

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 16-277 (6 of 6)

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

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

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

**Filing Date (mm/dd/yy):** 07/22/16 **Filing Description:** Initial Listing of European-Style Weekly, Monthly, and Quarterly Options with the 2 PM Central Time Fix on Six (6) Major Foreign Exchange Futures

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

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

**Rule Numbers:**

**New Product**

**Please note only ONE product per Submission.**

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

**Official Product Name:** See filing.

**Product Terms and Conditions**

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

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

**Rule Numbers:**

July 22, 2016

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of Six (6) European-Style FX Weekly, Monthly, and Quarterly Options with the 2 PM Central Time Fix.  
CME Submission No. 16-277 (6 of 6)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the initial listing of six (6) European-style Weekly, Monthly, and Quarterly Option Contracts based upon the 2:00 p.m. Central Time (“CT”) fix price (the “European-Style Option Contracts with the 2:00 p.m. CT Fix”) on the Australian Dollar/US Dollar (“AUD/USD”), British Pound/US Dollar (“GBP/USD”), Canadian Dollar/US Dollar (“CAD/USD”), Euro/US Dollar (“EUR/USD”), Japanese Yen/US Dollar (“JPY/USD”), and Swiss Franc/US Dollar (“CHF/USD”) futures contracts for trading on the CME trading floor and CME Globex, and for submission for clearing through CME ClearPort, effective on Sunday, August 7, 2016 for trade date Monday, August 8, 2016.

Concurrent with the initial listing of the European-Style Option Contracts with the 2:00 p.m. CT Fix effective on Sunday, August 7, 2016 for trade date Monday, August 8, 2016, CME is notifying the CFTC in CME Submission No. 16-285 also dated July 22, 2016 that it will cease listing additional contract months for the existing American-style Weekly, Monthly, and Quarterly Option Contracts based upon the 2:00 p.m. CT fix price (the “American-Style Option Contracts with the 2:00 p.m. CT Fix”) on the AUD/USD, GBP/USD, CAD/USD, EUR/USD, JPY/USD, and CHF/USD futures contracts that are currently available for trading on the CME trading floor and CME Globex, and for submission for clearing through CME ClearPort. Pursuant to CME Submission No. 16-285, the Exchange shall: (i) cease listing American-Style Option Contracts with the 2:00 p.m. CT Fix; and (ii) supplant them with listings of European-Style Option Contracts with the 2:00 p.m. CT Fix. The last listed contract month of the American-Style Option Contracts with the 2:00 p.m. CT Fix will be June 2017. CME will permanently delist the American-Style Option Contracts with the 2:00 p.m. CT Fix on June 9, 2017. The CFTC will be notified of the permanent delisting of the American-Style Option Contracts with the 2:00 p.m. CT Fix during the week of June 12, 2017 via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

Appendix A provides the contract specifications for the new European-Style Option Contracts with the 2:00 p.m. CT Fix. The European-Style Option Contracts with the 2:00 p.m. CT Fix will exercise into the nearest quarterly futures contract on the last trading day of the contract month based upon the 2:00 p.m. CT fix price of the underlying futures contract. In all other respects, the European-Style Option Contracts with the 2:00 p.m. CT Fix are largely identical to the extant American-Style Option Contracts that exercise into the nearest quarterly futures contract on the last trading day of the contract month based upon the 2:00 p.m. “CT” fix price of the underlying futures contract (the “extant American-Style Option Contracts

with the 2:00 p.m. CT Fix”) and the extant European-Style Option Contracts that exercise into the nearest quarterly futures contract on the last trading day of the contract month based upon the 9:00 a.m. CT fix price of the underlying futures contract (the “extant European-Style Option Contracts with the 9:00 a.m. CT Fix”).

Appendix B lays out the calendar of expiry listings for new European-Style Option Contracts with the 2:00 p.m. CT Fix. On the effective date of August 8, the first listed expiry in the new European-Style Option Contracts with the 2:00 p.m. CT Fix will be the January 2017 monthly contract. Over time, new weekly, monthly, and quarterly expiries in the new European-Style Option Contracts with the 2:00 p.m. CT Fix will be listed.

