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction, pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 35702. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 35706. of this Chapter.

~~Accordingly, pursuant to Rule 35706.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~10 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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Chapter 396
Nasdaq-100 Total Return Index Futures

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39602. TRADING SPECIFICATIONS

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39602.C. Price Increments
~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 396.~~

Subject to the Interpretations & Special Notices Relating to Chapter 396, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0,10 Index points, equal to $1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 396

1. Trading Specifications
Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 39606. of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 39602. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 39606. of this Chapter.

~~Accordingly, pursuant to Rule 39606.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~10 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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Chapter 397
Russell 1000 Total Return Index Futures

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39702. TRADING SPECIFICATIONS

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39702.C. Price Increments
~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 397.~~

Subject to the Interpretations & Special Notices Relating to Chapter 397, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0,10 Index points, equal to $1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 397

1. Trading Specifications
Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 39706. of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 39702. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 39706. of this Chapter.

~~Accordingly, pursuant to Rule 39706.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~10 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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Chapter 398
Russell 2000 Total Return Index Futures

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39802. TRADING SPECIFICATIONS

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39802.C. Price Increments
~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 398.~~

Subject to the Interpretations & Special Notices Relating to Chapter 398, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0,10 Index points, equal to $1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 398

1. Trading Specifications
Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 39806. of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 39802. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 39806. of this Chapter.

~~Accordingly, pursuant to Rule 39806.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~10 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

Appendix 2
CBOT Rulebook
(additions underscored; deletions ~~struck though~~)

Chapter 31
Dow Jones Industrial Average Total Return Index Futures

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31102. TRADING SPECIFICATIONS

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31102.C. Price Increments
~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 31.~~

Subject to the Interpretations & Special Notices Relating to Chapter 31, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.50 Index points, equal to $1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 31

1. Trading Specifications
Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 31106. of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction, pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 31102. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 31106. of this Chapter.

~~Accordingly, pursuant to Rule 3106.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~10 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.