

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 26-157

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/26/26 Filing Description: Initial Listing of Event Contract Swaps on U.S. Elections and Pro Baseball Combos, as well as Additional Event Contract Swaps on Club Soccer

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name: See filing.

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:



Jonathan Marcus
Senior Managing Director and General Counsel
Legal Department

March 26, 2026

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

Re: CFTC Regulation 40.2(a) Certification. Initial Listing of Event Contract Swaps on U.S. Elections and Pro Baseball Combos, as well as Additional Event Contract Swaps on Club Soccer. CME Submission No. 26-157

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of Event Contract Swaps on U.S. Elections and Pro Baseball Combos, as well as additional Event Contract Swaps on Club Soccer (CME Rulebook Chapter [22](#)) (the “Contracts”) on CME’s designated contract market (“DCM”) for trading on the CME Globex electronic trading platform (“CME Globex”). This submission shall become certified by Monday, March 30, 2026, and the Contracts will be listed in accordance with the Initial Listing Schedules provided below.

Section 1 – Contract Specifications

U.S. Elections

Contract Title	Event Contract on U.S. Elections: U.S. Presidential Election Winner	Event Contract on U.S. Elections: Senate Majority	Event Contract on U.S. Elections: House Majority	Event Contract on U.S. Elections: U.S. Republican Presidential Nominee	Event Contract on U.S. Elections: U.S. Democratic Presidential Nominee
Clearing Code	See Appendix A	See Appendix A	See Appendix A	See Appendix A	See Appendix A
CME Globex Code	See Appendix A	See Appendix A	See Appendix A	See Appendix A	See Appendix A
Rulebook Chapter	CME 22				
Settlement Method	Financially Settled				
Contract Size	\$1.00				
Price Quotation	U.S. dollars and cents				
Minimum Price Fluctuation	0.01				

Value Per Tick	\$0.01					
Exercise Style	European					
Exercise Procedure	Exact At-The-Money Characteristics					
Exact At-The-Money Characteristics	Exercise Calls, Puts Expire with no Value					
Listing Schedule	Contracts listed for specified nominees per U.S. Presidential Election	Contracts listed for specified political parties per U.S. Midterm or Presidential Election	Contracts listed for specified political parties per U.S. Midterm or Presidential Election	Contracts listed for specified potential nominees per U.S. Presidential Election	Contracts listed for specified potential nominees per U.S. Presidential Election	Contracts listed for specified potential nominees per U.S. Presidential Election
Initial Listing Schedule	Initial contracts listed no sooner than 03/30/26					
Trading Hours	The Exchange will avail 24-hour trading, 7 days a week inclusive of up to two 2-hour maintenance periods per week from 3:00 A.M. Eastern Time/ET – 5:00 A.M. ET on Saturday and Tuesday. In addition, there will be a one (1) minute trading halt each day from 5:00 P.M. ET to 5:01 P.M. ET that will serve to advance the trade date.					
Termination of Trading	Trading will terminate when the occurrence of the event is known					
CME Globex Matching Algorithm	S - FIFO with Top Order and LMM and configuration of 0% LMM					

Pro Baseball Combos and Club Soccer

Contract Title	Pro Baseball Exchange Listed Combo	Event Contract on Club Soccer Game	Event Contract on Club Soccer Game Tie	Event Contract on Club Soccer Game Total Points	Event Contract on Club Soccer Champion
Clearing Code	See Appendix A	See Appendix A	See Appendix A	See Appendix A	See Appendix A
CME Globex Code	See Appendix A	See Appendix A	See Appendix A	See Appendix A	See Appendix A
Rulebook Chapter	CME 22				
Settlement Method	Financially Settled				
Contract Size	\$1.00				
Price Quotation	U.S. dollars and cents				
Minimum Price Fluctuation	0.01				
Value Per Tick	\$0.01				

