CME Group

Special Executive Report

DATE: **July 21, 2020**

SER#: **8625**

SUBJECT: **Initial Listing of SOFR-Based Eris Swap Futures and MAC Swap Futures**

Effective Sunday, October 4, 2020 for trade date Monday, October 5, 2020, and pending all relevant CFTC regulatory review periods, The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") will list Eris SOFR Swap Futures and MAC SOFR Swap Futures (the "Contracts") (Rulebook Chapters: 62 and 63) for trading on the CME Globex electronic trading platform ("CME Globex"), and for submission for clearing via CME ClearPort, as noted below.

Contract Title	CME Globex/ CME ClearPort Code	CBOT Rulebook Chapter
Eris		
1-Year Eris SOFR Swap Futures	YIA	62
2-Year Eris SOFR Swap Futures	YIT	62
3-Year Eris SOFR Swap Futures	YIC	62
4-Year Eris SOFR Swap Futures	YID	62
5-Year Eris SOFR Swap Futures	YIW	62
7-Year Eris SOFR Swap Futures	YIB	62
10-Year Eris SOFR Swap Futures	YIY	62
12-Year Eris SOFR Swap Futures	YII	62
15-Year Eris SOFR Swap Futures	YIL	62
20-Year Eris SOFR Swap Futures	YIO	62
30-Year Eris SOFR Swap Futures	YIE	62
MAC		
2-Year MAC SOFR Swap Futures	T1S	63
5-Year MAC SOFR Swap Futures	F1S	63
7-Year MAC SOFR Swap Futures	S1S	63
10-Year MAC SOFR Swap Futures	N1S	63
20-Year MAC SOFR Swap Futures	E1S	63
30-Year MAC SOFR Swap Futures	B1S	63

Exhibits 1 and 2 summarize specifications for the Contracts. Applicable Exchange fees are shown in Exhibits 3 and 4.

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Exhibit 1 -- Contract Specifications for Eris SOFR Swap Futures

CONTRACT UNIT	$1,000 per point ($100,000 per contract)
PRICE QUOTATION	Prices are made in terms of price points: 100 points plus the net present value (NPV) of all past and future swap cash flows.
CME GLOBEX AND CME CLEARPORT HOURS	Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time (CT) (6:00 p.m. - 5:00 p.m. Eastern Time (ET)) with a 60-minute break each day beginning at 4:00 p.m. CT (5:00 p.m. ET)
CME GLOBEX PRE-OPEN	Sunday 4:00 p.m. – 5.00 p.m. CT (5:00 p.m. – 6:00 p.m. ET) Monday – Friday 4.45 p.m. – 5:00 p.m. CT (5:45 p.m. to 6:00 p.m. ET).
MINIMUM PRICE FLUCTUATION	1-Year Eris SOFR Swap Futures 0.0025 of one point, equal to $2.50 per contract 2-Year Eris SOFR Swap Futures 0.0025 of one point, equal to $2.50 per contract 3-Year Eris SOFR Swap Futures 0.005 of one point, equal to $5 per contract 4-Year Eris SOFR Swap Futures 0.010 of one point, equal to $10 per contract 5-Year Eris SOFR Swap Futures 0.010 of one point, equal to $10 per contract 7-Year Eris SOFR Swap Futures 0.020 of one point, equal to $20 per contract 10-Year Eris SOFR Swap Futures 0.020 of one point, equal to $20 per contract 12-Year Eris SOFR Swap Futures 0.020 of one point, equal to $20 per contract 15-Year Eris SOFR Swap Futures 0.020 of one point, equal to $20 per contract 20-Year Eris SOFR Swap Futures 0.040 of one point, equal to $40 per contract 30-Year Eris SOFR Swap Futures 0.040 of one point, equal to $40 per contract
CME GLOBEX/ CME CLEARPORT CODE	1-Year Eris SOFR Swap Futures: YIA 2-Year Eris SOFR Swap Futures: YIT 3-Year Eris SOFR Swap Futures: YIC 4-Year Eris SOFR Swap Futures: YID 5-Year Eris SOFR Swap Futures: YIW 7-Year Eris SOFR Swap Futures: YIB 10-Year Eris SOFR Swap Futures: YIY 12-Year Eris SOFR Swap Futures: YII 15-Year Eris SOFR Swap Futures: YIL 20-Year Eris SOFR Swap Futures: YIO 30-Year Eris SOFR Swap Futures: YIE

LISTING SCHEDULE	At least 2 On-the-Run contract months in the March Quarterly cycle (March, June, September, December) plus Off-the Run contracts until expiry. Quarterly contracts for at least two (2) consecutive March, June, September, December quarters
SETTLEMENT METHOD	Financially Settled
TERMINATION OF TRADING	Trading in an expiring contract shall terminate at the close of trading on the second Business Day immediately preceding the Contract Maturity Date.
SETTLEMENT PROCEDURES	The Final Settlement Price on the Maturity Date of each contract shall be as follows: $S_{final} = 100 + B_{final} - C_{final}$ S_{final} = Settlement price at Maturity Date B_{final} = Historical Fixed and Floating Rate amounts since contract inception through maturity (Calculated in accordance with the Day Count Convention) C_{final} = Eris Price Alignment Amount (or Eris PAA), at Maturity Date The Exchange and CME Clearing calculate Final Settlement Price to 4 decimals of precision (e.g., 100.1234).
BLOCK TRADE MINIMUM	100 contracts – subject to a 15-minute reporting window
CME GLOBEX MATCHING ALGORITHM	First-In, First-Out (FIFO) - F