Appendices C through H summarize the new rules and rule amendments for European-Style Option Contracts with the 2:00 p.m. CT Fix in black-line format. The new rules specifically enable the listing of the European-Style Option Contracts with the 2:00 p.m. CT Fix. In addition, the new rule amendments have been added to clarify the fixing times for the extant American-Style Option Contracts with the 2:00 p.m. CT Fix and the extant European-Style Option Contracts with the 9:00 a.m. CT Fix.

In addition, the Exchange is notifying the Commission that it is self-certifying the insertion of the terms and conditions for the European-Style Option Contracts with the 2:00 p.m. CT Fix into the Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the CME Rulebook in relation to the listing. These terms and conditions establish the spot, single- and all-month speculative position levels, reportable levels, and aggregation allocation for the new contracts. Please see Appendix I, attached under separate cover.

Furthermore, CME is notifying the CFTC that it is self-certifying block trading in the European-Style Option Contracts with the 2:00 p.m. CT Fix with a minimum block threshold level of 250 contracts. This minimum block level threshold is identical to the minimum block levels of the extant American-Style Option Contracts with the 2:00 p.m. CT Fix and the extant European-Style Option Contracts with the 9:00 a.m. CT Fix.

CME reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the listing of the products may have some bearing on the following Core Principles:

***Core Principle 2 – Compliance with Rules***

Trading in the European-Style Option Contracts with the 2:00 p.m. CT Fix will be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the European-Style Option Contracts with the 2:00 p.m. CT Fix will be subject to the Exchange’s trade practice rules, the majority of which are contained in Chapters 5 and 8 of the CME Rulebook. As with all products listed for trading on one of CME Group’s designated contract markets, trading activity in the new European-Style Option Contracts with the 2:00 p.m. CT Fix will be subject to monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

***Core Principle 3 – Contracts Not Readily Subject to Manipulation***

CME believes the Australian dollar (“AUD”), British pound (“GBP”), Canadian dollar (“CAD”), Euro (“EUR”), Japanese yen (“JPY”), and Swiss franc (“CHF”) are not readily susceptible to cash market manipulation as required by CFTC Core Principle 3 as they represent the largest most liquid, and most transparent foreign currencies outside of the US dollar.

According to the 2013 Triennial Central Bank Survey conducted by the Bank for International Settlements, the AUD, GBP, CAD, EUR, JPY, and CHF rank second through seventh as the largest global currency markets, accounting for a combined 2.3 trillion US dollars in average daily volume for an aggregate market share of nearly 44 percent.

Currency	Average Daily Turnover In US Dollars	Market Share	Global Rank
Euro	893 Billion	16.7%	2
Japanese Yen	616 Billion	11.5%	3
British Pound	316 Billion	5.9%	4
Australian Dollar	231 Billion	4.3%	5
Swiss Franc	138 Billion	2.6%	6
Canadian Dollar	122 Billion	2.3%	7
Total	2.3 Trillion	43.3%	

As freely convertible currencies, the AUD, GBP, CAD, EUR, JPY, and CHF represent six of only 18 currencies that included in the CLS global cash settlement system, an international payment versus payment settlement service that mitigates settlement risk for foreign currency transactions of its settlement members and their customers through central bank accounts.

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

Trading in the European-Style Option Contracts with the 2:00 p.m. CT Fix shall be subject to the rulebook of the CME designated contract market, which includes prohibitions on manipulation, price distortion, and disruption to the physical delivery or cash market process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the European-Style Option Contracts with the 2:00 p.m. CT Fix proposed herein will be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

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

The European-Style Option Contracts with the 2:00 p.m. CT Fix will have single month and all months position accountability levels of 6,000 futures-equivalent contracts. The European-Style Option Contracts with the 2:00 p.m. CT Fix will have single month and all months position accountability thresholds of 10,000 futures-equivalent contracts. These accountability levels are identical to the single month and all months position accountability levels of the corresponding underlying futures contracts as well as with the single month and all months position accountability of the extant American-Style Option Contracts with the 2:00 p.m. CT Fix and the extant European-Style Option Contracts with the 9:00 a.m. CT Fix.

