

## SUBMISSION COVER SHEET

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-262

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/26/24 Filing Description: Delisting of all Options on Yen Denominated Nikkei Stock Average Futures Contracts

### SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

#### Organization Rules and Rule Amendments

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/> | Approval                            | § 40.5(a)  |
| <input type="checkbox"/> | Notification                        | § 40.6(d)  |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change         | § 40.10(h) |

**Rule Numbers:**

#### New Product

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

**Official Product Name:**

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

- |                                     |   |                      |
|-------------------------------------|---|----------------------|
| <input type="checkbox"/>            | Certification   | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Security Futures                          | § 41.24(a)           |
| <input checked="" type="checkbox"/> | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/>            | Approval  | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/>            | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/>            | “Non-Material Agricultural Rule Change”                 | § 40.4(b)(5)         |
| <input type="checkbox"/>            | Notification  | § 40.6(d)            |

**Official Name(s) of Product(s) Affected:** See filing.

**Rule Numbers:** See filing.

August 26, 2024

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Delisting of all Options on Yen Denominated Nikkei Stock Average Futures Contracts.  
CME Submission No. 24-262**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the delisting of all Options on Yen Denominated Nikkei Stock Average Futures contracts (the “Contracts”) as noted in the table below effective immediately. There is no open interest in the Contracts.

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter
Quarterly Options on Yen Denominated Nikkei Stock Average Futures	NKW	352C
Serial Options on Yen Denominated Nikkei Stock Average Futures	NKY	352C

As a result of the delisting, information regarding the Contracts has been deleted from the CME Rulebook Chapter 352C, related position limits in the Position Limit, Position Accountability and Reportable Level Tables located in the Interpretations and Special Notices Section of Chapter 5 (“Trading Qualifications and Practices”) of the CME Rulebook (the “Table”), the CME Globex non-reviewable trading ranges located in Rule 588.H. of the CME Rulebook, and the CME Group website.

Exhibit A provides amendments to CME Rulebook Chapter 352C blackline format. The Table is attached under separate cover, in blackline format, as Exhibit B.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the following Core Principles may be impacted by this initiative as follows:

- **Emergency Authority:** There is no open interest in the Contracts, and therefore there will be no market disruption related to the delisting.

- **Availability of General Information:** The Exchange will make publicly available the details of the delisting by publishing a Special Executive Report (“SER”) to the marketplace. The SER will be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchange hereby certifies that the delisting of the Contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group 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) 466-7478 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – CME Rulebook Chapters 352C (blackline format)  
Exhibit B – Position Limit, Position Accountability and Reportable Level Table in Chapter 5 of the CME Rulebook (blackline format) (attached under separate cover)

## Exhibit A

### CME Rulebook

(deletions struck through)

### ~~Chapter 352C~~

### ~~Options on Yen-Denominated Nikkei Stock Average Futures~~

#### ~~352C00. SCOPE OF CHAPTER~~

~~This chapter is limited in application to options on Yen-Denominated Nikkei Stock Average ("Yen Nikkei") futures. In addition to this chapter, options on Yen Nikkei futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.~~

~~For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.~~

#### ~~352C01. OPTIONS CHARACTERISTICS~~

##### ~~352C01.A. Contract Months, Trading Hours, and Trading Halts~~

~~Options contracts shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.~~

~~There shall be no trading in any option contract when the primary futures contract is limit bid or offered at any price limit except at the total daily price limit on an option's last day of trading.~~

~~There shall be no trading in any option contract during a period when trading in the primary futures contract is halted pursuant to Rule 352B02.I.~~

##### ~~352C01.B. Trading Unit~~

~~The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Yen-Denominated Nikkei Stock Average futures contract as specified in Chapter 352B.~~

##### ~~352C01.C. Minimum Fluctuations~~

~~The price of an option shall be quoted in index points. Each index point shall represent ¥500. The minimum fluctuation shall be 1.00 index points (¥500, also known as one tick).~~

##### ~~352C01.D. Underlying Futures Contract~~

###### ~~1. Options in the March Quarterly Cycle~~

~~For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.~~

###### ~~2. Options Not in the March Quarterly Cycle~~

~~For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the next futures contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contract.~~

##### ~~352C01.E. Exercise and Exercise Prices~~

~~Transactions and exercise of options shall be conducted for options contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).~~

~~The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

##### ~~352C01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels~~

~~The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.~~

~~A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.~~

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

**352C01.G. — [Reserved]**

**352C01.H. — [Reserved]**

**352C01.I. — Termination of Trading**

1. — Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle, options trading shall terminate at the same date and time as the underlying futures contract.

2. — Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle, options trading shall terminate on the second Friday of the contract month. If that day is not a scheduled Osaka Securities Exchange Business Day, options trading shall terminate on the first preceding business day. In the event that the underlying futures market does not open on the scheduled Expiration Date, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**352C01.J. — [Reserved]**

## **352C02. — EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options on Yen Denominated Nikkei Stock Average futures.

**352C02.A. — Exercise of Option by Buyer**

**352C02.A.1 — Options in the March Quarterly Cycle**

An option may be exercised by the buyer on any Business Day leading up to and including the day of determination of the Final Settlement Price of the underlying futures contract. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 5:30 p.m. on the day of exercise.

An option in the March quarterly cycle that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 5:30 p.m. on the day of determination of the Final Settlement Price by the clearing member representing the option buyer, be exercised automatically.

**358C02.A.2 — European Style Options not in the March Quarterly Cycle**

Following the termination of trading of an option, all in-the-money options shall be automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options shall be abandoned by the Clearing House on the day of expiration for the option. Whether an option is in or out of the money shall be determined based on the Fixing Price of the CME Yen Denominated Stock Average futures on the day of expiration as follows:

Tier 1 — The Fixing Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange (“OSE”) from 2:59:30 to 3:00:00 p.m. Osaka, Japan time.

Tier 2 — If no transactions occur from 2:59:30 to 3:00:00 p.m., Osaka, Japan time, the Fixing Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Fixing Price.

Tier 3 — If the Fixing Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall calculate a Fixing Price based on the volume-weighted average price of the CME Yen Denominated Nikkei Stock Average Futures based on trades executed on the CME from 2:59:30 to 3:00:00 p.m. Osaka, Japan time.

Tier 4 — If the Fixing Price cannot be determined pursuant to Tiers 1, 2 and 3 above, designated Exchange staff shall consider any other information deemed relevant to determine the Fixing Price. Alternatives upon which Exchange staff may determine the Fixing Price include, but are not limited to, the following: (1) deriving the Fixing Price based on the basis relationship to the underlying cash index level; or (2) deriving the Fixing Price by repeating Tier 1, Tier 2 or Tier 3 calculations at increasing thirty (30) second increment intervals until data is obtained.

The calculation of the Fixing Price shall be rounded to the nearest 0.01 index points.

In the event of an option expiring on a shortened Trading Day, the Fixing Price calculation shall be performed based on the market activities during the thirty-second period immediately preceding the close of the underlying stock market.

~~An option is deemed in the money if the Fixing Price of the underlying futures contract lies at or above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the Fixing Price were 12,500 or higher, then 12,500 Calls shall be exercised. If the Fixing Price were strictly lower than 12,500, then 12,500 Calls shall be abandoned. Similarly, if the Fixing Price were strictly lower than 12,500, then 12,500 Puts shall be exercised. If the Fixing Price were 12,500 or higher, then 12,500 Puts shall be abandoned.~~

~~European Style Options not in the March Quarterly Cycle may not be exercised prior to the expiration of the options. At the expiration, in the money options may not be abandoned and out of the money options may not be exercised.~~

**352C02.B. — Assignment**

~~Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of trading in the underlying futures contract on the following Business Day.~~

~~The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.~~

~~All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.~~

**352C03. — [RESERVED]**

(End Chapter 352C)

**Exhibit B**

**CME Rulebook**

**Chapter 5**

**(“Trading Qualifications and Practices”)**

**Position Limit, Position Accountability and Reportable Level Table**

(deletions ~~struck through~~)

(attached under separate cover)