CME Group

Special Executive Report

DATE: **July 11, 2023**

SER#: **9210**

SUBJECT: **Trade Marker at Close ("TMAC") Eligibility for Certain CME and CBOT Equity Index Futures Contracts**

Effective Sunday, July 30, 2023, for trade date Monday, July 31, 2023, 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 adopt new CME and CBOT Rule 524.D. ("Trade Marker at Close ("TMAC") Transactions"). (See related ***SER 9219*** also dated July 11, 2023).

TMAC transactions allow market participants to trade index futures contracts at or near the futures marker level. This marker is determined by the 30-second volume-weighted average price ("VWAP") of the underlying futures market leading up to 4:00 p.m. Eastern Prevailing Time ("EPT"). The VWAP calculation is identical to that utilized for daily settlement, albeit with increased granularity of .01, as opposed to settlement price granularity of 0.25. Please note that all E-mini Equity Index Options on Futures contracts utilize the same marker price for determining moneyness of European-style options expiring at 4:00 p.m. EPT daily. Further information regarding TMAC transactions may be viewed here.

The following CME and CBOT equity index futures contracts noted in Table 1. below shall be eligible for TMAC transactions.

Table 1.

Contract Title	Rulebook Chapter	CME Globex and CME ClearPort Code	TMAC Code	TMAC Eligibility
E-mini Standard and Poor's 500 Stock Price Index Futures	CME 358	ES	ESX	first active contract month – (Mar, Jun, Sep, Dec) only
E-mini Nasdaq-100 Index Futures	CME 359	NQ	NQX	
E-mini Russell 2000 Index Futures	CME 393	RTY	RTX	
E-mini Dow Jones Industrial Average Index Futures	CBOT 27	YM	YMX	

Exhibit A provides amendments to the relevant CME and CBOT product chapters. Exhibit B provides amendments to CME and CBOT Rule 524. Exhibit C provides amendments to the CME and CBOT Rule 524. Table. Exhibit D provides block trade minimum thresholds. Exhibit E provides the relevant Exchange Fees.

Please refer questions on this subject to:

Brian Burke Brian.Burke@cmegroup.com +1 212 299 2236
Payal Shah Payal.Shah@cmegroup.com 0203 379 3307

Exhibit A

(additions underscored; deletions ~~struck through~~)

CME Rulebook
Chapter 358
E-mini Standard and Poor's 500 Stock Price Index Futures

35806. BASIS TRADE AT INDEX CLOSE ("BTIC"), ~~AND~~ BASIS TRADE AT CASH OPEN ("TACO") TRANSACTIONS, AND TRADE MARKER AT CLOSE ("TMAC") TRANSACTIONS

All BTIC transactions, ~~and~~ TACO transactions, and TMAC transactions must be executed in accordance with the requirements of Rules 524.B., ~~and~~ 524.C., and 524.D., respectively.

35806.A. Block Trade Requirements

1. BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC or BTIC block trade executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.
2. TACO block trades must be executed in accordance with the requirements of Rule 526. For a TACO block trade executed on a given Trading Day on or before the scheduled opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index special opening quotation ("SOQ") for such Trading Day. For a TACO block trade executed on a given Trading Day after the scheduled start of the opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the SOQ for the next Trading Day.
~~2.~~3. TMAC block trades must be executed in accordance with the requirements of Rule 526. For a TMAC or TMAC block trade executed on a given Trading Day on or before the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the current Trading Day. For a TMAC or TMAC block trade executed on a given Trading Day after the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the next Trading Day.

35806.B. Price Assignment Procedures

1. The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.
2. The futures price of a TACO transaction made by reference to the Index SOQ for a given Trading Day shall be determined by the Exchange following the publication of the Index SOQ. No revisions to the price shall be made until the close of the next Business Day.
3. The price assignment procedures for TMAC transactions shall follow Rule 524.D.3.
    i. For the Marker at U.S. close, the Marker price shall be based on the volume-weighted average price of transactions in such futures on the CME Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, rounded to the nearest 0.01 Index point.

35806.C. Minimum Price Increments

The valid basis or price increment applied either to the Index closing value to establish the BTIC futures price, ~~or~~ to the Index SOQ to establish the TACO futures price, or to the Marker value to establish the TMAC futures price must be an integer multiple of the contract minimum price increment of 0.05 index points.

35806.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions and TMAC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange or a NYSE Rule 7.12 trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index that necessitates an early close of the Primary Listing Exchange.

