



## Special Executive Report

**DATE:** July 1, 2020  
**SER#:** 8617  
**SUBJECT:** Increase of CME Globex Committed Cross Better Price Match (BPM) Percentages and Enhancement to Better Price or Volume Match (BPVM) for all CME and CBOT Interest Rate Option Contracts

Effective Sunday, Sunday, July 26, 2020 for trade date Monday, July 27, 2020, 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 the CME and CBOT Rule 539.C. Crossing Protocols Table (the “Table”) to increase the Better Price Match (“BPM”) allocation for Committed Cross (“C-Cross”) transactions from 35% to 45% for all CME and CBOT Interest Rate option contracts on the CME Globex electronic trading platform (“CME Globex”) as noted below.

**CME and CBOT and Rulebook  
Chapter 5  
(“Trading Qualifications and Practices”)**

**539.C. Pre-Execution Communications Regarding Globex Trades**  
(“Crossing Protocols Table”)

Exchange	Product Class	Sub-group Options	Committed ("C") Cross Options - current	Committed ("C") Cross Options - amended
CME	Interest Rate	ALL options	35%	45%
CBOT	Interest Rate	Treasuries and Fed Funds	35%	45%

Also effective on trade date Monday, July 27, 2020, the Exchanges will enhance the BPM algorithm to adopt a volume component in addition to the existing best price level component, becoming a Better Price or Volume Match (“BPVM”). Therefore, If the price of the Request for Cross (“RFC”) represents a new best price level (both a bid price higher than the current bid and an offer price lower than the current offer), or if the price of the RFC is equal to the best bid or offer and the quantity of the RFC is greater than the quantity at that current best bid or offer at the time of submission of the RFC to CME Globex, and, during the five (5) second period between the entry of the RFC and the cross occurring, a better price for either the buy or sell order has not been entered into CME Globex, a certain percentage of the quantity on the RFC will cross at the RFC price.

In circumstances where the price of the RFC is equal to the best bid or offer and the quantity of the RFC is greater than the quantity at that current best bid or offer, the quantity eligible for the BPVM is the difference between the RFC quantity and the quantity at that current best bid or offer.

**Example:**

C-Cross of 500 contracts at a price of 8

**Current functionality (remaining unchanged):**

Market 7 bid 1,000 – 1,000 at 9 when C-Cross is entered. **Cross is BPVM eligible** as cross price of 8 bettered the market.

**New Additional functionality:**

1. Market 8 bid 200 – 1,000 at 9 when C-Cross is entered. **Cross is BPVM eligible** as the cross quantity at the price of 8 bettered the quantity. BPVM is eligible on 300 contracts (500 cross quantity – 200 on the 8 bid).
2. **Market 8 bid 1,000** – 1,000 at 9 when C-Cross is entered. **Cross is NOT BPVM** eligible as cross price of 8 didn't improve the price nor did the cross quantity of 500 improve the quantity.

Inquiries regarding the aforementioned may be directed to the CME Group Global Command Center at 312.456.2391.

Questions regarding this Special Executive Report may be directed to the CME Global Command Center at +1.800.438.8616, in Europe at +44.800.898.013, in Asia at +65.6532.5010, or [GCC@cmegroup.com](mailto:GCC@cmegroup.com).

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