Exercise Style	European					
Exercise Procedure	Exact At-The-Money Characteristics					
Exact At-The-Money Characteristics	Exercise Calls, Puts Expire with no Value					
Listing Schedule	Contract combinations are typically listed on a rolling basis, subject to the scheduling and availability of the underlying events	Contracts are typically listed for a team's next scheduled game per competition	Contracts are typically listed for a team's next scheduled game per competition	Contracts are typically listed for a team's next scheduled game per competition	Contracts are typically listed for a team's next scheduled game per competition	One contract listed for each applicable club soccer team per specified competition
Initial Listing Schedule	Initial contracts listed no sooner than 03/30/26					
Trading Hours	The Exchange will avail 24-hour trading, 7 days a week inclusive of up to two 2-hour maintenance periods per week from 3:00 A.M. Eastern Time/ET – 5:00 A.M. ET on Saturday and Tuesday. In addition, there will be a one (1) minute trading halt each day from 5:00 P.M. ET to 5:01 P.M. ET that will serve to advance the trade date.					
Termination of Trading	Trading will terminate when the occurrence of the event is known					
CME Globex Matching Algorithm	S - FIFO with Top Order and LMM and configuration of 0% LMM					

The Contracts are cash-settled, European style, premium style, binary options that clear as swaps and whose moneyness depends on the occurrence or non-occurrence of a specified event. While the Contracts will clear as swaps, they are DCM-listed binary options that will be traded on a central limit order book by market participants. Because the Contracts are DCM-listed, trading in them is not restricted only to Eligible Contract Participants, as that term is defined in the Commodity Exchange Act (“CEA” or “Act”).

The Contracts are subject to premium style collateralization, which means that the participant establishing a long position will pay the full premium amount for each such contract. The maximum risk on a long position in a Contract will be the amount of money the market participant pays as the premium for that binary option swap. Due to the fixed payout feature, the maximum per contract risk for a short position is \$1.00. For each Contract, CME will collect long option value for the long position holder and hold the full notional value for the short position holder until contract expiry, covering the maximum exposure under the position.

The Exchange reminds all market participants that they are required to abide by applicable local regulations with respect to trading in the Contracts. Market participants that trade or wish to trade the Contracts, and brokers that seek to sell or distribute such products, may be subject to local restrictions or prohibitions in the U.S. or abroad, including but not limited to considerations regarding marketing, offering or distributing such products to retail customers. Further restrictions applicable to specific Event Contract Swaps will be

detailed in CME Rulebook Chapter 22. Trading in Event Contract Swaps in U.S. Elections shall be limited to the United States.

Section 2 – Compliance with CEA & Core Principles

The definition of “swap” under the Act is broad. The Contracts are “swaps” within the meaning of the Act because they provide for a “payment . . . that is dependent on the occurrence, nonoccurrence, or extent of the occurrence” of a discrete event with “potential financial, economic, or commercial consequences.”¹ The Contracts are also “swaps” under the Act because they are “commonly known to the trade as a swap.”² Futures and swaps traded on a DCM are subject to the CFTC’s exclusive jurisdiction.³ That framework preempts contrary or overlapping statutory or regulatory regimes with respect to the listing and trading of futures and swaps traded on DCMs and provides for uniform federal oversight. Because the Contracts are swaps, they fall within the CFTC’s exclusive jurisdiction.

CME notes that other DCMs have listed substantively similar event contracts. The Contracts mirror those designs in economic substance and therefore raise no novel regulatory issues warranting disparate treatment. Further, the Contracts do not “involve” “gaming” as that term is used in Section 5c(c)(5)(C) of the Act.⁴ The underlying reference events have significant financial, economic, and commercial consequences. The Contracts are also consistent with the national public interest—among other things, they directly advance the CEA’s stated purpose of “providing a means for managing and assuming price risks, discovering prices, or disseminating pricing information through trading in liquid, fair and financially secure trading facilities.”⁵

Further, the Exchange has reviewed the DCM core principles (“Core Principles”) as set forth in the Act and has identified that listing the Contracts may bear upon the following Core Principles:

Core Principle 2 – Compliance with Rules

Trading in the Contracts shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the Contracts shall be subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in the Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 3 – Contracts Not Readily Subject to Manipulation

The Exchange certifies that the underlying settlement for the Contracts is not readily subject to manipulation. The sports games underlying the Contracts are protected by a multilayered integrity framework that combines the complexity of multi-player, high-speed contests; centralized officiating; severe punitive deterrence, including, as applicable, federal law and permanent league bans; and industry surveillance of global betting markets. Similarly, the U.S. federal elections underlying the election Contracts are decentralized across thousands of jurisdictions and protected by strict laws and rigorous audits, ensuring the certified results are highly resistant to tampering or manipulation.

