

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 17-110 (1 of 9)

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

**Filing as a:** DCM SEF DCO SDR

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 04/12/2017 **Filing Description:** Initial Listing of the E-mini® Russell 2000® Index Futures, E-mini® Russell 2000® Growth Index Futures, E-mini® Russell 2000® Value Index Futures, Options on E-mini® Russell 2000® Index 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 checked="" 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     |

**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 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:**

**Rule Numbers:** See filing.

April 12, 2017

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of the E-mini® Russell 2000® Index Futures, E-mini® Russell 2000® Growth Index Futures, E-mini® Russell 2000® Value Index Futures, Options on E-mini® Russell 2000® Index Futures Contracts.  
CME Submission No. 17-110 (1 of 9)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC”) that it is self-certifying the initial listing of the E-mini® Russell 2000® Index Futures, E-mini® Russell 2000® Growth Index Futures, E-mini® Russell 2000® Value Index Futures (“Russell 2000 Futures”), Options on E-mini® Russell 2000® Index Futures (“Russell 2000 Options”) (collectively, the “Contracts”) for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort effective on Sunday, July 9, 2017, for trade date of Monday, July 10, 2017.

In what follows:

- Section 1 summarizes contract terms and conditions.
- Section 2 describes administration and governance of the Contracts.
- Section 3 establishes that none of the Contracts is narrow-based by the standards set forth in Section 1a(25) of the Commodity Exchange Act (“CEA” or “Act”).
- Section 4 delineates standards for block trading in the Contracts.
- Section 5 addresses compliance of CME rules and rule amendments certified herein with the pertinent Core Principles for Designated Contract Markets (“Core Principles”) set forth in the Act.

CME Rulebook Chapters governing contract terms and conditions certified herein appear in Appendixes A through D. Appendix E addresses the applicable position limits and reportable position levels pursuant to CME Rulebook Chapter 5. Appendix F sets forth the applicable CME Globex non-reviewable trading ranges as prescribed in CME Rule 588.H., and Appendix G defines the pertinent special price fluctuation limits pursuant to CME Rule 589.

## Section 1 -- Contract Specifications

Exhibit 1 summarizes contract specifications for Russell 2000 Futures, which in each instance are closely similar to those for other US equity index futures products that the Exchange now lists for trading.

### ***Unit of Trade***

The contract unit of the Russell 2000 Futures products is the respective Russell Index multiplied by \$50.

Consider the 3000 largest US securities rank-ordered on the basis of market capitalization. The Russell 2000 Index measures aims to measure the performance of approximately the smallest 2000 of these securities, *ie*, the small-cap segment of the US equity universe.

The Russell 2000 Growth Index is designed to measure the performance of the small-cap growth segment of the US equity universe, and includes those constituents of the Russell 2000 Index with (a) relatively high price-to-book-value ratios, (b) relatively high historical sales growth (as gauged by trailing 5-year growth of sales per share), and (c) relatively high future growth prospects (as gauged by their respective I/B/E/S forecast medium-term (2-year) growth rates).

Conversely, the Russell 2000 Value Index is intended to measure the performance of the small-cap value segment of the US equity universe, and includes those members of the Russell 2000 Index with relatively low price-to-book value ratios, relatively low historical sales growth, and relatively low future growth prospects.

### ***Delivery and Delivery Months***

Trading in futures will terminate at 8:30 am on the third Friday of March, June, September, or December. (All times of day referenced here and elsewhere in this document are Central Time, unless otherwise noted.) Each expiring contract will deliver by cash settlement via final mark-to-market by reference to the contract final settlement price, equal to the Special Opening Quotation of the respective Index based on opening prices of Index component stocks on the futures contract's last day of trading.

Delivery months to be listed for trading initially will comprise the five March Quarterly months between September 2017 and September 2018, inclusive.

### ***Price Basis and Minimum Price Increments***

Contract prices will be quoted and made in terms of the corresponding Index. For any futures contract, the minimum price increment for an outright transaction would be 0.1 points of the corresponding Index, equal to \$5.00 per contract. For any intramarket calendar spread transaction and for any Basis Trade at Close ("BTIC") transaction, the minimum price increment would be 0.05 points of the corresponding Index, equal to \$2.50 per contract.

### ***Price Limits***

As with any new Exchange product that references a broad-based index of US equity share prices, trading in each new futures product proposed herein would be subject to price limits harmonized with the US equity market-wide limit up-limit down mechanism set forth in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934" and implemented under, eg, New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

## Exhibit 1 -- Contract Specifications for Russell 2000 Futures

(All times of day are Central Time.)

<i>Trading Unit</i>	<i>Futures Product</i>	<i>Trading Unit</i>	<i>Approximate Notional Size (\$/contract, March 29, 2017)</i>												
	E-mini Russell 2000 Index	\$50 x Russell 2000 Index	68,850												
	E-mini Russell 2000 Growth Index	\$50 x Russell 2000 Growth Index	40,750												
	E-mini Russell 2000 Value Index	\$50 x Russell 2000 Value Index	87,900												
<i>Delivery Months</i>	Nearest five (5) consecutive months in March Quarterly cycle (March, June, September, December). Delivery months for initial listing: Sep 2017, Dec 2017, Mar 2018, June 2018, Sep 2018.														
<i>Price Basis and Minimum Price Increment</i>	Prices are quoted and traded in Index points. Minimum price increments --  <i>Outright:</i> 0.10 Index points, equal to \$5.00 per contract. <i>Calendar spread:</i> 0.05 Index points, equal to \$2.50 per calendar spread. <i>Basis Trade at Index Close (BTIC):</i> 0.05 Index points, equal to \$2.50 per contract.														
<i>Price Limits</i>	Price limits for a given Business Day are made by reference to Fixing Price made by Exchange on previous Business Day, equal to volume-weighted average price calculated on basis of futures trading activity between 2:59:30pm and 3:00:00pm.  <table border="1"> <thead> <tr> <th><i>Interval</i></th> <th><i>Price Limits</i></th> </tr> </thead> <tbody> <tr> <td>5:00pm to 8:30am</td> <td>5% above Fixing Price to 5% below Fixing Price</td> </tr> <tr> <td>8:30am to 3:00pm</td> <td>Sequential price limits at 7%, 13%, and 20% below Fixing Price</td> </tr> <tr> <td>3:00pm to 4:15pm</td> <td>\$5% above Fixing Price to 5% below Fixing Price, provided there is no breach of current day's price limit of 20% below Fixing Price</td> </tr> </tbody> </table>			<i>Interval</i>	<i>Price Limits</i>	5:00pm to 8:30am	5% above Fixing Price to 5% below Fixing Price	8:30am to 3:00pm	Sequential price limits at 7%, 13%, and 20% below Fixing Price	3:00pm to 4:15pm	\$5% above Fixing Price to 5% below Fixing Price, provided there is no breach of current day's price limit of 20% below Fixing Price				
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<i>Termination of Trading</i>	Last Day of Trading is 3 <sup>rd</sup> Friday of contract delivery month. Trading in expiring futures terminates at 8:30am on Last Day of Trading.														
<i>Delivery</i>	Delivery is by cash settlement by reference to Final Settlement Price, equal to Special Opening Quotation of Index based on opening prices of Index component stocks on Last Day of Trading.														
<i>Position Limits and Reportable Levels</i>	<i>Position Reportability:</i> 100+ contracts. <i>All-Month Position Limit:</i> 60,000 contracts.														
<i>Minimum Block Trade Threshold Level</i>	40 contracts														
<i>Trading Hours And Commodity Code</i>	<i>CME Globex:</i> 5:00pm to 4:00pm, Sun-Fri, with trading halt from 3:15pm to 3:30pm, Mon-Fri. <i>CME ClearPort:</i> 5:00pm to 4:00pm, Sun-Fri.  <table border="1"> <thead> <tr> <th><i>Futures Product</i></th> <th><i>Commodity Code</i></th> <th><i>BTIC Code</i></th> </tr> </thead> <tbody> <tr> <td>E-mini Russell 2000 Index</td> <td>RTY</td> <td>RLT</td> </tr> <tr> <td>E-mini Russell 2000 Growth Index</td> <td>R2G</td> <td>2GT</td> </tr> <tr> <td>E-mini Russell 2000 Value Index</td> <td>R2V</td> <td>2VT</td> </tr> </tbody> </table>			<i>Futures Product</i>	<i>Commodity Code</i>	<i>BTIC Code</i>	E-mini Russell 2000 Index	RTY	RLT	E-mini Russell 2000 Growth Index	R2G	2GT	E-mini Russell 2000 Value Index	R2V	2VT
<i>Futures Product</i>	<i>Commodity Code</i>	<i>BTIC Code</i>													
E-mini Russell 2000 Index	RTY	RLT													
E-mini Russell 2000 Growth Index	R2G	2GT													
E-mini Russell 2000 Value Index	R2V	2VT													
<i>CME Globex Matching Algorithm</i>	F: First In First Out (FIFO)														

Exhibit 2 summarizes contract specifications for Russell 2000 Options. Any such option shall be exercisable into one (1) Russell 2000 Index futures contract.

