

## Special Executive Report

**S-7934**
**June 9, 2017**

### Delisting of American-Style Option Contracts of Six (6) Major Foreign Exchange Futures Contracts

Effective upon close of trading today, Friday, June 9, 2017, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will delist the American-style exercise foreign exchange (“FX”) option contracts detailed in the below table (the “Contracts”) for trading via open outcry on the CME trading floor and on the CME Globex electronic trading platform and for submission for clearing through CME ClearPort. The delisting of the Contracts is a result of the Exchange’s prior announcement to delist previously-listed contract months. The Contracts are being replaced with European-style FX option contracts which were initially listed for trading via open outcry on the CME trading floor and on the CME Globex electronic trading platform and for submission via CME ClearPort on trade date Monday, August 8, 2016 (see SER-7688 dated July 13, 2016).

#### American-Style Premium-Quoted Options

Product Name	CME Globex Code	CME ClearPort Code	Open Outcry Code	CME Clearing Code	CME Rulebook Chapter
Australian Dollar Options & Weeklies	6A, 6A1 - 6A5	AD, 1A-5A	KA/JA, 1A-5A	AD, 1A- 5A	Chapter 255A
British Pound Options & Weeklies	6B, 6B1 - 6B5	BP, 1B-5B	CP/PP, 1B-5B	BP, 1B - 5B	Chapter 251A
Canadian Dollar Options & Weeklies	6C, 6C1-6C5	C1, 1C-5C	CV/PV, 1C-5C	C1, 1C - 5C	Chapter 252A
Euro FX Options & Weeklies	6E, 6E1 - 6E5	EC, 1X-5X	EC,1X-5X	EC, 1X - 5X	Chapter 261A
Japanese Yen Options & Weeklies	6J, 6J1 - 6J5	J1, 1J-5J	CJ/PJ, 1J-5J	J1, 1J - 5J	Chapter 253A
Swiss Franc Options & Weeklies	6S, 6S1 - 6S5	E1, 1S-5S	CF/PF, 1S-5S	E1, 1S - 5S	Chapter 254A

#### American-Style Volatility-Quoted Options

Product Name	CME Globex Code	CME ClearPort Code	Open Outcry Code	CME Clearing Code	CME Rulebook Chapter
Australian Dollar Volatility-Quoted Options	V6A	N/A	N/A	V6A	Chapter 255A
British Pound Volatility-Quoted Options	V6B	N/A	N/A	V6B	Chapter 251A
Canadian Dollar Volatility-Quoted Options	V6C	N/A	N/A	V6C	Chapter 252A
Euro FX Volatility-Quoted Options	V6E	N/A	N/A	V6E	Chapter 261A

CME previously notified the Commodity Futures Trading Commission (“CFTC”) of the delisting of previously-listed contract months of the Contracts (see CME Submission 16-285 dated July 22, 2016). The Exchange will notify the CFTC of the delisting of the Contracts during the week of June 12, 2017 via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

As a result of this delisting, information regarding the Contracts has been deleted from the respective rulebook chapters, related position limits in the Position Limit, Position Accountability and Reportable Level Table, the Special Price Fluctuation Limits and Daily Price Limits Table, and the CME Globex Non-Reviewable Ranges Table from Chapter 5 (“Trading Qualifications and Practices”) of the CME Rulebook.

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## Appendix 1

(Additions are underlined; deletions are ~~struck-through~~.)

### Chapter 251A

#### Options on British Pound Sterling/U.S. Dollar Futures

##### 251A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on British pound (pound sterling) futures contracts. ~~Separate contracts as indicated shall be listed for trading specifying American-style exercise and European-style exercise.~~ The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

##### 251A01. OPTION CHARACTERISTICS

###### 251A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

###### 251A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one pound sterling futures contract as specified in Chapter 251.

###### 251A01.C. Price Increments

For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, the price of an option shall be quoted in U.S. dollars per pound sterling. Each \$0.0001 per pound sterling (one point) shall represent \$6.25. For example, a quote of .0070 represents an option price of \$437.50 (70 points x \$6.25 per point) of premium. The minimum fluctuation shall be one point (also known as one tick).