[Remainder of chapter is unchanged.]

CME Rulebook
Chapter 359
E-mini Nasdaq-100 Index® Futures

35906. BASIS TRADE AT INDEX CLOSE ("BTIC"), ~~AND~~ BASIS TRADE AT CASH OPEN ("TACO") TRANSACTIONS, AND TRADE MARKER AT CLOSE ("TMAC") TRANSACTIONS

All BTIC transactions, ~~and~~ TACO transactions, and TMAC transactions must be executed in accordance with the requirements of Rules 524.B., ~~and~~ 524.C., and 524.D., respectively.

35906.A. Block Trade Requirements

1. BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC or BTIC block trade executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.
2. TACO block trades must be executed in accordance with the requirements of Rule 526. For a TACO block trade executed on a given Trading Day on or before the scheduled opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index special opening quotation ("SOQ") for such Trading Day. For a TACO block trade executed on a given Trading Day after the scheduled start of the opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the SOQ for the next Trading Day.
3. TMAC block trades must be executed in accordance with the requirements of Rule 526. For a TMAC or TMAC block trade executed on a given Trading Day on or before the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the current Trading Day. For a TMAC or TMAC block trade executed on a given Trading Day after the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the next Trading Day.

35906.B. Price Assignment Procedures

1. The price assignment procedures for BTIC transaction shall follow Rule 524.B.3.
2. The futures price of a TACO transaction made by reference to the Index SOQ for a given Trading Day shall be determined by the Exchange following the publication of the Index SOQ. No revisions to the price shall be made until the close of the next Business Day.
3. The price assignment procedures for TMAC transactions shall follow Rule 524.D.3.
    i. For the Marker at U.S. close, the Marker price shall be based on the volume-weighted average price of transactions in such futures on the CME Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, rounded to the nearest 0.01 Index point.

35906.C. Minimum Price Increments

The valid basis or price increment applied either to the Index closing value to establish the BTIC futures price, ~~or~~ to the Index SOQ to establish the TACO futures price, or to the Marker value to establish the TMAC futures price must be an integer multiple of the contract minimum price increment of 0.05 index points.

35906.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions and TMAC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange or a NYSE Rule 7.12 trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index that necessitates an early close of the Primary Listing Exchange.

[Remainder of chapter is unchanged.]

CME Rulebook
Chapter 393
E-mini® Russell 2000® Index Futures

39306. BASIS TRADE AT INDEX CLOSE ("BTIC"), ~~AND~~ BASIS TRADE AT CASH OPEN ("TACO") TRANSACTIONS, AND TRADE MARKER AT CLOSE ("TMAC") TRANSACTIONS

All BTIC transactions, ~~and~~ TACO transactions, and TMAC transactions must be executed in accordance with the requirements of Rules 524.B., ~~and~~ 524.C., and 524.D., respectively.

39306.A. Block Trade Requirements

1. BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC or BTIC block trade executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.
2. TACO block trades must be executed in accordance with the requirements of Rule 526. For a TACO block trade executed on a given Trading Day on or before the scheduled opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index special opening quotation ("SOQ") for such Trading Day. For a TACO block trade executed on a given Trading Day after the scheduled start of the opening auction on the Primary Listing Exchange, the corresponding futures price shall be made by reference to the SOQ for the next Trading Day.
3. TMAC block trades must be executed in accordance with the requirements of Rule 526. For a TMAC or TMAC block trade executed on a given Trading Day on or before the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the current Trading Day. For a TMAC or TMAC block trade executed on a given Trading Day after the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the next Trading Day.

39306.B. Price Assignment Procedures

1. The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.
2. The futures price of a TACO transaction made by reference to the Index SOQ for a given Trading Day shall be determined by the Exchange following the publication of the Index SOQ. No revisions to the price shall be made until the close of the next Business Day.
3. The price assignment procedures for TMAC transactions shall follow Rule 524.D.3.
    i. For the Marker at U.S. close, the Marker price shall be based on the volume-weighted average price of transactions in such futures on the CME Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, rounded to the nearest 0.01 Index point.

39306.C. Minimum Price Increments

The valid basis or price increment applied either to the Index closing value to establish the BTIC futures price, ~~or~~ to the Index SOQ to establish the TACO futures price, or to the Marker value to establish the TMAC futures price must be an integer multiple of the contract minimum price increment stated in full tick increments of 0.05 index points.