### Option Categories

Among such options exercisable into futures for a given delivery month, listings will comprise three categories –

Quarterly options with American-style exercise, for which trading in each such option terminates concurrently with termination of trade in such option's underlying futures contract (typically at 8:30am on the third Friday of the option expiry month).

Weekly options with European-style exercise, for which trade in any such option terminates at 3:00pm on the first, second, third, or fourth Friday of a given month, followed by exercise into an underlying futures contract for delivery in the March Quarterly month next following the option expiry.

End-of-Month options with European-style exercise, for which termination of trading in any such option occurs at 3pm on the last business day of the option expiry month, followed by exercise into a futures contract for delivery in the March Quarterly month next following the option expiry.

### **Listing Schedule**

Initially, the Exchange would list –

Quarterly options for expiry in each of the three (3) nearest March Quarterly months,

Third Weekly options for expiry on the third Friday of each of the three (3) nearest consecutive months, excluding March Quarterly months,

First, Second, and Fourth Weekly options for expiry on each of three (3) nearest consecutive Fridays, excluding the third Friday of any month, and excluding any Friday that coincides with the last business day of a month, and

End-of-Month options for expiry on the last business day of each of the three (3) nearest consecutive months.

The exercise price array for Quarterly options exercisable futures for a given delivery month would be maintained according to the same protocols that govern exercise price arrays for, eg, CME options on E-mini S&P 500 Index futures. For any Weekly options or EOM options exercisable into such underlying futures contract, the exercise price array would be identical to the array for the corresponding Quarterly option.<sup>1</sup>

### **Price Basis and Minimum Price Increments**

Contract prices will be quoted and made in terms of Russell 2000 Index points. For any option contract, the minimum price increment for an outright transaction would be (a) 0.10 points, equal to \$5.00 per contract, where the option premium exceeds 5 points and (b) 0.05 points, equal to \$2.50 per contract, where the option premium is 5 points or less. The cabinet price level would be 0.05 points, equal to \$2.50 per contract.

### **Exhibit 2 -- Contract Specifications for Russell 2000 Options**

(All times of day are Central Time.)

	<b>Quarterly Options</b>	<b>Weekly Options and End-of-Month (EOM) Options</b>
<i>Underlying Futures</i>	One (1) RTY futures contract for delivery in the March Quarterly month that coincides with the option expiry month.	One (1) RTY futures contract for which the scheduled Last Day of Trading next follows option expiry.
<i>Listing Schedule</i>	Nearest three (3) consecutive months in March Quarterly cycle.	3 <sup>rd</sup> Weekly: Nearest three (3) consecutive months not in March Quarterly cycle.  1 <sup>st</sup> , 2 <sup>nd</sup> , and 4 <sup>th</sup> Weekly: Nearest three (3) consecutive Fridays that are not 3 <sup>rd</sup> Friday of any month.  EOM: Nearest three (3) consecutive months.
<i>Exercise</i>	All multiples of 25 index points within ±50% of	Options exercisable into a given RTY contract shall be

<sup>1</sup> See proposed CME Rule 393A01.E. ("Exercise Prices") in Appendix B, pp 20-21.

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<i>Price Arrays</i>	<p>quarterly Exercise Price Reference, centered on previous day's settlement price of underlying RTY contract.</p> <p>All multiples of 10 index points within <math>\pm 20\%</math> of quarterly Exercise Price Reference, centered on previous day's settlement price of underlying RTY contract.</p> <p>Once the option's underlying RTY contract becomes second-nearest to delivery, all multiples of 5 index points within <math>\pm 10\%</math> of quarterly Exercise Price Reference, centered on previous day's settlement price of the underlying RTY contract.</p>	<p>listed for trading at all exercise price levels at which corresponding Quarterly Options exercisable into such RTY contract are concurrently listed for trading.</p>
<i>Price Basis</i>	Russell 2000 Index points ("points"). One point = \$50.	
<i>Minimum Price Increment</i>	<p><i>Outright:</i> If option premium <math>\leq 5</math> points, 0.05 points = \$2.50 per contract. If option premium <math>&gt; 5</math> points, 0.10 points = \$5.00 per contract.</p> <p><i>Cabinet:</i> 0.05 points = \$2.50 per contract.</p>	
<i>Termination of Trading</i>	<p><i>Last Trading Day:</i> 3<sup>rd</sup> Friday of expiry month. <i>Termination of Trading:</i> 8:30 am on Last Trading Day</p>	<p>1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> Weekly – <i>Last Trading Day:</i> 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> Friday of expiry month. <i>Termination of Trading:</i> 3:00 pm on Last Trading Day.</p> <p>EOM -- <i>Last Trading Day:</i> Last business day of expiry month. <i>Termination of Trading:</i> 3:00 pm on Last Trading Day.</p>
<i>Exercise Procedure</i>	<p><i>American style:</i> An option in the money at 3:00 pm on last day of trading shall be automatically exercised in absence of contrary instruction to abandon. An option out of the money at 3:00 pm on last day of trading shall be automatically abandoned in absence of contrary instruction to exercise. Contrary instruction must be given no later than 7:00 pm on last day of trading.</p>	<p><i>European style:</i> Options are exercisable only at expiration. An option in the money as of 3:00 pm on last day of trading shall be automatically exercised, and an option out of the money as of 3:00 pm on last day of trading shall be automatically abandoned, with no contrary instruction.</p>
<i>Position Limits and Reportable Levels</i>	<p><i>Reportable Level:</i> 100 contracts. <i>All-Month Position Limit:</i> 60,000 net futures contract equivalents.</p>	
<i>Price Limits</i>	There shall be no trading in options when trading is halted in the Primary Futures Contract Month	
<i>Minimum Block Trade Threshold Level</i>	40 contracts	40 contracts
<i>Commodity Code</i>	RTO	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , and 4 <sup>th</sup> Weekly: R1E, R2E, R3E, and R4E. EOM: RTM
	<b>Quarterly Options</b>	<b>Weekly Options and End-of-Month (EOM) Options</b>
<i>Trading Venue and Hours</i>	<p><i>CME Globex:</i> 5:00pm to 4:00pm, Sun-Fri, with trading halt from 3:15pm to 3:30pm, Mon-Fri. <i>CME ClearPort:</i> 5:00pm to 4:00pm, Sun-Fri.</p>	
<i>CME Globex Matching Algorithm</i>	F -- First In, First Out (FIFO)	

### Exhibit 3 -- Exchange Fees for Russell 2000 Futures and Russell 2000 Options

(Note: Exchange fees in connection with BTIC transactions and CME Globex spread transactions will be waived from July 10, 2017 to September 30, 2017.)

Membership Type	Venue / Fee Category	Russell 2000 Futures	Russell 2000 Options
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	Delivery	\$0.09	\$0.09
	CME Globex	\$0.35	\$0.35
	EFP EFR Block BTIC	\$1.84	\$1.84
	Exercise Assign Future From	\$0.14	\$0.14
Rule 106.D Lessees Rule 106.F Employees	Delivery	\$0.21	\$0.21
	CME Globex	\$0.47	\$0.47
	EFP EFR Block BTIC	\$1.96	\$1.96
	Exercise Assign Future From	\$0.26	\$0.26
Rule 106.R Electronic Corporate Member (For other than CME Globex - See Non-Members)	CME Globex	\$0.50	\$0.45
	CME Globex - BTIC	\$2.14	\$0.45
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Delivery	\$0.39	\$0.39
	CME Globex	\$0.60	\$0.45
	EFP EFR Block BTIC	\$2.14	\$2.14
	Exercise Assign Future From	\$0.44	\$0.44
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - See Non-Members)	CME Globex	\$0.51	\$0.45
	CME Globex - BTIC	\$2.15	\$0.45
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants Latin American Proprietary Trading Incentive Program (LAPTIP) Participants (For other than CME Globex - See Non-Members)	CME Globex	\$0.76	\$0.45
	CME Globex - BTIC	\$2.15	\$0.45
	EFP EFR Block BTIC	\$2.10	\$2.09
	Exercise Assign Future From	\$0.40	\$0.39
Members Trading Outside of Division (For other than CME Globex During ETH - See Non-Members)	CME Globex - During ETH Only	\$0.66	\$0.65
Non-Members (Including: Latin American Commercial Incentive Program (LACIP) Participants & CTA/Hedge Fund Incentive Program Participants)	Delivery	\$0.40	\$0.39
	CME Globex - Outrights	\$1.18	\$0.55
	CME Globex - Spreads	\$0.80	\$0.55
	EFP EFR Block BTIC	\$2.15	\$2.14
	Exercise Assign Future From	\$0.45	\$0.44

## Section 2 – Index Administration and Governance

The Russell 2000 Index, the Russell 2000 Growth Index, and the Russell 2000 Value Index are administered, calculated, and published by FTSE Russell, which is wholly owned by the London Stock Exchange Group.<sup>2</sup> “FTSE Russell has an established reputation for transparent, robust, rules-driven index construction methodologies and is committed to leading global best practice standards in index governance. In line with this philosophy, FTSE Russell publishes a Statement of Compliance with respect to the recommendations made by the International Organization of Securities Commissions (IOSCO) in the Principles

<sup>2</sup> FTSE Russell was formed in December 2014, through the combination of Russell Indexes with FTSE International Limited (“FTSE”), which is wholly owned by the London Stock Exchange Group. All passages appearing in quotation marks in this Section 2 are published by FTSE Russell. This and further information on FTSE Russell’s index regulation practices and protocols may be found at:

[http://www.ftse.com/products/indices/iosco?\\_ga=1.202875351.792004042.1489068135](http://www.ftse.com/products/indices/iosco?_ga=1.202875351.792004042.1489068135)

for Financial Benchmarks Final Report (the IOSCO Principles). Independent assurance of the assertions by FTSE Russell in its Statement of Compliance has been received from KPMG LLP.”<sup>3</sup>

“FTSE Russell fully embraces the IOSCO Principles and endorses IOSCO’s objective to address conflicts of interest in the benchmark-setting process, enhance the reliability of benchmark determinations, and promote transparency and openness.”