In all cases, CME intends to aggregate the single month and all months position accountability levels of the European-Style Option Contracts with the 2:00 p.m. CT Fix with the single month and all months position accountability of the corresponding underlying futures contracts, the extant American-Style Option Contracts with the 2:00 p.m. CT Fix and the extant European-Style Option Contracts with the 9:00 a.m. CT Fix.

Furthermore, all positions in the European-Style Option Contracts with the 2:00 p.m. CT Fix, the corresponding underlying futures contracts, the extant American-Style Option Contracts with the 2:00 p.m. CT Fix, and the extant European-Style Option Contracts with the 9:00 a.m. CT Fix in accounts for which a person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading will be included with the positions held by such person.

Lastly, all positions in the European-Style Option Contracts with the 2:00 p.m. CT Fix, the corresponding underlying futures contracts, the extant American-Style Option Contracts with the 2:00 p.m. CT Fix, and

the extant European-Style Option Contracts with the 9:00 a.m. CT Fix that are held by two or more persons acting pursuant to an expressed or implied agreement or understanding should be treated the same as if the positions were held by a single person.

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

CME shall publish on its website information in regard to futures contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information for the European-Style Option Contracts with the 2:00 p.m. CT Fix.

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

CME shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the European-Style Option Contracts with the 2:00 p.m. CT Fix.

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

The European-Style Option Contracts with the 2:00 p.m. CT Fix will be listed for trading on the CME trading floor and CME Globex electronic trading platform. These trading venues provide for competitive and open execution of transactions. The CME trading floor and CME Globex afford, moreover, the benefits of reliability and global connectivity.

***Core Principle 10 – Trade Information***

All requisite trade information of the European-Style Option Contracts with the 2:00 p.m. CT Fix shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

***Core Principle 11 – Financial Integrity of Transactions***

The European-Style Option Contracts with the 2:00 p.m. CT Fix will be cleared by CME Clearing, which is registered with the CFTC as a derivatives clearing organization, and which is subject to all Commission regulations related thereto.

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

CME Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues and will apply to transactions in the European-Style Option Contracts with the 2:00 p.m. CT Fix.

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

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the European-Style Option Contracts with the 2:00 p.m. CT Fix will be subject to these provisions. The Market Regulation Department has the authority to exercise its powers of enforcement in the event that rule violations in these products are identified.

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

Disputes with respect to the European-Style Option Contracts with the 2:00 p.m. CT Fix will be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, which allow all nonmembers to submit claims for financial losses resulting from transactions on the Exchange to arbitration. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the listing of the European-Style Option Contracts with the 2:00 p.m. CT Fix comply with the Act, including regulations under the Act. There were no substantive opposing views regarding the listing of the products.

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

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments:

- Appendix A – Contract Specifications for the European-Style Option Contracts with the 2:00 p.m. CT Fix
- Appendix B – Expiry Listing Calendar for the European-Style Option Contracts with the 2:00 p.m. CT Fix
- Appendix C – Amendments to CME Rulebook Chapter 251A
- Appendix D – Amendments to CME Rulebook Chapter 252A
- Appendix E – Amendments to CME Rulebook Chapter 253A
- Appendix F – Amendments to CME Rulebook Chapter 254A
- Appendix G – Amendments to CME Rulebook Chapter 255A
- Appendix H – Amendments to CME Rulebook Chapter 261A
- Appendix I – Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover)
- Appendix J – CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table (attached under separate cover)
- Appendix K – Amendments to CME Rule 589. (“Special Price Limit Fluctuations”) Table (attached under separate cover)
- Appendix L – Fee Schedule