39306.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions and TMAC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange or a NYSE Rule 7.12 trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index that necessitates an early close of the Primary Listing Exchange.

[Remainder of chapter is unchanged.]

CBOT Rulebook
Chapter 27
E-mini Dow Jones Industrial Average℠ Index Futures

27106. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS AND TRADE MARKER AT CLOSE ("TMAC") TRANSACTIONS

All BTIC transactions and TMAC Transactions must be executed in accordance with the requirements of Rule 524.B. and Rule 524.D., respectively.

27106.A. ~~BTIC~~ Block Trade Requirements

1. BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC or BTIC block trade that is executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.
2. TMAC block trades must be executed in accordance with the requirements of Rule 526. For a TMAC or TMAC block trade executed on a given Trading Day on or before the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the current Trading Day. For a TMAC or TMAC block trade executed on a given Trading Day after the scheduled calculation of the underlying Marker, the corresponding futures price shall be made by reference to the Marker price for the next Trading Day.

27106.B. ~~BTIC~~ Price Assignment Procedures

1. The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.
2. The price assignment procedures for TMAC transactions shall follow Rule 524.D.3.
    i. For the Marker at U.S. close, the Marker price shall be based on the volume-weighted average price of transactions in such futures on the CME Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, rounded to the nearest 0.01 Index point.

27106.C. ~~BTIC~~ Minimum Price Increments

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price or to the Marker value to establish the TMAC futures price must be stated in full tick increments of 1 index point.

27106.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions and TMAC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange or a NYSE Rule 7.12 trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index that necessitates an early close of the Primary Listing Exchange.

[Remainder of chapter is unchanged.]

Exhibit B

Amendments to CME and CBOT 524. to adopt TMAC transactions

CME and CBOT Rulebooks
Chapter 5
("Trading Qualifications and Practices")

(additions are underscored; deletions are ~~overstruck~~)

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524. TRADING AT SETTLEMENT ("TAS"), BASIS TRADE AT INDEX CLOSE ("BTIC"), ~~AND~~ BASIS TRADE AT CASH OPEN ("TACO") AND TRADE MARKER AT CLOSE ("TMAC") TRANSACTIONS

The Exchange shall determine the products, contract months and time periods during which TAS, BTIC, ~~and~~ TACO, and TMAC transactions shall be permitted. Specific products, contract months and spreads eligible for pricing as TAS, BTIC, ~~or~~ TACO, or TMAC transactions are set forth in the TAS, BTIC, ~~and~~ TACO, and TMAC Table ("Table") at the end of Chapter 5.

[Sections A.-C. remain unchanged]

524.D. Trade Marker at Close ("TMAC") Transactions

The following shall govern TMAC transactions:

1. A TMAC order may be entered on Globex at any time the applicable contract is available for TMAC trading on Globex and during such TMAC-eligible contract's prescribed pre-open time period. The initiation of any TMAC order on Globex outside these time periods is prohibited.
2. Unless otherwise specified in the Table, a TMAC-eligible product and contract month may be executed as a block trade pursuant to the requirements of Rule 526 or as an Exchange of Futures for Physical ("EFP") or Exchange of Futures for Risk ("EFR") transaction pursuant to the requirements of Rule 538.
3. Unless otherwise specified by the Exchange, a TMAC transaction may be executed at the current day's applicable marker price or at any valid price increment four ticks higher or lower than the applicable marker price.

[End of Rule.]

Exhibit C

CME and CBOT Rulebook
Chapter 5
("Trading Qualifications and Practices")
Rule 524 - Trading at Settlement ("TAS"), Basis Trade at Index Close ("BTIC"), Basis Trade at Cash Open ("TACO"), and Trade Marker at Close ("TMAC") Table

BOLD indicates calendar months; *italic* indicates contract months.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TMAC on E-mini Standard and Poor's 500 Stock Price Index Futures (ESX)	*Mar*	*Mar*	*Mar* *Jun*	*Jun*	*Jun*	*Jun* *Sep*	*Sep*	*Sep*	*Sep* *Dec*	*Dec*	*Dec*	*Dec* *Mar*
TMAC on E-mini Nasdaq-100 Index Futures (NQX)	*Mar*	*Mar*	*Mar* *Jun*	*Jun*	*Jun*	*Jun* *Sep*	*Sep*	*Sep*	*Sep* *Dec*	*Dec*	*Dec*	*Dec* *Mar*