In respect of governance,

“FTSE Russell has a control and governance framework that benefits from strong internal governance operated through working groups formed of knowledgeable, experienced employees, and strong external oversight provided through advisory committees formed of senior, experienced market practitioners and stakeholders.

FTSE Russell manages conflicts of interest through the strong control framework it has in place.

As part of the London Stock Exchange Group (“LSEG”), FTSE Russell benefits from the Enterprise Risk Management Framework, including internal policies implemented across LSEG. FTSE Russell undertakes an annual risk assessment of its third-party relationships as part of its control framework. The LSEG Group Internal Audit program includes reviews of FTSE Russell within its remit.”

Documentation of benchmark methodology for all Russell Indexes is publicly available at:  
<http://www.ftse.com/products/indices/index-support-guides>

“All indexes and index methodology documents are overseen by the FTSE Russell Governance Board and, for certain indexes, by external advisory committees.”

In regard to accountability,

“FTSE Russell has a number of policies in place which detail how index calculation issues and external events will be managed.

FTSE Russell has an established procedure in place for the management of any queries or complaints. In addition, for certain index series, there is the right of recourse to a Jury of Appeal.”

## Section 3 – Index Evaluation

The CEA requires that security futures products, defined to comprise single stock futures and futures on narrow-based security indexes, shall be subject to joint jurisdiction of the CFTC and the Securities Exchange Commission (“SEC”). Futures products for which the underlying references are broad-based security indexes remain under sole jurisdiction of the CFTC.

Section 1a(25) of the Act defines a narrow-based index to be an index in which

- (i) there are nine (9) or fewer component securities; or
- (ii) any component security comprises more than 30 percent of the index’s weighting; or
- (iii) the 5 highest weighted component securities in the aggregate represent more than 60 percent of the index’s weighting; or

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<sup>3</sup> Current edition of the Statement of Compliance is available at:

[http://www.ftse.com/products/indices/iosco?\\_ga=1.134843703.792004042.1489068135](http://www.ftse.com/products/indices/iosco?_ga=1.134843703.792004042.1489068135)

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- (iv) the lowest weighted component securities comprising, in aggregate, 25 percent of the index's weighting have an aggregate dollar value of average daily trading volume of less than \$50,000,000 (or in the case of an index with 15 or more component securities, less than \$30,000,000).

Each of the security indexes considered herein – the Russell 2000 Index, the Russell 2000 Growth Index, and the Russell 2000 Value Index – fails to trigger any of these criteria. The Exchange has determined, therefore, that Contracts shall be listed for trading under the sole jurisdiction of the CFTC.

In respect of criterion (i), in each case the number of Index component securities – as of February 28, 2017, 1,956 for the Russell 2000 Index, 1,164 for the Russell 2000 Growth Index, and 1,358 for the Russell 2000 Value Index – exceeds the 9-security minimum by two orders of magnitude.

In respect of criteria (ii), (iii), and (iv), Exhibit 4 displays summary statistics of daily data sampled from the nine-month interval from June 1, 2016, through February 28, 2017.

For criterion (ii), the share of index weight occupied by the largest component stock, test results appear in the left-hand panel of Exhibit 4. For each Index, the entire distribution of daily observations resides far below the 30 percent threshold that would signify a narrow-based index. At no point does any Index's largest component stock account for more than  $\frac{3}{4}$  of one percent of index weight.

#### Exhibit 4 – CEA Section 1a(25) Narrow-Based Index Tests for Russell Indexes

Quantiles of empirical distributions of daily measures of index characteristics:  
 June 1 to December 31, 2016, for Russell 2000 Index = "2000".  
 August 1, 2016, to February 28, 2017, for Russell 2000 Growth Index = "Growth".  
 August 1, 2016, to February 28, 2017, for Russell 2000 Value Index = "Value".

	Criterion (ii)			Criterion (iii)			Criterion (iv)		
	Index weight of largest index component (pct)			Aggregate index weight of largest 5 index components (pct)			Trading volume of smallest index components aggregating to 25 pct of index weight (\$ billions / day)		
	2000	Growth	Value	2000	Growth	Value	2000	Growth	Value
Maximum	0.47	0.72	0.59	1.64	2.91	2.62	6.01	5.07	4.27
75 Pctl	0.35	0.70	0.50	1.45	2.64	2.32	1.40	1.46	1.17
Median	0.30	0.66	0.47	1.24	2.51	2.25	1.24	1.28	1.04
25 Pctl	0.26	0.53	0.46	1.21	2.30	2.20	1.11	1.15	0.90
Minimum	0.24	0.51	0.43	1.17	2.24	2.13	0.66	0.86	0.69

Data Source: Bloomberg LLC

Similar results obtain for criterion (iii), shown in the middle panel of Exhibit 4. In each case, the distribution of aggregate weight of the Index's largest five component stocks lies well below the 60 percent threshold that would characterize a narrow-based index. Indeed, at no point do the largest five members of any Index account for more than 3 percent of index weight.

Summary statistics for distributions of trading volume, shown in Exhibit 4's right-hand panel, demonstrate that none of the three Indexes under consideration is narrow-based in the sense of criterion (iv). The test procedure is to rank each index's component stocks from smallest market capitalization to largest, then to identify index components with smallest market capitalizations in sufficient number to account for 25 percent of index weight. If the representative aggregate daily trading volume of such identified index components were less than \$30 million, then the index would be considered narrow-based.

For each of the three Russell Indexes at hand, the typical pace of such trading volume runs slightly more than \$1 bln per day, and consistently exceeds \$600 million per day, an order of magnitude beyond the test threshold.

## Section 4 – Block Trading Standards

The minimum size threshold for a block trade in the Contracts (as well as BTIC block transactions) shall be 40 contracts. This similar to established block trade standards that apply to Russell Index futures products listed on other designated contract markets and is broadly comparable in scale to the minimum block transaction size applicable to many of the CME E-mini equity index futures products in which the Exchange permits block trades.

## Section 5 -- Compliance with Core Principles

The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and has identified that the listing of 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 these 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 these 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 underlying reference Index is judged to be sufficiently broad in definition and scope to deter attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlements of expiring contracts. As of February 28, 2017, the Russell 2000 Index comprises 1,956 component stocks with approximate aggregate market capitalization of \$1.882 trillion, the Russell 2000 Growth Index has 1,164 component stocks with aggregate market capitalization of \$905.4 billion, and the Russell 2000 Value Index contains 1,358 component stocks with aggregate market capitalization of nearly \$976.5 billion.<sup>4</sup>

The final settlement price for an expiring contract shall be based entirely upon transaction prices or actionable price indications made competitively and transparently on organized primary listing exchanges, under the regulation of the US Securities and Exchange Commission. Specifically, the final settlement price is a special opening quotation of the corresponding Index computed by the index administrator on the basis of market order auctions for Index component stocks conducted on US primary listing exchanges between 9:29 am and 9:30 am New York time.<sup>5</sup>

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<sup>4</sup> FTSE Russell, *Russell US Index Series – Monthly Review*, February 2017, which is available at: [http://www.ftse.com/analytics/publications/russell\\_us](http://www.ftse.com/analytics/publications/russell_us)

<sup>5</sup> For the New York Stock Exchange, a description of the daily market order auction process may be found at: [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Auctions\\_Brochure.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Auctions_Brochure.pdf). Procedures for daily Opening Auctions, Market Order Auctions, and Closing Auctions are codified in NYSE Arca Rule 7.35. Auctions at: [http://nysearcrules.nyse.com/PCXTools/PlatformViewer.asp?searched=1&selectednode=chp\\_1\\_1\\_8\\_3\\_8&CiRestriction=%22market+order+auction%22&manual=%2Fpcx%2Fpcxe%2Fpcxe-rules%2F](http://nysearcrules.nyse.com/PCXTools/PlatformViewer.asp?searched=1&selectednode=chp_1_1_8_3_8&CiRestriction=%22market+order+auction%22&manual=%2Fpcx%2Fpcxe%2Fpcxe-rules%2F)