In addition, for options expiring on their last trading day based on the 2:00 p.m. Fix that are quoted in volatility terms on CME Globex, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00002 per British pound sterling (equal to \$1.25).

###### 251A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange business days. This rule applies to March quarterly, serial, and weekly options on British pound sterling futures contracts.

###### 251A01.E. Position Accountability

A person owning or controlling a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined for British pound sterling futures and options shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option and a short underlying futures contract are on the same side of the market.

###### 251A01.F. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

## **251A01.G. Special Price Fluctuation Limits**

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in Interpretations & Special Notices Section of Chapter 5.

### **~~251A01.H. Termination of Trading for American-Style Exercise Options ("2:00 p.m. Fix")~~**

#### ~~1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")~~

~~Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.~~

#### ~~2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")~~

~~Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.~~

#### ~~3. Weekly Options~~

~~Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.~~

### **251A01.HI. Termination of Trading and Expiration Days for European-Style Exercise Options ("9:00 a.m. Fix")**

#### **1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually at 9:00 a.m. Central time). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding business day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m. Central time) on the business day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME® Globex® platform shall terminate at 9:00 a.m. Central time on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### **2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually at 9:00 a.m. Central time). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding business day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m. Central time) on the business day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. Central time on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### **3. Weekly Options**

The options expire (usually at 9:00 a.m. Central time) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the

immediately preceding business day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m. Central time) on those business days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. Central time on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections 1 and 2. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**251A01.JJ. Termination of Trading for European-Style Exercise Options ("2:00 p.m. Fix")**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**251A01.JK. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per pound sterling in intervals of \$.005, e.g., \$1.450, \$1.455, \$1.460, \$1.465, \$1.470, etc.

**251A02. LISTING OF EXERCISE PRICES**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on British pound sterling futures, the Exchange shall list put and call options at the next forty-eight higher and next forty-eight lower regular exercise prices. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the forty-eighth highest or forty-eighth lowest existing regular exercise prices for options on British pound sterling futures put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**251A03.****EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on British pound sterling futures. ~~Both American-style and European-style exercise options on currency futures are available for trading.~~

**~~251A03.A.1. Exercise of American-Style Exercise Options by Buyer ("2:00 p.m. Fix")~~**

~~An option may be exercised by the buyer on any business day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Central time on any day of exercise except on the termination of trading day.~~

~~All British pound sterling options that are in the money and have not been liquidated or exercised prior to the termination of trading shall be exercised automatically. An option is in the money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

**251A03.A.12. Exercise of European-Style Exercise Options ("9:00 a.m. Fix")**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 8:59:30 to 8:59:59 a.m. Central time on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract's Price Increment's definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**251A03.A.23. Exercise of European-Style Exercise Options ("2:00 p.m. Fix")**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 1:59:30 to 1:59:59 p.m. Central time on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract's Price Increment's definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For

example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**251A03.B. Assignment**

Exercise notices ~~either accepted from buyers of American-style exercise options or~~ created by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. ~~American-style or European-style option characteristics shall be considered a criterion for same series.~~ A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

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

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

**251A04.**

**[RESERVED]**

(End Chapter 251A)

**INTERPRETATIONS & SPECIAL NOTICES**

**RELATING TO CHAPTER 251A**

**CLARIFICATION OF NEW NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE**

(Special Executive Report S-1618, March 31, 1986)

Please note that the new non-agricultural option speculative position limit rule supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the option rule.

## Appendix 2

(Additions are underlined; deletions are ~~struck-through~~.)

### Chapter 252A

#### Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures

##### 252A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Canadian dollar/U.S. dollar futures. In addition to this chapter, options on Canadian dollar/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

##### 252A01. OPTIONS CHARACTERISTICS

###### 252A01.A. Contract Months, Trading Hours, and Trading Halts

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

###### 252A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Canadian dollar/U.S. dollar futures contract as specified in Chapter 252.