TMAC on E-mini Russell 2000 Index Futures (RTX)	*Mar*	*Mar*	*Mar* *Jun*	*Jun*	*Jun*	*Jun* *Sep*	*Sep*	*Sep*	*Sep* *Dec*	*Dec*	*Dec*	*Dec* *Mar*
TMAC on E-mini Dow Jones Industrial Average Index Futures (YMX)	*Mar*	*Mar*	*Mar* *Jun*	*Jun*	*Jun*	*Jun* *Sep*	*Sep*	*Sep*	*Sep* *Dec*	*Dec*	*Dec*	*Dec* *Mar*

The column headings represent the first day of the month. The cells display the TAS eligible contract months and spreads as of the first day of the month.

TMAC eligibility terminates on the business day preceding the underlying futures' last trade date. The new month will be available on the last day of trading of the preceding contract month's expiry.

Exhibit D

Block Trade Minimum Thresholds

Product Group	Clearing Code	Product Description	Block Trade Minimum Threshold	Reporting Window
Equity Index	ESX	TMAC on E-mini Standard and Poor's 500 Stock Price Index Futures	RTH: 500 ETH: 100 ATH: 100	15 minutes
Equity Index	NQX	TMAC on E-mini Nasdaq 100 Futures	RTH: 500 ETH: 100 ATH: 100	15 minutes
Equity Index	RTX	TMAC on E-mini Russell 2000 Index Futures	RTH/ETH/ATH: 40	15 minutes
Equity Index	YMX	TMAC on E-mini Dow Jones Industrial Average Index Futures	RTH: 500 ETH: 100 ATH: 100	15 minutes

Exhibit E

Exchange Fees

CME

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	TMAC (CME Globex and Block)	$1.90
Rule 106.D Lessees Rule 106.F Employees	TMAC (CME Globex and Block)	$2.02
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex – TMAC	$2.20
	Block – TMAC	$2.25

Rule 106.H and 106.N Firms	TMAC (CME Globex and Block)	$2.20
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	TMAC (CME Globex and Block)	$2.25
Central Bank Incentive Program (CBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	TMAC (CME Globex and Block)	$2.25
CBOE Members (For S&P products only; for all other products - Non-Member rates apply)	TMAC (CME Globex and Block)	$2.20
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	TMAC (CME Globex and Block)	$2.25
Non-Members	TMAC (CME Globex and Block)	$2.25

Processing Fees	Fee
Position Adjustment/Position Transfer	$0.10
Give-Up Surcharge	$0.05
Facilitation Fee	$0.40

CBOT

Level	Account Owner	Execution Type	Venue/Transaction Type	Fee
1	Individual Members	Member Account Owner	TMAC (CME Globex and Block)	$1.90
	Individual Delegates	Delegate Trading Own Account	TMAC (CME Globex and Block)	$1.96
Equity Members (Individual Equity members, Clearing Equity Member Firms and Equity Member Firms)				
2	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	TMAC (CME Globex and Block)	$1.90
		Non-Member	TMAC (CME Globex and Block)	$1.96

	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	TMAC (CME Globex and Block)	$1.96
Trading Members (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)				
3	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	TMAC (CME Globex and Block)	$1.98
	Individual Delegates (Other Member/Delegate executing trade) Rule 106.I. Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	TMAC (CME Globex and Block)	$2.00
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	TMAC (CME Globex and Block)	$1.98

Level	Account Owner	Execution Type	Venue/Transaction Type	Fee
Electronic Corporate Member Firm				
4	Rule 106.R Electronic Corporate Member Firms (For other than CME Globex – See Non-Members)	Member, Delegate or Non-Member	CME Globex – TMAC	$2.00
			Block – TMAC	$2.25
Non-Members				
5	International Incentive Program (IIP) International Volume Incentive Program (IVIP) (For other than CME Globex – See Non-Members)	Member, Delegate or Non-Member	TMAC (CME Globex and Block)	$2.25
	Central Bank Incentive Program (CBIP) Latin American Fund Manager Incentive Program (FMIP) (For other than CME Globex – See Non-Members)	Member, Delegate or Non-Member	TMAC (CME Globex and Block)	$2.25
	Non-Members	N/A	TMAC (CME Globex and Block)	$2.25

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
Position Adjustment/Position Transfer	$0.10
Give-Up Surcharge	$0.06
Facilitation Fee	$0.40