



Special Executive Report

DATE: February 20, 2024

SER#: 9337

SUBJECT: Basis Trade at Index Close (BTIC) Transaction Eligibility in Connection with CME CF Reference Rates Asia Pacific for Bitcoin Futures, Micro Bitcoin Futures, Ether Futures and Micro Ether Futures Contracts

Effective Sunday, March 17, 2024, for trade date Monday, March 18, 2024, and pending all CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will enable Basis Trade at Index Close ("BTIC") transactions for Bitcoin Futures, Micro Bitcoin Futures, Ether Futures, and Micro Ether Futures contracts (the "Contracts") to the relative CME CF Reference Rate published at 4:00 p.m. Hong Kong/Singapore time.

BTIC Transaction	Rule-book Chapter	Commodity Code	BTIC Code London Close	BTIC Code New York Close	BTIC Code APAC Close
BTIC on Bitcoin futures against APAC Close (Bitcoin Reference Rate APAC-BRRAP)	350	BTC	BTB	BNB	<u>ABB</u>
BTIC on Micro Bitcoin futures against APAC Close (Bitcoin Reference Rate APAC-BRRAP)	348	MBT	MIB	MYB	<u>AMB</u>
BTIC on Ether futures against APAC Close (Ether-Dollar Reference Rate APAC - ETHUSD_AP)	349	ETH	ETB	ENB	<u>ATB</u>
BTIC on Micro Ether futures against APAC Close (Ether-Dollar Reference Rate APAC - ETHUSD_AP)	347	MET	EMB	EYB	<u>AHB</u>

BTIC transactions shall remain available on the London close and New York close for the Contracts (see [SER 8999](#) dated June 28, 2022).

To facilitate such BTIC transactions, the Exchange will implement administrative amendments to the descriptive table in Rule 3XXX6. ("Basis Trade at Index Close ("BTIC") Transactions") within each respective rulebook chapter as noted in Exhibit A below in blackline format.

Exhibit B provides the related Exchange transaction fees.

Please refer questions on this subject to:

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Exhibit A

CME Rulebook

(additions **underscored**)

Chapter 350

Bitcoin Futures

35006. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B. For the purpose of this section and Rule 524.B., BTIC enables market participants to execute a basis trade relative to the closing level of the Index value.

Closing Index Price at Which Basis Shall Be Determined	Index to Be Referenced	Index Publication Time
London Close	CME CF Bitcoin Reference Rate “BRR”	4:00 p.m. London time
New York Close	CME CF Bitcoin Reference Rate - New York Close “BRR_NY”	4:00 p.m. New York time
<u>APAC Close</u>	<u>CME CF Bitcoin Reference Rate - APAC “BRR_AP”</u>	<u>4:00 p.m. Hong Kong/Singapore time</u>

35006.A. Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index on a given Trading Day, the corresponding futures price shall be made by reference to the closing Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index, the corresponding futures price shall be made by reference to the closing Index value for the next Trading Day.

35006.B. Price Assignment Procedures

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

35006.C. Minimum Price Increments

The valid basis or price increment applied to the closing Index value to establish the BTIC futures price shall be an integer multiple of the contract minimum price increment, \$1.00 per bitcoin, equal to \$5.00 per contract.

35006.D. Market Disruption Events

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

[Remainder of Rule unchanged.]

Chapter 349

Ether Futures

34906. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule

524.B.

For the purpose of this section and Rule 524.B., BTIC enables market participants to execute a basis trade relative to the closing level of the Index value.

Closing Index Price at Which Basis Shall Be Determined	Index to Be Referenced	Index Publication Time
London Close	CME CF Ether-Dollar Reference Rate "ETHUSD_RR"	4:00 p.m. London time
New York Close	CME CF Ether-Dollar Reference Rate - New York Close "ETHUSD_NY"	4:00 p.m. New York time
<u>APAC Close</u>	<u>CME CF Ether-Dollar Reference Rate – APAC Close "ETHUSD_AP"</u>	<u>4:00 p.m. Hong Kong/Singapore time</u>

34906.A. Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index on a given Trading Day, the corresponding futures price shall be made by reference to the closing Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index, the corresponding futures price shall be made by reference to the closing Index value for the next Trading Day.