## Appendix A

### European-Style Option Contracts with the 2:00 p.m. CT Fix

	Australian Dollar/US Dollar Premium Quoted European Style Option – 2 PM Fix	British Pound/US Dollar Premium Quoted European Style Option – 2 PM Fix	Canadian Dollar/US Dollar Premium Quoted European Style Option – 2 PM Fix
Rulebook Chapter	Chapter 255A	Chapter 251A	Chapter 252A
CME Globex and Clearing Codes	Monthlies and Quarterlies: ADU	Monthlies and Quarterlies: GBU	Monthlies and Quarterlies: CAU
	Weeklies: 1AD-5AD	Weeklies: 1BP - 5BP	Weeklies: 1CD-5CD
Listing Schedule	Four months in the March quarterly cycle (March, June, September, December), 3 serial months, and 4 weeklies	Four months in the March quarterly cycle (March, June, September, December), 3 serial months, and 4 weeklies	Four months in the March quarterly cycle (March, June, September, December), 3 serial months, and 4 weeklies
Contract Size	One (1) Australian Dollar/US Dollar Futures (6A) for 100,000 Australian dollars	One (1) British Pound/US Dollar Futures (6B) for 62,500 British pounds	One (1) Canadian Dollar/US Dollar Futures (6C) for 100,000 Canadian dollars
Daily Settlement	2:00 pm CT	2:00 pm CT	2:00 pm CT
Exercise Style	European with automatic exercise on last trade date at 2 pm CT	European with automatic exercise on last trade date at 2 pm CT	European with automatic exercise on last trade date at 2 pm CT
Final Settlement Method	Physical-Exercise into nearest quarterly futures	Physical-Exercise into nearest quarterly futures	Physical-Exercise into nearest quarterly futures
Minimum Price Fluctuation	\$.0001 per Australian dollar increments (\$10.00/contract). Also, trades may occur at \$.00005 (\$5.00), \$.00015 (\$15.00), \$.00025 (\$25.00), \$.00035 (\$35.00) and \$.00045 (\$45.00), when price is below five ticks of premium.	\$.0001 per British pound increments (\$6.25/contract).	\$.0001 per Canadian dollar increments (\$10.00/contract). Also, trades may occur at \$.00005 (\$5.00), \$.00015 (\$15.00), \$.00025 (\$25.00), \$.00035 (\$35.00) and \$.00045 (\$45.00), when price is below five ticks of premium.
First Contract Listed	January 2017	January 2017	January 2017
Block Trade Minimum Threshold	250 contracts	250 contracts	250 contracts
Termination of Trading	Monthlies & Quarterlies: 2:00 pm CT on second Friday immediately preceding the third Wednesday of the contract month.	Monthlies & Quarterlies: 2:00 pm CT on second Friday immediately preceding the third Wednesday of the contract month.	Monthlies & Quarterlies: 2:00 pm CT on second Friday immediately preceding the third Wednesday of the contract month.
	Weeklies: 2:00 pm CT on Friday.	Weeklies: 2:00 pm CT on Friday.	Weeklies: 2:00 pm CT on Friday.
Strike Increments	\$0.005	\$0.005	\$0.005
CME Match Algorithm	FIFO	FIFO	FIFO