Exhibit 2 -- Contract Specifications for MAC SOFR Swap Futures

CONTRACT UNIT	$1,000 per point ($100,000 per contract)
PRICE QUOTATION	Prices are made in terms of price points: 100 points plus net present value (NPV) of IRS that meets Delivery Standard, where NPV is present value of IRS fixed-rate payments minus present value of IRS floating-rate payments as of 3rd Wednesday of Delivery Month. Par is on the basis of 100 points.
CME GLOBEX AND CME CLEARPORT HOURS	Sunday - Friday 5:00 p.m. - 4:00 p.m. Central Time (CT) (6:00 p.m. - 5:00 p.m. Eastern Time (ET)) with a 60-minute break each day beginning at 4:00 p.m. CT (5:00 p.m. ET)
CME GLOBEX PRE-OPEN	Sunday 4:00 p.m. – 5.00 p.m. Central Time (CT) (5:00 p.m. – 6:00 p.m. Eastern Time (ET)) Monday – Friday 4.45 p.m. – 5:00 p.m. CT (5:45 p.m. to 6:00 p.m. ET).
MINIMUM PRICE FLUCTUATION	One-half of one thirty-second (1/32) of one point ($15.625, rounded to the nearest cent per contract), except for intermonth spreads, where the minimum price fluctuation is one-quarter of one thirty-second of one point ($7.8125 per contract)
CME GLOBEX/ CME CLEARPORT	2-Year MAC SOFR Swap Futures: T1S 5-Year MAC SOFR Swap Futures: F1S 7-Year MAC SOFR Swap Futures: S1S 10-Year MAC SOFR Swap Futures: N1S 20-Year MAC SOFR Swap Futures: E1S 30-Year MAC SOFR Swap Futures: B1S
LISTING SCHEDULE	March Quarterly cycle (March, June, September, December) Quarterly contracts for at least two (2) consecutive March, June, September, December quarters
SETTLEMENT METHOD	Deliverable
TERMINATION OF TRADING	Second London business day before 3rd Wednesday of futures Delivery Month. Trading in expiring contracts closes at 2:00 p.m. CT on the last trading day.
SETTLEMENT PROCEDURES	Physical delivery of IRS that meets Delivery Standard. Clearing Acceptance Date and Clearing Effective Date = First CME Clearing Business Day preceding 3rd Wednesday of Delivery Month. Delivery invoice price = IRS Initial Payment Amount, as determined by contract final settlement price, P: If P > 100, then IRS Floating Rate Payer pays, and IRS Fixed Rate Payer receives,

	$1,000 x (P – 100) per contract, rounded to nearest penny. If P ≤ 100, then IRS Fixed Rate Payer pays, and IRS Floating Rate Payer receives, $1,000 x (100 – P) per contract, rounded to nearest penny.
DELIVERY PROCEDURE	To participate in physical delivery, a futures position holder must be an Eligible Contract Participant (17 CFR 1.3(m) and CME Rule 90005.C.) and must be registered with CME by a CME IRS Clearing Member as an IRS Participant (CME Rules 90005.A. and 90005.B.).
DELIVERY PERIOD	3rd Wednesday of Delivery Month
BLOCK TRADE MINIMUM	2-Year MAC SOFR Swap Futures: 3000 contracts 5-Year MAC SOFR Swap Futures: 1500 contracts 7-Year MAC SOFR Swap Futures: 1250 contracts 10-Year MAC SOFR Swap Futures: 1000 contracts 20-Year MAC SOFR Swap Futures: 500 contracts 30-Year MAC SOFR Swap Futures: 500 contracts Subject to a 5-minute reporting window during RTH, 15-minute reporting window during ETH/ATH
CME GLOBEX MATCHING ALGORITHM	First-In, First-Out (FIFO) - F