For the NASDAQ Stock Market, a description of the daily Opening Cross<sup>SM</sup> process may be found at: <http://www.nasdaqtrader.com/content/TechnicalSupport/UserGuides/TradingProducts/crosses/openclosequickguide.pdf>. Daily Opening Cross<sup>SM</sup> and Closing Cross<sup>SM</sup> procedures are set forth in NASDAQ Stock Market Rule 4752. Opening Process at

[http://nasdaq.cchwallstreet.com/NASDAQTools/PlatformViewer.asp?searched=1&selectednode=chp\\_1\\_1\\_4\\_1\\_10\\_1&CiRestriction=%22opening+cross%22&manual=%2Fnasdaq%2Fmain%2Fnasdaq-equityrules%2F](http://nasdaq.cchwallstreet.com/NASDAQTools/PlatformViewer.asp?searched=1&selectednode=chp_1_1_4_1_10_1&CiRestriction=%22opening+cross%22&manual=%2Fnasdaq%2Fmain%2Fnasdaq-equityrules%2F)

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#### **Core Principle 4 – Prevention of Market Disruption**

Trading in the Contracts shall be subject to CME Rulebook Chapters 4 and 7, 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 shall be subject to monitoring and surveillance by CME Group's Market Regulation Department.

As with any new product that is listed on a CME Group designated contract market and that references a broad-based index of US equity share prices, trading in the Contracts shall be subject to price limits that are harmonized with the US equity market-wide limit up-limit down mechanism set forth in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934"<sup>6</sup> implemented under, eg, New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **Core Principle 5 – Position Limits or Accountability**

The Contracts shall be subject to standards similar to those that apply to CME Standard and Poor's 500 Stock Price Index ("SP") futures or E-mini Standard and Poor's 500 Stock Price Index ("ES") futures and their respective companion options.

Thus, the Contracts shall be subject to a Position Reporting Level of 100 contracts and all month position limit of 60,000 contracts.

Index levels and market capitalizations as of end of February 2017 attest to the conservatism of these standards --

For Russell 2000 Index futures, a 60,000-contract position would signify notional Index exposure around \$4.16 bln, or 22 hundredths of one percent of Index market capitalization (\$1.882 trln).

In the case of Russell 2000 Growth Index futures, a 60,000-contract position would correspond to around \$2.44 bln of notional Index exposure, or 27 hundredths of one percent of Index market capitalization (\$905.4 bln).

For Russell 2000 Value Index futures, 60,000 contracts would signify synthetic Index exposure on the order of \$5.37 bln, or 55 hundredths of one percent (ie, around 1/200<sup>th</sup>) of Index market capitalization (\$976.5 bln).

To place this in perspective, consider that the current 60,000-contract All Month Position Limit for CME SP futures (or 300,000 contracts for CME ES futures, equal to 60,000 SP futures-equivalents) signifies around \$35.46 bln of notional exposure to the S&P 500<sup>®</sup> stock price index, or 17 hundredths of one percent of that index's February month-end market capitalization of \$21.352 trln.<sup>7</sup>

#### **Core Principle 7 – Availability of General Information**

The Exchange shall disseminate a Special Executive Report ("SER") to market participants regarding the launch of the Contracts. The SER will also be published on the Exchange's website.

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<sup>6</sup> Exhibit A, Securities Exchange Act Release No 67091, May 31, 2012 (77 FR 33498, June 6, 2012), as amended from time to time (U.S. Securities and Exchange Commission, SRO Rulemaking, National Market System Plans, File 4-631), which is available at: <https://www.sec.gov/rules/sro/nms.htm>

<sup>7</sup> S&P Dow Jones Indices, S&P 500<sup>®</sup> Month-End Factsheet, February 28, 2017, which is available at: [http://us.spindices.com/idsenhancedfactsheet/file.pdf?calcFrequency=M&force\\_download=true&hostIdentifier=48190c8c-42c4-46af-8d1a-0cd5db894797&indexId=340](http://us.spindices.com/idsenhancedfactsheet/file.pdf?calcFrequency=M&force_download=true&hostIdentifier=48190c8c-42c4-46af-8d1a-0cd5db894797&indexId=340)

***Core Principle 8 – Daily Publication of Trading Information***

The Exchange shall publish trading volumes, open interest levels, and price information daily of the Contracts on its website and through quote vendors.

***Core Principle 9 – Execution of Transactions***

The Contracts shall be listed for trading on CME Globex, which provides for efficient, competitive, and open execution of transactions. Additionally, 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 derivatives clearing organization, and which is subject to all CFTC regulations related thereto.

***Core Principle 12 – Protection of Markets and Market Participants***

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

***Core Principle 13 – Disciplinary Procedures***

CME Rulebook Chapter 4 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 these products are identified.

***Core Principle 14 – Dispute Resolution***

Disputes in respect of the Contracts shall be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, 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.

The Exchange certifies that the Contracts comply with the Act including all regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange'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 (212) 299-2200 or [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A Rulebook Chapter 393 – E-mini® Russell 2000® Index Futures  
Appendix B Rulebook Chapter 393A – Options on E-mini® Russell 2000® Index

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	Futures
Appendix C	Rulebook Chapter 394 – E-mini® Russell 2000® Growth Index Futures
Appendix D	Rulebook Chapter 395 – E-mini® Russell 2000® Value Index Futures
Appendix E	Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover)
Appendix F	CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Appendix G	CME Rule 589. – (“Special Price Fluctuation Limits and Daily Price Limits”) Table

## **Appendix A**

### **Chapter 393 E-mini® Russell 2000® Index Futures**

#### **39300. SCOPE OF CHAPTER**

This chapter is limited in application to E-mini® Russell 2000® Index futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referred to herein shall refer to and indicate Central Time.

#### **39300.A. Market Decline**

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **39300.B. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

#### **39300.C. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **39301. CONTRACT SPECIFICATIONS**

Each futures contract shall be valued at \$50.00 times the Russell 2000 Index (“Index”).

#### **39302. TRADING SPECIFICATIONS**

##### **39302.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

##### **39302.B. Trading Unit**

The unit of trade shall be \$50.00 times the Index.

##### **39302.C. Price Increments**

Bids and offers shall be quoted in Index points. Subject to Rule 39306.C., the minimum price increment shall be 0.10 Index points, equal to \$5.00 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.05 Index points, equal to \$2.50 per intermonth spread.

##### **39302.D. 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.

**39302.E. [Reserved]**

**39302.F. [Reserved]**

**39302.G. Termination of Trading**

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the New York Stock Exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 39303.A.) for such futures.

**39302.H. [Reserved]**

**39302.I. Price Limits and Trading Halts**

Futures trading shall be subject to Price Limits as set forth in this Rule. For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

**1. Daily Determination of Price Limits**

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated on the basis of the corresponding Reference Price (Rule 39302.I.1.a.) and the corresponding Offsets (Rule 39302.I.1.b.), as follows:

- 5% Price Limits = Reference Price minus 5% Offset, and Reference Price plus 5% Offset
- 7% Price Limit = Reference Price minus 7% Offset
- 13% Price Limit = Reference Price minus 13% Offset
- 20% Price Limit = Reference Price minus 20% Offset

**1.a. Reference Prices for Price Limits**

For a given Business Day, for futures for a given delivery month, the Exchange shall set a contract Reference Price on the first preceding Business Day, as follows:

**Tier 1**

Such Reference 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, or (iii) in the event of an unscheduled early close of the Primary Listing Exchange, the final thirty (30) seconds of the Primary Listing Exchange trading day ("Reference Interval").

**Tier 2**

If no such transaction occurs during the Reference Interval, then such Reference Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the Reference Interval, provided that the Reference Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.20 Index points (equal to two (2) minimum price increments).

**Tier 3**

If such Reference Price cannot be determined pursuant to Tier 1 or Tier 2, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures

contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Reference Price value shall be rounded down to the nearest integer multiple of 0.10 Index point. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

For newly listed futures for a given delivery month, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

#### **1.b. Offsets for Price Limits**

For a given Business Day, the Exchange shall determine Offsets on the basis of the Index value ("I") at the close of trading on the Primary Listing Exchange (Rule 39300.B.) on the first preceding Business Day, as follows:

5% Offset = 5% of I (0.05 x I)  
7% Offset = 7% of I (0.07 x I)  
13% Offset = 13% of I (0.13 x I)  
20% Offset = 20% of I (0.20 x I)

Each resultant Offset value shall be rounded down to the nearest integer multiple of 0.10 Index point. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits.

#### **2. Application of Price Limits from Start of Trading Day to 8:30 a.m.**

From the start of any Trading Day until 8:30 a.m., there shall be no trading in futures for a given delivery month at any price that is either strictly lower than or strictly higher than the range defined by the 5% Price Limits (Rule 39302.I.1.) applicable to such futures on such Trading Day.