## Appendix A (continued)

### European-Style Option Contracts with the 2:00 p.m. CT Fix

	Euro/US Dollar Premium Quoted European Style Option – 2 PM Fix	Japanese Yen/US Dollar Premium Quoted European Style Option – 2 PM Fix	Swiss Franc/US Dollar Premium Quoted European Style Option – 2 PM Fix
Rulebook Chapter	Chapter 261A	Chapter 253A	Chapter 254A
CME Globex and Clearing Codes	Monthlies and Quarterlies: EUU	Monthlies and Quarterlies: JPU	Monthlies and Quarterlies: CHU
	Weeklies: 1EU-5EU	Weeklies: 1JY-5JY	Weeklies: 1SF-5SF
Listing Schedule	Four months in the March quarterly cycle (March, June, September, December), 3 serial months, and 4 weeklies	Four months in the March quarterly cycle (March, June, September, December), 3 serial months, and 4 weeklies	Four months in the March quarterly cycle (March, June, September, December), 3 serial months, and 4 weeklies
Contract Size	One (1) Euro/US Dollar Futures (6E) for 125,000 euro	One (1) Japanese Yen/US Dollar Futures (6J) for 12,500,000 Japanese yen	One (1) Swiss Franc/US Dollar Futures (6S) for 125,000 Swiss francs
Daily Settlement	2:00 pm CT	2:00 pm CT	2:00 pm CT
European with automatic exercise on last trade date at 2 pm CT	European with automatic exercise on last trade date at 2 pm CT	European with automatic exercise on last trade date at 2 pm CT	European with automatic exercise on last trade date at 2 pm CT
Final Settlement Method	Physical-Exercise into nearest quarterly futures	Physical-Exercise into nearest quarterly futures	Physical-Exercise into nearest quarterly futures
Minimum Price Fluctuation	\$.0001 per euro increments (\$12.50/contract). Also, trades may occur at \$.00005 (\$6.25), \$.00015 (\$18.75), \$.00025 (\$31.25), \$.00035 (\$43.75), and \$.00045 (\$56.25), when price is below five ticks of premium.	\$.000001 per Japanese yen increments (\$12.50/contract). Also, trades may occur at \$.0000005 (\$6.25), \$.0000015 (\$18.75), \$.0000025 (\$31.25), \$.0000035 (\$43.75), \$.0000045 (\$56.25), when price is below five ticks of premium.	\$.0001 per Swiss franc increments (\$12.50/contract). Also, trades may occur at \$.00005 (\$6.25), \$.00015 (\$18.75), \$.00025 (\$31.25), \$.00035 (\$43.75), and \$.00045 (\$56.25), when price is below five ticks of premium.
First Contract Listed	January 2017	January 2017	January 2017
Block Trade Minimum Threshold	250 contracts	250 contracts	250 contracts
Termination of Trading	Monthlies & Quarterlies: 2:00 pm CT on second Friday immediately preceding the third Wednesday of the contract month.	Monthlies & Quarterlies: 2:00 pm CT on second Friday immediately preceding the third Wednesday of the contract month.	Monthlies & Quarterlies: 2:00 pm CT on second Friday immediately preceding the third Wednesday of the contract month.
	Weeklies: 2:00 pm CT on Friday.	Weeklies: 2:00 pm CT on Friday.	Weeklies: 2:00 pm CT on Friday.
Strike Increments	\$0.005	\$0.00005	\$0.005
CME Match Algorithm	FIFO	FIFO	FIFO



## Appendix B

### Expiry Listing Calendar for European-Style Option Contracts with the 2:00 p.m. CT Fix

Contract Month	W/M/Q	Underlying Futures Month	First Trade Date	Last Trade Date
201701	Monthly	201703	8/8/2016	1/6/2017
201609W3	Weekly	201612	8/15/2016	9/16/2016
201609W4	Weekly	201612	8/22/2016	9/23/2016
201609W5	Weekly	201612	8/29/2016	9/30/2016
201610W2	Weekly	201612	9/6/2016	10/14/2016
201709	Quarterly	201709	9/12/2016	9/8/2017
201610W3	Weekly	201612	9/19/2016	10/21/2016
201610W4	Weekly	201612	9/26/2016	10/28/2016
201611W2	Weekly	201612	10/3/2016	11/11/2016
201702	Monthly	201703	10/10/2016	2/3/2017
201611W3	Weekly	201612	10/17/2016	11/18/2016
201611W4	Weekly	201612	10/24/2016	11/25/2016
201612W1	Weekly	201612	10/31/2016	12/2/2016
201704	Monthly	201706	11/7/2016	4/7/2017
201612W3	Weekly	201703	11/14/2016	12/16/2016
201612W4	Weekly	201703	11/21/2016	12/23/2016
201612W5	Weekly	201703	11/28/2016	12/30/2016
201701W2	Weekly	201703	12/5/2016	1/13/2017
201712	Quarterly	201712	12/12/2016	12/8/2017
201803	Quarterly	201803	3/6/2017	3/9/2018
201806	Quarterly	201806	6/12/2017	6/8/2018

## Appendix C

### Amendments to CME Rulebook Chapter 251A

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

#### Chapter 251A: Options on British Pound Sterling/U.S. Dollar Futures

##### 251A01. OPTION CHARACTERISTICS

###### 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.I. 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<sup>®</sup> Globex<sup>®</sup> 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.J. ~~Contract Modification~~ Termination of Trading for European-Style Exercise Options (“2:00 p.m. Fix”)**

~~Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.~~

**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.~~

**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<sup>4</sup> 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 the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**251A03.A.2. 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.

<sup>4</sup> ~~=An option is in the money if the settlement price of the underlying futures contract at termination lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

- 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.3. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.