###### 252A01.C. Price Increments

For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, the price of an option shall be quoted in U.S. dollars per Canadian dollar. Each \$0.0001 per Canadian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

In addition, for options expiring on their last trading day based on the 2:00 p.m. Fix that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Canadian dollar (equal to \$1.00).

###### 252A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange Business Days. This rule applies to March quarterly, serial, and weekly options Canadian dollar/U.S. dollar futures contracts.

###### 252A01.E. 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.

###### 252A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**252A01.G. [Reserved]**

**252A01.H. Termination of Trading for American-Style Exercise Options ("2:00 p.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m.) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**252A01.HI. Termination of Trading and Expiration Days for European-Style Exercise Options ("9:00 a.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME® Globex® platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

The options expire (usually 9:00 a.m.) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on those Business Days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections 1 and 2. In the event that the underlying futures market does not open on the scheduled expiration



day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**252A01.JJ. Termination of Trading for European-Style Exercise Options ("2:00 p.m. Fix")**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**252A01.JK. Exercise Prices**

The exercise prices shall be stated in terms of U.S. dollars per Canadian dollar at intervals of \$0.005, e.g., \$0.700, \$0.705, \$0.710, etc.

**252A02. LISTING OF EXERCISE PRICES**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next twenty-four higher and next twenty-four lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the twenty-fourth highest or twenty-fourth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**252A03.****EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Canadian dollar/U.S. dollar futures. ~~Both American-style and European-style exercise options on currency futures are available for trading.~~

**~~252A03.A.1. Exercise of American-Style Options by Buyer (“2:00 p.m. Fix”)~~**

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on any day of exercise except on the termination of trading day. All Canadian dollar/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically. An option is in the money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

**252A03.A.12. Exercise of European-Style Exercise Options (“9:00 a.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 8:59:30 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**252A03.A.23. Exercise of European-Style Exercise Options (“2:00 p.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 1:59:30 to 1:59:59 p.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**252A03.B. Assignment**

Exercise notices ~~either accepted from buyers of American-style exercise options or~~ created by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. ~~American-style or European-style option characteristics shall be considered a criterion for same series.~~ A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

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

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

**252A04.**

**[RESERVED]**

(End Chapter 252A)

## Appendix 3

(Additions are underlined; deletions are ~~struck-through~~.)

### Chapter 253A

#### Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures

##### 253A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Japanese yen/U.S. dollar futures. In addition to this chapter, options on Japanese yen/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

##### 253A01. OPTIONS CHARACTERISTICS

###### 253A01.A. Contract Months, Trading Hours, and Trading Halts

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

###### 253A01.B Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Japanese yen/U.S. dollar futures contract as specified in Chapter 253.

###### 253A01.C. Price Increments

For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, the price of an option shall be quoted in U.S. dollars per Japanese yen. Each \$0.000001 per Japanese yen (one point) shall represent \$12.50. For example, a quote of .000075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.0000005 (\$6.25, also known as one-half tick), \$.0000015 (\$18.75, also known as one and one-half ticks), \$.0000025 (\$31.25, also known as two and one-half ticks), \$.0000035 (\$43.75, also known as three and one-half ticks), and \$.0000045 (\$56.25, also known as four and one-half ticks).

In addition, for options expiring on their last trading day based on the 2:00 p.m. Fix that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.0000001 per Japanese yen (equal to \$1.25).

###### 253A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange Business Days. This rule applies to March quarterly, serial, and weekly options on Japanese yen/U.S. dollar futures contracts.

###### 253A01.E. 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.

###### 253A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**253A01.G. [Reserved]**

**253A01.H. Termination of Trading for American-Style Exercise Options ("2:00 p.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m.) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**253A01.HI. Termination of Trading and Expiration Days for European-Style Exercise Options ("9:00 a.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME® Globex® platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

The options expire (usually 9:00 a.m.) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding business day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on those Business Days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections

1 and 2. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**253A01.JJ. Termination of Trading for European-Style Exercise Options ("2:00 p.m. Fix")**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**253A01.JK. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per Japanese yen at intervals of \$0.00005, e.g., \$0.00425, \$0.00430, \$0.00435, etc.