Without limitation to the foregoing, the start of any Trading Day generally shall coincide with the start of the CME Globex trading session at 5:00 p.m. on the evening first preceding such Trading Day.

If the Primary Futures Contract Month is limit bid or limit offered at 8:23 a.m. and remains limit bid or limit offered at 8:25 a.m., then futures trading shall halt and remain halted until 8:30 a.m. Prior to reopening of Globex trading in futures at 8:30 a.m., the Exchange shall provide indicative opening prices in accord with Rule 573.

#### **3. Application of Price Limits and Trading Halts from 8:30 a.m. to 2:25 p.m.**

Except as provided in Rules 39302.I.3.a. and 39302.I.3.b., from 8:30 a.m. until and including 2:25 p.m., or from 8:30 a.m. until and including 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange, futures for a given delivery month shall trade subject to the corresponding Price Limits (Rule 39302.I.1.), as follows:

There shall be no futures trading at any price strictly lower than the corresponding 7% Price Limit, unless the Primary Futures Contract Month becomes limit offered at its 7% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 7% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 7% Price Limit, futures trading shall continue subject to the corresponding 13% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 7% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 13% Price Limit.



At such time as the Primary Futures Contract Month becomes limit offered at its 13% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 13% Price Limit, futures trading shall continue subject to the corresponding 20% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 13% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 20% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding 20% Price Limit.

### **3.a. Regulatory Halts**

At such time as the Primary Listing Exchange may declare a Regulatory Halt (Rule 39300.C.) in response to a Level 1 (7%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 13% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 2 (13%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 20% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

### **3.b. Unscheduled Non-Regulatory Halts**

If an unscheduled trading halt that is not also a Regulatory Halt occurs on one or more Primary Listing Exchanges between 8:30 a.m. and 2:25 p.m., or between 8:30 a.m. and 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange(s), then futures trading shall be subject to such trading halts or such price limits as the Exchange, in its sole discretion, may determine to be appropriate.

### **4. Application of Price Limits from 2:25 p.m. to 3:00 p.m.**

From 2:25 p.m. to 3:00 p.m., or from 11:25 a.m. to noon in the case of an early scheduled close on the Primary Listing Exchange, trading in futures for a given delivery month shall be subject only to the corresponding 20% Price Limit (Rule 39302.I.1.).

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

### **5. Application of Price Limits from 3:00 p.m. to Close of Trading Day**

From the close of trading on the Primary Listing Exchange at 3:00 p.m., or at noon in the case of an early scheduled close on the Primary Listing Exchange, until the close of the current Trading Day, trading in futures for a given delivery month shall be subject to an upper Price Limit equal to the corresponding Reference Price determined on the current Business Day (Rule 39302.I.1.a.) plus the 5% Offset determined on the current Business Day (Rule 39302.I.1.b.).

Trading in such futures also shall be subject to a lower Price Limit set as the corresponding Reference Price determined on the current Business Day minus the 5% Offset determined on the current Business Day, provided that such lower Price Limit shall be no lower than the 20% Price Limit (Rule 39302.I.1.) applicable to the current Trading Day.

Without limitation to the foregoing, the close of the current Trading Day generally shall coincide with the close of the CME Globex trading session on such Trading Day.

### **39303. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

#### **39303.A. Final Settlement Price**

For a futures contract for a given delivery month, the Final Settlement Price shall be a special opening quotation of the Index. Such special opening quotation shall be determined on the third Friday of such delivery month and shall be based on opening prices of the component stocks of the Index.

If the Index is not scheduled to be published on the third Friday of the contract delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

If the Primary Listing Exchange for a component stock in the Index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its Primary Listing Exchange is open for trading.

If a component stock of the Index does not trade on the day scheduled for determination of such Final Settlement Price, and the Primary Listing Exchange for such stock is open for trading, then for the purpose of calculating such Final Settlement Price the price of such stock shall be its last sale price, provided that the Exchange in its sole discretion may instruct that the price of such stock shall be its opening price on the next following day that it is traded on its Primary Listing Exchange.

#### **39303.B. Final Settlement**

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 39302.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 39303.A.).

### **39304. [RESERVED]**

### **39305. [RESERVED]**

### **39306. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

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

#### **39306.A. BTIC Block Trade Requirements**

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

For a 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 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.

#### **39306.B. BTIC Price Assignment Procedures**

The futures price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the Primary Listing Exchange in the case of an early scheduled close of the Primary Listing Exchange). Such price determination shall be deemed final.

#### **393 06.C. BTIC Minimum Price Increment**

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.05 index points.

(End Chapter 393)

### **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 393**

Neither Frank Russell Company's publication of the Russell Indexes nor its licensing of its trademarks for use in connection with securities or other financial products derived from a Russell Index in any way suggests or implies a representation or opinion by Frank Russell Company as to the attractiveness of investment in any securities or other financial products based upon or derived from any Russell Index. Frank Russell Company is not the issuer of any such securities or other financial products and makes no express or implied warranties of merchantability or fitness for any particular purpose with respect to any Russell Index or any data included or reflected therein, nor as to results to be obtained by any person or any entity from the use of the Russell Index or any data included or reflected therein.

## **Appendix B**

### **Chapter 393A Options on E-mini® Russell 2000® Index Futures**

#### **393A00. SCOPE OF CHAPTER**

This chapter is limited in application to options on E-mini® Russell 2000® Index futures (“futures”). In addition to this chapter, options on futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

#### **393A00.A. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

#### **393A00.B. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **393A01. OPTIONS CHARACTERISTICS**

##### **393A01.A. Contract Months, Trading Hours, and Trading Halts**

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, *provided that* there shall be no trading in options when trading is halted in the Primary Futures Contract Month pursuant to Rule 39302.I

In accordance with Rule 39302.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

##### **393A01.B. Trading Unit**

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one E-mini Russell 2000 Index futures contract (Chapter 393).

##### **393A01.C. Minimum Fluctuations**

Option prices shall be quoted in Index points. Each Index point shall represent \$50.00 per option contract.

Subject to Rule 393A01.C.1., the minimum price fluctuation shall be 0.1 Index points (equal to \$5.00 per option contract), *provided that* trades at price levels equal to or less than five (5) Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$2.50 per option contract), and *provided that* trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade.

#### **1. Option Spreads and Combinations**

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule, *provided that* for any option

spread or combination that trades at a net premium of five (5) Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points.

### **393A01.D. Underlying Futures Contract**

#### **1. American Style Options in the March Quarterly Cycle (“Quarterly options”)**

For any American style option for which the expiration month is in the March quarterly cycle (i.e., March, June, September, or December), the Underlying Futures Contract shall be for delivery in such option’s expiration month.

*Example:* For a given year, futures for delivery in March shall be the Underlying Futures Contract for a March Quarterly option.

#### **2. European Style Weekly Options**

For any European style Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 39303.A.

*Examples:* For a given year, futures for delivery in June shall be the Underlying Futures Contract for third (3rd) March, fourth (4th) March, first (1st) April, second (2nd) April, third (3rd) April, fourth (4th) April, first (1st) May, second (2nd) May, third (3rd) May, fourth (4th) May, first (1st) June, and second (2nd) June European style Weekly options. Futures for delivery in September shall be the Underlying Futures Contract for third (3rd) June and fourth (4th) June European style Weekly options.

The Exchange shall not list a European style Fourth Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

#### **3. European Style End-of-Month Options**

For any European style End-of-Month option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 39303.A.

*Examples:* For a given year, futures for delivery in March shall be the Underlying Futures Contract for a January European style End-of-Month option and for a February European style End-of-Month option. Futures for delivery in June shall be the Underlying Futures Contract for a March European style End-of-Month option.

### **393A01.E. Exercise Prices**

In each month in the March quarterly cycle (Rule 393A01.D.1.) the Exchange shall determine an Exercise Price Reference on the Business Day first preceding the day on which the final settlement price of futures for delivery in such month (Rule 39303.A.) is scheduled to be determined. Such Exercise Price Reference shall be set equal to the daily settlement price of such futures, rounded *down* to the nearest Index point.

The Exchange shall use such Exercise Price Reference to determine listing ranges for option exercise prices on all Business Days following its determination, until and including the next Business Day on which the Exchange determines a successor Exercise Price Reference in accordance with this Rule.

#### **1. Quarterly Options**

On any Business Day, the Exchange shall ensure that Quarterly put and call options are listed for trading at all eligible exercise prices, as follows:

##### 25 Point Exercise Prices

For Quarterly options exercisable into a given Underlying Futures Contract (Rule 393A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at all exercise price

levels that are integer multiples of 25 Index points (e.g., 1300, 1325, 1350) and that lie within a range from 50 percent of the Exercise Price Reference below, to 50 percent of the Exercise Price Reference above, the preceding Business Day's daily settlement price for such Underlying Futures Contract.

#### 10 Point Exercise Prices

For Quarterly options exercisable into a given Underlying Futures Contract (Rule 393A01.D.1.), the Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g., 1300, 1310, 1320) and that lie within a range from 20 percent of the Exercise Price Reference below, to 20 percent of the Exercise Price Reference above, the preceding Business Day's daily settlement price for such Underlying Futures Contract.