## Appendix D

### Amendments to CME Rulebook Chapter 252A

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

#### Chapter 252A: Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures

##### 252A01. OPTIONS CHARACTERISTICS

###### 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.I. 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<sup>®</sup> Globex<sup>®</sup> 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.J. ~~[Reserved]~~ 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.

**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 the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**252A03.A.2. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.3. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.

## Appendix E

### Amendments to CME Rulebook Chapter 253A

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

#### Chapter 253A: Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures

##### 253A01. OPTIONS CHARACTERISTICS

###### **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.I. 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.J. ~~[Reserved]~~ 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.

**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 the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**253A03.A.2. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency

fixing price for Euro were 1.3050 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.3. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.

## Appendix F

### Amendments to CME Rulebook Chapter 254A

(Additions are **underlined**; deletions are ~~struck through~~)

**Chapter 254A: Options on Swiss Franc/U.S. Dollar (CHF/USD) Futures**

**254A01. OPTIONS CHARACTERISTICS**

**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.I. 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.J. ~~[Reserved]~~ 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.

**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 the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**254A03.A.2. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency

fixing price for Euro were 1.3050 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.3. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.

## **Appendix G**

### Amendments to CME Rulebook Chapter 255A

(Additions are **underlined**; deletions are ~~struck through~~)

#### Chapter 255A: Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures

##### 255A01. OPTIONS CHARACTERISTICS

###### **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.I. 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.J. ~~[Reserved]~~ 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.

**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 the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**255A03.A.2. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency

fixing price for Euro were 1.3050 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.3. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.



## Appendix H

### Amendments to CME Rulebook Chapter 261A

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

#### Chapter 261A: Options on Euro/U.S. Dollar (EUR/USD) Futures

##### 261A01. OPTIONS CHARACTERISTICS

###### **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.I. 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.J. [Reserved] 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.

**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 the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**261A03.A.2. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.3. 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 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 1.3051 or higher, then 1.3050 Calls shall be exercised. If the CME currency fixing price for Euro were 1.3050 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.

## **Appendix I**

Position Limit, Position Accountability, and Reportable Level Table in Chapter 5

of the CME Rulebook

(attached under separate cover)

**Appendix J**

CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")

Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table

(attached under separate cover)

**Appendix K**

CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")

Rule 589. – ("Special Price Fluctuation Limits") Table

(attached under separate cover)

## Appendix L

### Exchange Fee Schedule

Membership Type	Venue/Transaction Type	Exchange Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Open Outcry   Delivery	\$0.07
	CME Globex	\$0.32
	EFP   EFR   Block	\$1.07
	Exercise   Assign   Future From	\$0.12
Rule 106.D Lessees Rule 106.F Employees	Open Outcry   Delivery	\$0.27
	CME Globex	\$0.52
	EFP   EFR   Block	\$1.27
	Exercise   Assign   Future From	\$0.32
Rule 106.R Electronic Corporate Members <i>(For other than CME Globex – See Non-Members)</i>	CME Globex	\$0.44
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Open Outcry   Delivery	\$0.45
	CME Globex	\$0.44
	EFP   EFR   Block	\$1.45
	Exercise   Assign   Future From	\$0.50
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants <i>(For other than Globex - See Non-Members)</i>	CME Globex	\$0.54
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants Latin American Commercial Incentive Program (LACIP) Participants Latin American Proprietary Trading Incentive Program (LAPTIP) Participants <i>(For other than Globex - See Non-Members)</i>	CME Globex	\$1.00
CTA/Hedge Fund Incentive Program Participants <i>(For other than Globex - See Non-Members)</i>	CME Globex	\$1.20
Members Trading Outside of Division <i>(For other than Globex During ETH - See Non-Members)</i>	CME Globex During ETH Only	\$0.85
Non-Members <i>(Including: CBOE Members)</i>	Open Outcry   Delivery	\$0.60
	CME Globex – Outrights	\$1.60
	CME Globex – Spreads	\$1.60
	EFP   EFR   Block	\$1.60
	Exercise   Assign   Future From	\$0.65

Other CME Processing Fees	Rate
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustments/Position Transfers	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40