**253A02.**

**LISTING OF EXERCISE PRICES**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Japanese yen/U.S. dollar futures, the Exchange shall list put and call options at the next thirty higher and next thirty lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the thirtieth highest or thirtieth lowest existing regular exercise prices for options on Japanese yen/U.S. dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**253A03.****EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Japanese yen/U.S dollar futures. ~~Both American-style and European-style exercise options on currency futures are available for trading.~~

**~~253A03.A.1. Exercise of American-Style Exercise Options by Buyer (“2:00 p.m. Fix”)~~**

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on any day of exercise except on the termination of trading day.~~

~~All Japanese yen/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically. An option is in the money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

**253A03.A.12. Exercise of European-Style Exercise Options (“9:00 a.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 8:59:30 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**253A03.A.23. Exercise of European-Style Exercise Options (“2:00 p.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 1:59:30 to 1:59:59 p.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**253A03.B. Assignment**

Exercise notices ~~either accepted from buyers of American-style exercise options or~~ created by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. ~~American-style or European-style option characteristics shall be considered a criterion for same series.~~ A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

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

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

**253A04.**

**[RESERVED]**

(End Chapter 253A)



## Appendix 4

(Additions are underlined; deletions are ~~struck-through~~.)

### Chapter 254A

#### Options on Swiss Franc/U.S. Dollar (CHF/USD) Futures

##### 254A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Swiss franc/U.S. dollar futures. In addition to this chapter, options on Swiss franc/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

##### 254A01. OPTIONS CHARACTERISTICS

###### 254A01.A. Contract Months, Trading Hours, and Trading Halts

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

###### 254A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Swiss franc futures/U.S. dollar contract as specified in Chapter 254.

###### 254A01.C. Price Increments

For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, the price of an option shall be quoted in U.S. dollars per Swiss franc. Each \$0.0001 per Swiss franc (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

In addition, for options expiring on their last trading day based on the 2:00 p.m. Fix that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Swiss franc (equal to \$1.25).

###### 254A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange Business Days. This rule applies to March quarterly, serial, and weekly options on Swiss franc/U.S. dollar futures contracts.

###### 254A01.E. 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.

###### 254A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**254A01.G. [Reserved]**

**254A01.H. Termination of Trading for American-Style Exercise Options ("2:00 p.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m.) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**254A01.HI. Termination of Trading and Expiration Days for European-Style Exercise Options ("9:00 a.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME® Globex® platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

The options expire (usually 9:00 a.m.) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on those Business Days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections 1 and 2. In the event that the underlying futures market does not open on the scheduled expiration

day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**254A01.JJ. Termination of Trading for European-Style Exercise Options ("2:00 p.m. Fix")**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**254A01.JK. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per Swiss franc in intervals of \$0.005, e.g., \$0.455, \$0.460, \$0.465, etc.

**254A02. LISTING OF EXERCISE PRICES**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Swiss franc/U.S. dollar futures, the Exchange shall list put and call options at the next twenty-four higher and next twenty-four lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the twenty-fourth highest or twenty-fourth lowest existing regular exercise prices for options on Swiss franc/U.S. dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**254A03.****EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Swiss franc/U.S. dollar futures. ~~Both American-style and European-style exercise options on currency futures are available for trading.~~

**~~254A03.A.1. Exercise of American-Style Exercise Options by Buyer (“2:00 p.m. Fix”)~~**

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on any day of exercise except on the termination of trading day.~~

~~All Swiss franc/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically. An option is in the money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

**254A03.A.12. Exercise of European-Style Exercise Options (“9:00 a.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 8:59:30 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**254A03.A.23. Exercise of European-Style Exercise Options (“2:00 p.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 1:59:30 to 1:59:59 p.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**254A03.B. Assignment**

Exercise notices ~~either accepted from buyers of American-style exercise options or~~ created by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. ~~American-style or European-style option characteristics shall be considered a criterion for same series.~~ A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

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

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

**254A04.**

**[RESERVED]**

(End Chapter 254A)

## Appendix 5

(Additions are underlined; deletions are ~~struck-through~~.)