#### 5 Point Exercise Prices

As of the day on which an Underlying Futures Contract for a given delivery month becomes the futures contract second-nearest to delivery in the March quarterly cycle (Rule 393A01.D.1.), the Exchange also shall ensure that Quarterly put and call options exercisable into such Underlying Futures Contract are listed for trading at all exercise price levels that are integer multiples of 5 Index points (e.g. 1300, 1305, 1310) and that lie within a range from 10 percent of the Exercise Price Reference below, to 10 percent of the Exercise Price Reference above, the preceding Business Day's daily settlement price for such Underlying Futures Contract.

New options may be listed for trading on any Business Day up to and including the termination of trading in such options.

### **2. All Options Excluding Quarterly Options**

On any given Business Day, options that are not Quarterly options (Rules 393A01.D.), and that are exercisable into a given Underlying Futures Contract, shall be listed for trading at all exercise price levels at which Quarterly options exercisable into such Underlying Futures Contract are concurrently listed for trading (Rule 393A01.E.1.).

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

#### **393A01.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.

#### **393A01.G. Nature of Options**

Upon exercise of a put option by the buyer of such option, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 393A01.D.) at such option's exercise price (Rule 393A01.E.). Upon exercise of a call option by the buyer of such option, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

### **1. Quarterly Options**

The buyer of a Quarterly option (Rule 393A01.D.1.) may exercise such option at any time prior to its expiration.

## **2. European Style Weekly Options and European Style End-of-Month Options**

The buyer of a European style Weekly option (Rule 393A01.D.2.) or a European style End-of-Month option (Rule 393A01.D.3.) may exercise such option only at its expiration.

**393A01.H. [Reserved]**

**393A01.I. Termination of Trading**

### **1. Quarterly Options**

Trading in any Quarterly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 393A01.D.1.).

### **2. European Style Weekly Options**

Trading in any European style Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 393A00.A.), on the Friday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Weekly options, and such options shall expire, on the first Friday of such month.

Trading shall terminate in European style Second Weekly options, and such options shall expire, on the second Friday of such month

Trading shall terminate in European style Third Weekly options, and such options shall expire, on the third Friday of such month

Trading shall terminate in European style Fourth Weekly options, and such options shall expire, on the fourth Friday of such month

If such Friday is not a scheduled Business Day, then trading in expiring options shall be scheduled to terminate on the Business Day first preceding such Friday, *provided that* the Exchange shall not list European style Weekly options for trading in any such instance where the Business Day first preceding such Friday would be the last Business Day of the preceding calendar month.

The Exchange shall not list European style Fourth Weekly options for any month wherein the fourth Friday is the last Business Day of such month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

### **3. European Style End-Of-Month Options**

Trading in any European style End-of-Month option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 393A00.A.), on the last Business Day of such option's expiration month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

**393A01.J. [Reserved]**

## **393A02. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options.

### **393A02.A. Exercise of Option by Buyer**

#### **1. Quarterly Options**

Any Quarterly option (Rule 393A01.D.1.) may be exercised by the buyer on any Business Day on which such option may be traded. To exercise such option, the clearing member representing the option buyer shall present an exercise notice to the Clearing House by 7:00 p.m., or by such other time as the Exchange may designate, on the day of exercise.

Any unexercised option shall expire at 7:00 p.m. on the last day of trading in such option (Rule 393A01.I.). Any option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically upon expiration, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m., or such other time as may be designated by the Exchange, on the last day of trading in such option.

A call option shall be in the money if the settlement price of such option's Underlying Futures Contract (Rule 393A01.D.) on the last day of trading in such option (Rule 393A01.I.) is strictly above such option's exercise price, and shall be out of the money if such settlement price is at or below such option's exercise price.

A put option shall be in the money if the settlement price of such option's Underlying Futures Contract on the last day of trading in such option is strictly below such option's exercise price, and shall be out of the money if such settlement price is at or above such option's exercise price.

#### **2. European Style Weekly Options and European Style End-of-Month Options**

Any European style Weekly option (Rule 393A01.D.2.) or European style End-of-Month option (Rule 393A01.D.3.) may be exercised only at, and not before, expiration of such option.

Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.

Whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option's Underlying Futures Contract (Rule 393A01.D.). The Exchange, in its sole discretion, shall set such Fixing Price on the last day of trading in such option, as follows:

##### **Tier 1**

Such Fixing Price shall be based on the volume-weighted average price of transactions in such Underlying Futures Contract on the CME Globex electronic trading platform between 2:59:30 p.m. and 3:00:00 p.m. (or between 11:59:30 a.m. and noon in the case of an early scheduled close of the Primary Listing Exchange) ("reference interval").

##### **Tier 2**

If no such transaction occurs during the reference interval, then such Fixing Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the reference interval, *provided that* the Fixing Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.20 Index points.

##### **Tier 3**



If such Fixing Price cannot be determined pursuant to Tier 1 or Tier 2, or if an unscheduled nonregulatory halt in CME Globex trading in such Underlying Futures Contract occurs between 2:58:00 p.m. and 3:00:00 p.m., then such Fixing Price shall be based on the average transaction price during the reference interval of the CME Standard and Poor's 500 Stock Price Index ("S&P 500") futures contract (Chapter 351) for the same delivery month as such option's Underlying Futures Contract (Rule 393A01.D.).

#### Tier 4

If such Fixing Price cannot be determined pursuant to Tier 1, Tier 2, or Tier 3, then the Exchange, in its sole discretion, shall set such Fixing Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1, Tier 2, or Tier 3 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Fixing Price value shall be rounded to the nearest integer multiple of 0.01 Index points. Such Fixing Price, so rounded, shall be used to determine whether an option expires in the money or out of the money.

If, at the time such Fixing Price is scheduled to be calculated in respect of expiring options, the Primary Listing Exchange (Rule 393A00.A.) is subject to a Regulatory Halt (Rule 393A00.B.), and the Primary Futures Contract Month is limit offered at the maximum price limit permissible during such Regulatory Halt pursuant to Rule 39302.I., then (a) such option shall expire at 8:31 a.m. on the next following Business Day on which a Regulatory Halt is not in effect, and (b) the Fixing Price in respect of such option shall be calculated in accordance with the corresponding provisions of this Rule, on the basis of a reference interval beginning at 8:30:30 a.m. and concluding at 8:31:00 a.m.

An expiring call option shall be in the money if the corresponding Fixing Price is strictly above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or below such option's exercise price.

An expiring put option shall be in the money if the corresponding Fixing Price is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.

#### **393A02.B. Assignment**

For a given option contract, an exercise notice accepted by the Clearing House in accordance with Rules 393A02.A. shall be assigned by the Clearing House through a process of random selection to clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 393A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

All such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House accepts such exercise notice.

#### **393A03. [RESERVED]**

#### **393A04. CORRECTIONS TO OPTION EXERCISES**

Corrections to option exercises may be accepted by the Clearing House after 7:00 p.m. and up to the beginning of final option expiration processing (in accord with Rules 393A02.A.), *provided that* such corrections are necessary due to: (1) a bona fide clerical error, (2) unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to 7:00 p.m. The decision as to whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

**393A05.-29. [RESERVED]**

(End Chapter 393A)

**INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 393A**

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## **Appendix C**

### **Chapter 394 E-mini® Russell 2000® Growth Index Futures**

#### **39400. SCOPE OF CHAPTER**

This chapter is limited in application to E-mini® Russell 2000® Growth Index futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referred to herein shall refer to and indicate Central Time.

#### **39400.A. Market Decline**

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **39400.B. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

#### **39400.C. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **39401. CONTRACT SPECIFICATIONS**

Each futures contract shall be valued at \$50.00 times the Russell 2000 Growth Index (“Index”).

#### **39402. TRADING SPECIFICATIONS**

##### **39402.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

##### **39402.B. Trading Unit**

The unit of trade shall be \$50.00 times the Index.

##### **39402.C. Price Increments**

Bids and offers shall be quoted in Index points. Subject to Rule 39406.C., the minimum price increment shall be 0.10 Index points, equal to \$5.00 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.05 Index points, equal to \$2.50 per intermonth spread.

##### **39402.D. 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.

**39402.E. [Reserved]**

**39402.F. [Reserved]**

**39402.G. Termination of Trading**

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the New York Stock Exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 39403.A.) for such futures.

**39402.H. [Reserved]**

**39402.I. Price Limits and Trading Halts**

Futures trading shall be subject to Price Limits as set forth in this Rule. For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

**1. Daily Determination of Price Limits**

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated on the basis of the corresponding Reference Price (Rule 39402.I.1.a.) and the corresponding Offsets (Rule 39402.I.1.b.), as follows:

- 5% Price Limits = Reference Price minus 5% Offset, and Reference Price plus 5% Offset
- 7% Price Limit = Reference Price minus 7% Offset
- 13% Price Limit = Reference Price minus 13% Offset
- 20% Price Limit = Reference Price minus 20% Offset

**1.a. Reference Prices for Price Limits**

For a given Business Day, for futures for a given delivery month, the Exchange shall set a contract Reference Price on the first preceding Business Day, as follows:

**Tier 1**

Such Reference 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, or (iii) in the event of an unscheduled early close of the Primary Listing Exchange, the final thirty (30) seconds of the Primary Listing Exchange trading day ("Reference Interval").