34906.B. Price Assignment Procedures

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

34906.C. Minimum Price Increments

The valid basis or price increment applied to the closing Index value to establish the BTIC futures price shall be an integer multiple of the contract minimum price increment, \$0.05 per ether, equal to \$2.50 per contract.

34906.D. Market Disruption Events

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

[Remainder of Rule unchanged.]

Chapter 348 Micro Bitcoin Futures

34806. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

For the purpose of this section and Rule 524.B., BTIC enables market participants to execute a basis trade relative to the closing level of the Index value.

Closing Index Price at Which Basis Shall Be Determined	Index to Be Referenced	Index Publication Time
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London Close	CME CF Bitcoin Reference Rate “BRR”	4:00 p.m. London time
New York Close	CME CF Bitcoin Reference Rate - New York Close “BRR_NY”	4:00 p.m. New York time
<u>APAC Close</u>	<u>CME CF Bitcoin</u> <u>Reference Rate - APAC</u> <u>“BRR AP”</u>	<u>4:00 p.m. Hong</u> <u>Kong/Singapore time</u>

34806.A. Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index on a given Trading Day, the corresponding futures price shall be made by reference to the closing Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index, the corresponding futures price shall be made by reference to the closing Index value for the next Trading Day.

34806.B. Price Assignment Procedures

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

34806.C. Minimum Price Increments

The valid basis or price increment applied to the closing Index value to establish the BTIC futures price shall be an integer multiple of the contract minimum price increment, \$1.00 per bitcoin, equal to \$0.10 per contract.

34806.D. Market Disruption Events

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

[Remainder of Rule unchanged.]

Chapter 347

Micro Ether Futures

34706. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B. For the purpose of this section and Rule 524.B., BTIC enables market participants to execute a basis trade relative to the closing level of the Index value.

Closing Index Price at Which Basis Shall Be Determined	Index to Be Referenced	Index Publication Time
London Close	CME CF Ether-Dollar Reference Rate “ETHUSD_RR”	4:00 p.m. London time
New York Close	CME CF Ether-Dollar Reference Rate - New York Close “ETHUSD_NY”	4:00 p.m. New York time

<u>APAC Close</u>	<u>CME CF Ether-Dollar Reference Rate – APAC Close “ETHUSD AP”</u>	<u>4:00 p.m. Hong Kong/Singapore time</u>
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34706.A. Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index on a given Trading Day, the corresponding futures price shall be made by reference to the closing Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index, the corresponding futures price shall be made by reference to the closing Index value for the next Trading Day.

34706.B. Price Assignment Procedures

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

34706.C. Minimum Price Increments

The valid basis or price increment applied to the closing Index value to establish the BTIC futures price shall be an integer multiple of the contract minimum price increment, \$0.10 per ether, equal to \$0.01 per contract.

34706.D. Market Disruption Events

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

[Remainder of Rule unchanged.]

Exhibit B

Exchange Fees

Membership Type	Venue/ Transaction Type	(BTC)	(MBT)	(ETH)	(MET)
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	BTIC	\$4.50	\$2.00	\$3.67	\$0.16
Rule 106.D Lessees Rule 106.F Employees	BTIC	\$6.75	\$3.20	\$4.41	\$0.26
Rule 106.R Electronic Corporate Member (For other than Globex - Non-Member rates apply)	Globex BTIC	\$6.90	\$3.30	\$4.46	\$0.24
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	BTIC	\$7.13	\$3.55	\$4.63	\$0.29
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants	BTIC	\$9.00	\$4.00	\$7.33	\$0.32
Latin American Fund Manager Incentive Program (FMIP) Participants	BTIC	\$9.00	\$4.00	\$7.33	\$0.32
Non-Members (Including: CTA/Hedge Fund Incentive Program Participants & CBOE Members)	BTIC	\$9.00	\$4.00	\$7.33	\$0.32

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

EAP discount as listed below:

CBOT Individual/Firm Members (Full) – will have the same rate as CME Equity Member rates;
CBOT Lessees (Full) – will have same rate as CME Lessee rates.