### Chapter 255A

#### Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures

##### 255A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Australian dollar/U.S. dollar futures. In addition to this chapter, options on Australian dollar/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

##### 255A01. OPTIONS CHARACTERISTICS

###### 255A01.A. Contract Months, Trading Hours, and Trading Halts

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

###### 255A01.B Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Australian dollar/U.S. dollar futures contract as specified in Chapter 255.

###### 255A01.C. Price Increments

For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, the price of an option shall be quoted in U.S. dollars per Australian dollar. Each \$0.0001 per Australian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

In addition, for options expiring on their last trading day based on the 2:00 p.m. Fix that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Australian dollar (equal to \$1.00).

###### 255A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange Business Days. This rule applies to March quarterly, serial, and weekly options on Australian dollar/U.S. dollar futures contracts.

###### 255A01.E. 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.

###### 255A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**255A01.G. [Reserved]**

**255A01.H. Termination of Trading for American-Style Exercise Options (“2:00 p.m. Fix”)**

**1. Monthly Options in the March Quarterly Cycle (“Quarterly Options”)**

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle (“Serial Options”)**

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m.) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**255A01.HI. Termination of Trading and Expiration Days for European-Style Exercise Options (“9:00 a.m. Fix”)**

**1. Monthly Options in the March Quarterly Cycle (“Quarterly Options”)**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME Globex® platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle (“Serial Options”)**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, options expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

The options expire (usually 9:00 a.m.) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on those Business Days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections

1 and 2. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**255A01.JJ. Termination of Trading for European-Style Exercise Options ("2:00 p.m. Fix")**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**255A01.JK. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per Australian dollar at intervals of \$0.005, e.g., \$0.705, \$0.710, \$0.715, etc.

**255A02.**

**LISTING OF EXERCISE PRICES**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next twenty-one higher and next twenty-one lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the twenty-first highest or twenty-first lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.



**255A03.****EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Australian dollar/U.S. dollar futures. ~~Both American-style and European-style exercise options on currency futures are available for trading.~~

**~~255A03.A.1.~~ Exercise of American-Style Options by Buyer (“2:00 p.m. Fix”)**

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on any day of exercise except on the termination of trading day. All Australian dollar/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically. An option is in the money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

**255A03.A.12. Exercise of European-Style Exercise Options (“9:00 a.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume, from 8:59:30 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**255A03.A.23. Exercise of European-Style Exercise Options (“2:00 p.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume, from 1:59:30 to 1:59:59 p.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**255A03.B. Assignment**

Exercise notices createdaccepted by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day. The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

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

**255A04.**

**[RESERVED]**

(End Chapter 255A)

## Appendix 6

(Additions are underlined; deletions are ~~struck-through~~.)

### Chapter 261A

#### Options on Euro/U.S. Dollar (EUR/USD) Futures

##### 261A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Euro/U.S. dollar futures. In addition to this chapter, options on Euro/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

##### 261A01. OPTIONS CHARACTERISTICS

###### 261A01.A. Contract Months, Trading Hours, and Trading Halts

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

###### 261A01.B Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Euro/U.S. dollar futures contract as specified in Chapter 261.

###### 261A01.C. Price Increments

For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, the price of an option shall be quoted in U.S. dollars per Euro. Each \$0.0001 per Euro (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

In addition, for options expiring on their last trading day based on the 2:00 p.m. Fix that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Euro (equal to \$1.25).

###### 261A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange Business Days. This rule applies to March quarterly, serial, and weekly options on Euro/U.S. dollar futures contracts.