**Tier 2**

If no such transaction occurs during the Reference Interval, then such Reference Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the Reference Interval, provided that the Reference Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.20 Index points (equal to two (2) minimum price increments).

**Tier 3**

If such Reference Price cannot be determined pursuant to Tier 1 or Tier 2, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures

contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Reference Price value shall be rounded down to the nearest integer multiple of 0.10 Index point. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

For newly listed futures for a given delivery month, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

### **1.b. Offsets for Price Limits**

For a given Business Day, the Exchange shall determine Offsets on the basis of the Index value ("I") at the close of trading on the Primary Listing Exchange (Rule 39400.B.) on the first preceding Business Day, as follows:

5% Offset = 5% of I (0.05 x I)  
7% Offset = 7% of I (0.07 x I)  
13% Offset = 13% of I (0.13 x I)  
20% Offset = 20% of I (0.20 x I)

Each resultant Offset value shall be rounded down to the nearest integer multiple of 0.10 Index point. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits.

### **2. Application of Price Limits from Start of Trading Day to 8:30 a.m.**

From the start of any Trading Day until 8:30 a.m., there shall be no trading in futures for a given delivery month at any price that is either strictly lower than or strictly higher than the range defined by the 5% Price Limits (Rule 39402.I.1.) applicable to such futures on such Trading Day.

Without limitation to the foregoing, the start of any Trading Day generally shall coincide with the start of the CME Globex trading session at 5:00 p.m. on the evening first preceding such Trading Day.

If the Primary Futures Contract Month is limit bid or limit offered at 8:23 a.m. and remains limit bid or limit offered at 8:25 a.m., then futures trading shall halt and remain halted until 8:30 a.m. Prior to reopening of Globex trading in futures at 8:30 a.m., the Exchange shall provide indicative opening prices in accord with Rule 573.

### **3. Application of Price Limits and Trading Halts from 8:30 a.m. to 2:25 p.m.**

Except as provided in Rules 39402.I.3.a. and 39402.I.3.b., from 8:30 a.m. until and including 2:25 p.m., or from 8:30 a.m. until and including 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange, futures for a given delivery month shall trade subject to the corresponding Price Limits (Rule 39402.I.1.), as follows:

There shall be no futures trading at any price strictly lower than the corresponding 7% Price Limit, unless the Primary Futures Contract Month becomes limit offered at its 7% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 7% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 7% Price Limit, futures trading shall continue subject to the corresponding 13% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 7% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 13% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 13% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 13% Price Limit, futures trading shall continue subject to the corresponding 20% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 13% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 20% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding 20% Price Limit.

### **3.a. Regulatory Halts**

At such time as the Primary Listing Exchange may declare a Regulatory Halt (Rule 39400.C.) in response to a Level 1 (7%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 13% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 2 (13%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 20% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

### **3.b. Unscheduled Non-Regulatory Halts**

If an unscheduled trading halt that is not also a Regulatory Halt occurs on one or more Primary Listing Exchanges between 8:30 a.m. and 2:25 p.m., or between 8:30 a.m. and 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange(s), then futures trading shall be subject to such trading halts or such price limits as the Exchange, in its sole discretion, may determine to be appropriate.

### **4. Application of Price Limits from 2:25 p.m. to 3:00 p.m.**

From 2:25 p.m. to 3:00 p.m., or from 11:25 a.m. to noon in the case of an early scheduled close on the Primary Listing Exchange, trading in futures for a given delivery month shall be subject only to the corresponding 20% Price Limit (Rule 39402.I.1.).

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

### **5. Application of Price Limits from 3:00 p.m. to Close of Trading Day**

From the close of trading on the Primary Listing Exchange at 3:00 p.m., or at noon in the case of an early scheduled close on the Primary Listing Exchange, until the close of the current Trading Day, trading in futures for a given delivery month shall be subject to an upper Price Limit equal to the corresponding Reference Price determined on the current Business Day (Rule 39402.I.1.a.) plus the 5% Offset determined on the current Business Day (Rule 39402.I.1.b.).

Trading in such futures also shall be subject to a lower Price Limit set as the corresponding Reference Price determined on the current Business Day minus the 5% Offset determined on the current Business Day, provided that such lower Price Limit shall be no lower than the 20% Price Limit (Rule 39402.I.1.) applicable to the current Trading Day.

Without limitation to the foregoing, the close of the current Trading Day generally shall coincide with the close of the CME Globex trading session on such Trading Day.

### **39403. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

#### **39403.A. Final Settlement Price**

For a futures contract for a given delivery month, the Final Settlement Price shall be a special opening quotation of the Index. Such special opening quotation shall be determined on the third Friday of such delivery month and shall be based on opening prices of the component stocks of the Index.

If the Index is not scheduled to be published on the third Friday of the contract delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

If the Primary Listing Exchange for a component stock in the Index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its Primary Listing Exchange is open for trading.

If a component stock of the Index does not trade on the day scheduled for determination of such Final Settlement Price, and the Primary Listing Exchange for such stock is open for trading, then for the purpose of calculating such Final Settlement Price the price of such stock shall be its last sale price, provided that the Exchange in its sole discretion may instruct that the price of such stock shall be its opening price on the next following day that it is traded on its Primary Listing Exchange.

#### **39403.B. Final Settlement**

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 39402.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 39403.A.).

### **39404. [RESERVED]**

### **39405. [RESERVED]**

### **39406. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

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

#### **39406.A. BTIC Block Trade Requirements**

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

For a 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 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.

#### **39406.B. BTIC Price Assignment Procedures**

The futures price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the Primary Listing Exchange in the case of an early scheduled close of the Primary Listing Exchange). Such price determination shall be deemed final.

#### **394 06.C. BTIC Minimum Price Increment**

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.05 index points.

(End Chapter 394)

#### **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 394**

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## **Appendix D**

### **Chapter 395 E-mini® Russell 2000® Value Index Futures**

#### **39500. SCOPE OF CHAPTER**

This chapter is limited in application to E-mini® Russell 2000® Value Index futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referred to herein shall refer to and indicate Central Time.

#### **39500.A. Market Decline**

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **39500.B. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

#### **39500.C. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **39501. CONTRACT SPECIFICATIONS**

Each futures contract shall be valued at \$50.00 times the Russell 2000 Value Index (“Index”).

#### **39502. TRADING SPECIFICATIONS**

##### **39502.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

##### **39502.B. Trading Unit**

The unit of trade shall be \$50.00 times the Index.

##### **39502.C. Price Increments**

Bids and offers shall be quoted in Index points. Subject to Rule 39506.C., the minimum price increment shall be 0.10 Index points, equal to \$5.00 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.05 Index points, equal to \$2.50 per intermonth spread.

##### **39502.D. 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.

**39502.E. [Reserved]**

**39502.F. [Reserved]**

**39502.G. Termination of Trading**

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the New York Stock Exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 39503.A.) for such futures.

**39502.H. [Reserved]**

**39502.I. Price Limits and Trading Halts**

Futures trading shall be subject to Price Limits as set forth in this Rule. For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

**1. Daily Determination of Price Limits**

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated on the basis of the corresponding Reference Price (Rule 39502.I.1.a.) and the corresponding Offsets (Rule 39502.I.1.b.), as follows:

- 5% Price Limits = Reference Price minus 5% Offset, and Reference Price plus 5% Offset
- 7% Price Limit = Reference Price minus 7% Offset
- 13% Price Limit = Reference Price minus 13% Offset
- 20% Price Limit = Reference Price minus 20% Offset

**1.a. Reference Prices for Price Limits**

For a given Business Day, for futures for a given delivery month, the Exchange shall set a contract Reference Price on the first preceding Business Day, as follows:

**Tier 1**

Such Reference 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, or (iii) in the event of an unscheduled early close of the Primary Listing Exchange, the final thirty (30) seconds of the Primary Listing Exchange trading day ("Reference Interval").

**Tier 2**

If no such transaction occurs during the Reference Interval, then such Reference Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the Reference Interval, provided that the Reference Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.20 Index points (equal to two (2) minimum price increments).

**Tier 3**

If such Reference Price cannot be determined pursuant to Tier 1 or Tier 2, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but

are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Reference Price value shall be rounded down to the nearest integer multiple of 0.10 Index point. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

For newly listed futures for a given delivery month, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

### **1.b. Offsets for Price Limits**

For a given Business Day, the Exchange shall determine Offsets on the basis of the Index value ("I") at the close of trading on the Primary Listing Exchange (Rule 39500.B.) on the first preceding Business Day, as follows:

5% Offset = 5% of I (0.05 x I)  
7% Offset = 7% of I (0.07 x I)  
13% Offset = 13% of I (0.13 x I)  
20% Offset = 20% of I (0.20 x I)

Each resultant Offset value shall be rounded down to the nearest integer multiple of 0.10 Index point. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits.