Exhibit 3 – Exchange Fees, Eris SOFR Swap Futures

	Account Owner	Trading Rights of Executor	Venue/ Transaction Type	Eris SOFR Swap Futures
1	Individual Members	Member Account Owner	CME Globex	$0.45
			EFP|EFR|Block	
	Individual Delegates	Delegate Account Owner	CME Globex	$0.46
			EFP|EFR|Block	
2	**EQUITY MEMBERS (Individual Equity Members, Clearing Equity Member Firms and Equity Member Firms)**			
	Rule 106.J Equity Member Firms Rule 106.I Affiliate Equity Member Firms Individual Equity Members (Other Member/Delegate executing trade) Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Member or Delegate	CME Globex	$0.45
			EFP|EFR|Block	
		Non-Member	CME Globex	
			EFP|EFR|Block	
	Rule 106.S Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	$0.45
			EFP|EFR|Block	
3	**TRADING MEMBERS (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)**			
	Individual Non-Equity Members (Other Member/Delegate executing trade) Clearing Non-Equity Member Firms Rule 106.H Member Firms Rule 106.I Affiliate Trading Member Firms (w/ an owned seat)	Member, Delegate or Non-Member	CME Globex	$0.46
			EFP|EFR|Block	
	Individual Delegates (Other Member/Delegate executing trade) Rule 106.I Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	CME Globex	$0.46
			EFP|EFR|Block	
	Rule 106.S Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	$0.46
			EFP|EFR|Block	
4	Rule 106.R Electronic Corporate Member Firms *(For Other than CME Globex - See Non-Members)*	Member, Delegate or Non-Member	CME Globex	$0.47
5	International Incentive Program (IIP) International Volume Incentive Program (IVIP)	Member, Delegate or Non-Member	CME Globex	$0.50
			EFP|EFR|Block	$0.70
	Central Bank Incentive Program (CBIP) Emerging Markets Bank Incentive Program (EMBIP) Latin American Fund Manager Incentive Program (FMIP) *(For Other than CME Globex - See Non-Members)*	Member, Delegate or Non-Member	CME Globex	$0.70
	Non-Members	N/A	CME Globex	$0.70
			EFP|EFR|Block	

Note(3)
Eris Swap Futures Outrights Block Passive Trades: additional fee of $1.00 for the 1-3YR Futures, $2.00 for the 4-7YR Futures, and $4.50 for the 10+YR will be applied to the standard Exchange Fee Eris Swap Futures Block Spread Passive Trades: additional fee of $0.03 for the 1-3YR Futures, $0.25 for the 4-7YR Futures, and $1.00 for the 10+YR will be applied to the standard Exchange Fee

Processing Fees	Fee
Exchange Fees for Non Trades (Member/Delegate/Non-Member)	$0.10/$0.25/$0.55
Exchange Fees for Non-Trades - Expired Options	$0.10
Facilitation Fee	$0.00
Brokerage Fees – with discretion 106F within/106D or 106F outside	$0.00/$0.15
Brokerage Fees – without discretion Member or 106F within/106D, 106F outside or CMACE Permit Holder	$0.04/$0.17
Position Adjustment/Position Transfer	$0.10
Position Maintenance Fee on Eris Swap Futures per quarter	$1.00
Give-Up Surcharge	$0.06

Exhibit 4 – Exchange Fees, MAC SOFR Swap Futures

	Account Owner	Trading Rights of Executor	Venue/ Transaction Type	MAC SOFR Swap Futures
1	Individual Members	Member Account Owner	CME Globex	$0.16
			EFP|EFR|Block	
	Individual Delegates	Delegate Account Owner	CME Globex	$0.31
			EFP|EFR|Block	
2	**EQUITY MEMBERS (Individual Equity Members, Clearing Equity Member Firms and Equity Member Firms)**			
	Rule 106.J Equity Member Firms Rule 106.I Affiliate Equity Member Firms Individual Equity Members (Other Member/Delegate executing trade) Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Member or Delegate	CME Globex	$0.16
			EFP|EFR|Block	
		Non-Member	CME Globex	
			EFP|EFR|Block	
	Rule 106.S Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	$0.16
			EFP|EFR|Block	
3	**TRADING MEMBERS (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)**			
	Individual Non-Equity Members (Other Member/Delegate executing trade) Clearing Non-Equity Member Firms Rule 106.H Member Firms Rule 106.I Affiliate Trading Member Firms (w/ an owned seat)	Member, Delegate or Non-Member	CME Globex	$0.31
			EFP|EFR|Block	
	Individual Delegates (Other Member/Delegate executing trade) Rule 106.I Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	CME Globex	$0.31
			EFP|EFR|Block	
	Rule 106.S Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	$0.31
			EFP|EFR|Block	
4	Rule 106.R Electronic Corporate Member Firms *(For Other than CME Globex - See Non-Members)*	Member, Delegate or Non-Member	CME Globex	$0.44
5	International Incentive Program (IIP) International Volume Incentive Program (IVIP)	Member, Delegate or Non-Member	CME Globex	$0.49
			EFP|EFR|Block	$0.56
	Central Bank Incentive Program (CBIP) Emerging Markets Bank Incentive Program (EMBIP) Latin American Fund Manager Incentive Program (FMIP) *(For Other than CME Globex - See Non-Members)*	Member, Delegate or Non-Member	CME Globex	$0.56
	Non-Members	N/A	CME Globex	$0.56
			EFP|EFR|Block	

Processing Fees	**Fee**
Exchange Fees for Non Trades (Member/Delegate/Non-Member)	$0.10/$0.25/$0.55
Exchange Fees for Non-Trades - Expired Options	$0.10
Facilitation Fee	$0.00
Brokerage Fees – with discretion 106F within/106D or 106F outside	$0.00/$0.15
Brokerage Fees – without discretion Member or 106F within/106D, 106F outside or CMACE Permit Holder	$0.04/$0.17
Position Adjustment/Position Transfer	$0.10
Position Maintenance Fee on Eris Swap Futures per quarter	$1.00
Give-Up Surcharge	$0.06