###### 261A01.E. 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.

###### 261A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**261A01.G. [Reserved]**

**261A01.H. Termination of Trading for American-Style Exercise Options ("2:00 p.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m.) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m.) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**261A01.HI. Termination of Trading and Expiration Days for European-Style Exercise Options ("9:00 a.m. Fix")**

**1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) on the CME® Globex® platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")**

The options expire on the second Friday immediately preceding the third Wednesday of the contract month (usually 9:00 a.m.). If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on the Business Day immediately preceding the expiration of the contract month. Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**3. Weekly Options**

The options expire (usually 9:00 a.m.) on those Fridays that are also not expirations for either monthly options in the March quarterly cycle or monthly options not in the March quarterly cycle. If the foregoing date for expiration is a scheduled Exchange holiday, option expiration shall occur at the same time on the immediately preceding Business Day. Trading in weekly options on the trading floor shall terminate at the close of trading (usually 2:00 p.m.) on those Business Days immediately preceding the expiration of the weekly option that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. Trading in weekly options on the CME Globex platform shall terminate at 9:00 a.m. on the contract month expiration days that are not also the contract month expiration days of a monthly option as described in the preceding sections

1 and 2. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**261A01.JJ. Termination of Trading for European-Style Exercise Options ("2:00 p.m. Fix")**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at the close of trading (usually 2:00 p.m. Central time) on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Options

Trading in weekly options shall terminate at the close of trading (usually 2:00 p.m. Central time) on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**261A01.JK. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per Euro in intervals of \$0.005, e.g., \$1.055, \$1.060, \$1.065, etc.

**261A02. LISTING OF EXERCISE PRICES**

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Euro/U.S. dollar futures, the Exchange shall list put and call options at the next twenty-four higher and next twenty-four lower regular exercise prices. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the twenty-fourth highest or twenty-fourth lowest existing regular exercise price for options on Euro/U.S. dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

2. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

**261A03. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Euro/U.S. dollar futures. ~~Both American-style and European-style exercise options on currency futures are available for trading.~~

**261A03.A.1. Exercise of American-Style Options by Buyer (“2:00 p.m. Fix”)**

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on any day of exercise except on the termination of Trading Day. All Euro/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically. An option is in the money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

**261A03.A.12. Exercise of European-Style Exercise Options (“9:00 a.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 8:59:30 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**261A03.A.23. Exercise of European-Style Exercise Options (“2:00 p.m. Fix”)**

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant “CME currency fixing price” from GLOBEX-traded underlying futures contracts as follows:

- Tier 1 Take the 30-second average of sale (trade) prices, weighted by volume from 1:59:30 to 1:59:59 p.m. on the day of determination of the CME currency fixing price.
- Tier 2 If less than three or no sales (trades) occurred during the 30-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 30-second interval.
- Tier 3 If no sales (trades) and no bid and ask prices occurred during the 30-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

The calculation of the CME currency fixing price at Tiers 1 to 3 shall be rounded to each contract’s Price Increment’s definition. For example, for Euro with a Price Increment of \$0.0001 per Euro, the CME currency fixing price shall be rounded to the nearest \$0.0001 per Euro (with \$0.00005 and above rounded up to \$0.0001, and \$0.00004 and below rounded down to \$0.0000).

An option is in the money if the CME currency fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put. For example, if the CME currency fixing price were 1.3050 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3049 or lower, then 1.3050 calls shall be abandoned. Similarly, if the CME currency fixing price were 1.3049 or lower, then 1.3050 Puts shall be exercised. If the CME currency fixing price for Euro were 1.3050 or higher, then 1.3050 Puts shall be abandoned.

**261A03.B. Assignment**

Exercise notices ~~either accepted from buyers of American-style exercise options or~~ created by the Clearing House for buyers of European-style exercise options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. ~~American-style or European-style option characteristics shall be considered a criterion for same series.~~ A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

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

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

**261A04.**

**[RESERVED]**

(End Chapter 261A)