### **2. Application of Price Limits from Start of Trading Day to 8:30 a.m.**

From the start of any Trading Day until 8:30 a.m., there shall be no trading in futures for a given delivery month at any price that is either strictly lower than or strictly higher than the range defined by the 5% Price Limits (Rule 39502.I.1.) applicable to such futures on such Trading Day.

Without limitation to the foregoing, the start of any Trading Day generally shall coincide with the start of the CME Globex trading session at 5:00 p.m. on the evening first preceding such Trading Day.

If the Primary Futures Contract Month is limit bid or limit offered at 8:23 a.m. and remains limit bid or limit offered at 8:25 a.m., then futures trading shall halt and remain halted until 8:30 a.m. Prior to reopening of Globex trading in futures at 8:30 a.m., the Exchange shall provide indicative opening prices in accord with Rule 573.

### **3. Application of Price Limits and Trading Halts from 8:30 a.m. to 2:25 p.m.**

Except as provided in Rules 39502.I.3.a. and 39502.I.3.b., from 8:30 a.m. until and including 2:25 p.m., or from 8:30 a.m. until and including 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange, futures for a given delivery month shall trade subject to the corresponding Price Limits (Rule 39502.I.1.), as follows:

There shall be no futures trading at any price strictly lower than the corresponding 7% Price Limit, unless the Primary Futures Contract Month becomes limit offered at its 7% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 7% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 7% Price Limit, futures trading shall continue subject to the corresponding 13% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 7% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 13% Price

Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 13% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 13% Price Limit, futures trading shall continue subject to the corresponding 20% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 13% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 20% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding 20% Price Limit.

### **3.a. Regulatory Halts**

At such time as the Primary Listing Exchange may declare a Regulatory Halt (Rule 39500.C.) in response to a Level 1 (7%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 13% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 2 (13%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 20% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

### **3.b. Unscheduled Non-Regulatory Halts**

If an unscheduled trading halt that is not also a Regulatory Halt occurs on one or more Primary Listing Exchanges between 8:30 a.m. and 2:25 p.m., or between 8:30 a.m. and 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange(s), then futures trading shall be subject to such trading halts or such price limits as the Exchange, in its sole discretion, may determine to be appropriate.

### **4. Application of Price Limits from 2:25 p.m. to 3:00 p.m.**

From 2:25 p.m. to 3:00 p.m., or from 11:25 a.m. to noon in the case of an early scheduled close on the Primary Listing Exchange, trading in futures for a given delivery month shall be subject only to the corresponding 20% Price Limit (Rule 39502.I.1.).

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

### **5. Application of Price Limits from 3:00 p.m. to Close of Trading Day**

From the close of trading on the Primary Listing Exchange at 3:00 p.m., or at noon in the case of an early scheduled close on the Primary Listing Exchange, until the close of the current Trading Day, trading in futures for a given delivery month shall be subject to an upper Price Limit equal to the corresponding Reference Price determined on the current Business Day (Rule 39502.I.1.a.) plus the 5% Offset determined on the current Business Day (Rule 39502.I.1.b.).

Trading in such futures also shall be subject to a lower Price Limit set as the corresponding Reference Price determined on the current Business Day minus the 5% Offset determined on the current Business Day, provided that such lower Price Limit shall be no lower than the 20% Price Limit (Rule 39502.I.1.) applicable to the current Trading Day.

Without limitation to the foregoing, the close of the current Trading Day generally shall coincide with the close of the CME Globex trading session on such Trading Day.

### **39503. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

#### **39503.A. Final Settlement Price**

For a futures contract for a given delivery month, the Final Settlement Price shall be a special opening quotation of the Index. Such special opening quotation shall be determined on the third Friday of such delivery month and shall be based on opening prices of the component stocks of the Index.

If the Index is not scheduled to be published on the third Friday of the contract delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

If the Primary Listing Exchange for a component stock in the Index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its Primary Listing Exchange is open for trading.

If a component stock of the Index does not trade on the day scheduled for determination of such Final Settlement Price, and the Primary Listing Exchange for such stock is open for trading, then for the purpose of calculating such Final Settlement Price the price of such stock shall be its last sale price, provided that the Exchange in its sole discretion may instruct that the price of such stock shall be its opening price on the next following day that it is traded on its Primary Listing Exchange.

#### **39503.B. Final Settlement**

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 39502.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 39503.A.).

### **39504. [RESERVED]**

### **39505. [RESERVED]**

### **39506. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

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

#### **39506.A. BTIC Block Trade Requirements**

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

For a 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 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.

#### **39506.B. BTIC Price Assignment Procedures**

The futures price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the Primary Listing Exchange in the case of an early scheduled close of the Primary Listing Exchange). Such price determination shall be deemed final.

#### **395 06.C. BTIC Minimum Price Increment**

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.05 index points.

(End Chapter 395)

**INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 395**

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**Appendix E**

**Position Limit, Position Accountability, and Reportable Level Table in Chapter 5  
of the CME Rulebook**

(Attached under separate cover)

## Appendix F

### CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table

(Additions underscored.)

US Equity Index Futures (CME)	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format
<u>E-mini® Russell 2000® Index Futures</u>	<u>RTY</u>	<u>4.00 index points</u>	<u>400</u>
<u>BTIC on E-mini® Russell 2000® Index Futures</u>	<u>RLT</u>	<u>4.00 index points</u>	<u>400</u>
<u>E-mini® Russell 2000® Growth Index Futures</u>	<u>R2G</u>	<u>4.00 index points</u>	<u>400</u>
<u>BTIC on E-mini® Russell 2000® Growth Index Futures</u>	<u>2GT</u>	<u>4.00 index points</u>	<u>400</u>
<u>E-mini® Russell 2000® Value Index Futures</u>	<u>R2V</u>	<u>4.00 index points</u>	<u>400</u>
<u>BTIC on E-mini® Russell 2000® Value Index Futures</u>	<u>2VT</u>	<u>4.00 index points</u>	<u>400</u>

US Equity Index Options (excluding Dow Jones Industrial Average)	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	Bid/Ask Reasonability
<u>Options on E-mini® Russell 2000® Index Futures</u>	<u>RTO</u>	<u>The greater of delta times the underlying futures non-reviewable range or 20% of premium up to 1/4 of the underlying futures' non-reviewable range with a minimum of 1 tick</u>	<u>The greater of the delta times the underlying futures non-reviewable range or 20% of the fair value premium up to the underlying futures non-reviewable range with a minimum reasonability of 1.00 index point</u>
<u>Options on E-mini® Russell 2000® Index Futures - End-of-Month</u>	<u>RTM</u>		
<u>Weekly Options on E-mini® Russell 2000® Index Futures</u>	<u>R#E</u>		



## Appendix G

**CME Rule 589. (“Special Price Fluctuation Limits and Daily Price Limits”) Table**  
(Additions underscored.)

Product	Rulebook Chapter	Commodity Code	Primary/ Associated	Associated With	Base in Real Economic Value	Level
<u>E-mini® Russell 2000® Index Futures</u>	<u>393</u>	<u>RTY</u>	<u>Primary</u>	<u>Primary</u>		<u>See Rulebook Chapter</u>
<u>BTIC on E-mini® Russell 2000® Index Futures</u>	<u>393</u>	<u>RLT</u>	<u>Associated</u>	<u>RTY</u>		<u>See Rulebook Chapter</u>
<u>Options on E-mini® Russell 2000® Index Futures</u>	<u>393A</u>	<u>RTO</u>	<u>Associated</u>	<u>RTY</u>		<u>See Rulebook Chapter</u>
<u>Weekly Options on E-mini® Russell 2000® Index Futures</u>	<u>393A</u>	<u>R#E</u>	<u>Associated</u>	<u>RTY</u>		<u>See Rulebook Chapter</u>
<u>Options on E-mini® Russell 2000® Index Futures - End-of-Month</u>	<u>393A</u>	<u>RTM</u>	<u>Associated</u>	<u>RTY</u>		<u>See Rulebook Chapter</u>
<u>E-mini® Russell 2000® Growth Index Futures</u>	<u>394</u>	<u>R2G</u>	<u>Primary</u>	<u>Primary</u>		<u>See Rulebook Chapter</u>
<u>BTIC on E-mini® Russell 2000® Growth Index Futures</u>	<u>394</u>	<u>2GT</u>	<u>Associated</u>	<u><b>RG2</b></u>		<u>See Rulebook Chapter</u>
<u>E-mini® Russell 2000® Value Index Futures</u>	<u>395</u>	<u>R2V</u>	<u>Primary</u>	<u>Primary</u>		<u>See Rulebook Chapter</u>
<u>BTIC on E-mini® Russell 2000® Value Index Futures</u>	<u>395</u>	<u>2VT</u>	<u>Associated</u>	<u><b>R2V</b></u>		<u>See Rulebook Chapter</u>