CME brings decades of experience operating the world’s most liquid and systemically important futures and options markets, and it has translated that expertise into a comprehensive, multilayered program of safeguards that addresses manipulation risk in the Contracts. Among other measures, CME (i) enforces position reporting and accountability levels; (ii) maintains trade-surveillance systems that use real-time pattern-recognition technology and cross-market correlation tools to detect spoofing, collusive trading, or other disruptive practices; (iii) prohibits trading by any person who is subject to applicable laws, regulations,

¹ 7 U.S.C. § 1a(47)(ii).

² 7 U.S.C. § 1a(47)(iv).

³ 7 U.S.C. § 2(a)(1)(A).

⁴ 7 U.S.C. § 7a-2(c)(5)(C).

⁵ 7 U.S.C. § 5(a).

policies, or contractual obligations that restrict that person from trading, either directly or indirectly, in Event Contract Swaps; and (iv) disciplines violators through a well-established enforcement process that includes summary actions, investigations, trading suspensions, and substantial monetary penalties.

Core Principle 4 – Prevention of Market Disruption

Trading in the Contracts will be subject to CME Rulebook Chapters 4 and 8, which include prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contracts certified herein will be subject to monitoring and surveillance by CME Group's Market Regulation Department.

Core Principle 5 – Position Limitations or Accountability

Contracts on U.S. Elections shall be subject to a Position Reporting Level of 2,500 contracts and a Single-Month Accountability Level of 250,000 contracts, equal to a notional value of \$250,000 USD.

Contracts on Pro Baseball and Club Soccer shall be subject to a Position Reporting Level of 500 contracts and a Single-Month Accountability Level of 25,000 contracts, equal to a notional value of \$25,000 USD.

Trading activity in the Contracts shall be subject to monitoring and surveillance by CME Group's Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 7 – Availability of General Information

The Exchange shall disseminate a Special Executive Report ("SER") that sets forth information in regard to specifications, terms, and conditions of the Contracts. The SER will also be published on the Exchange's website.

Core Principle 8 – Daily Publication of Trading Information

The Exchange shall publish trading volumes and price information daily of the Contracts on the CME Group website and through quote vendors.

Core Principle 9 – Execution of Transactions

The Contracts will be listed for trading on CME Globex which provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.

Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 11 – Financial Integrity of Transactions

The Contracts shall be cleared by CME Clearing, which is registered with the Commission as a derivative clearing organization, and which is subject to all CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 in the CME Rulebook set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in the Exchange's competitive trading venues and will apply to transactions in the Contracts.

Core Principle 13 – Disciplinary Procedures

Chapter 4 of the CME Rulebook provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the Contracts shall be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in the Contracts are identified.

Core Principle 14 – Dispute Resolution

Disputes in respect of the Contracts shall be subject to the arbitration provisions set forth in Chapter 6 of the CME Rulebook, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

Appendix A provides the Event Contract Swap Table. Appendix B provides Supplemental Market Information (confidential treatment requested).

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contracts comply with the Act and rules thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 930-2324 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Jonathan Marcus
Senior Managing Director and General Counsel

Attachments: Appendix A Event Contract Swaps Table
 Appendix B Supplemental Market Information (Confidential Treatment Requested)

Appendix A

Event Contract Swaps Table

(attached under separate cover)

Appendix B

Supplemental Market Information

(attached under separate cover)

(CONFIDENTIAL TREATMENT REQUESTED)