

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 18-324 (1 of 2)

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

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

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

**Filing Date (mm/dd/yy):** August 13, 2018 **Filing Description:** Delisting of Seven (7) CME Futures and Options and Three (3) CBOT Interest Rate Futures Contracts

**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

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

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

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

**Rule Numbers:** See filing.

August 13, 2018

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding the Delisting of Seven (7) CME Futures and Options and Three (3) CBOT Interest Rate Futures Contracts.  
CME Submission No. 18-324 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME”) and The Board of Trade of the City of Chicago, Inc. (“CBOT”) (collectively, the “Exchanges”) are notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they are self-certifying the delisting of seven (7) CME interest rate futures and options contracts and three (3) CBOT futures contracts (“the Contracts”) effective immediately, as set forth in the tables below:

**CME**

Contract Title	CME Rulebook Chapter	Clearing Code
Two-Year Bundle Futures	454	BU2
Options on Two-Year Bundle Futures	454A	BU2
Three-Year Bundle Futures	455	BU3
Options on Three-Year Bundle Futures	455A	BU3
Five-Year Bundle Futures	456	BU5
Options on Five-Year Bundle Futures	456A	BU5
Three-Month Euribor Futures	503	EB

**CBOT**

Contract Title	CBOT Rulebook Chapter	Clearing Code
2-Year Euro Interest Rate Swap Futures	55	T1E
5-Year Euro Interest Rate Swap Futures	56	F1E
10-Year Euro Interest Rate Swap Futures	57	N1E

There is no open interest in the Contracts.

The Contracts will be delisted from the CME Globex electronic trading platform and from CME ClearPort. The corresponding product rule chapters and the applicable terms and conditions contained in the Position Limit, Position Accountability and Reportable Level Table (“Table”) located in the Interpretations and Special Notices Section of Chapter 5 (“Trading Qualifications and Practices”) of the CME and CBOT Rulebooks will be removed. Exhibit A and Exhibit B sets forth amendments to the corresponding CME and

CBOT Rulebook Chapters, respectively, in blackline format. A copy of the amendments to the CME and CBOT Tables are attached under separate cover, in blackline format, as Exhibits C and Exhibit D, respectively.

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

- **Emergency Authority**: There is no open interest in the Contracts, and therefore there will be no market disruption related to their delisting.
- **Availability of General Information**: The Exchanges will make publicly available the details of this action by publishing a Special Executive Report, which will be made available on the CME Group website.

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

The Exchanges certify that this submission had been concurrently posted on the Exchanges’ website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

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

## Exhibit A

### CME Rulebook Chapters

(deletions are struck through)

#### **Chapter 454** **Two-Year Bundle Futures**

##### **45400. SCOPE OF CHAPTER**

~~This chapter is limited in application to trading of Two-Year Bundle futures. Procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange ("Rules").~~

~~Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.~~

~~Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.~~

##### **45401. CONTRACT SPECIFICATIONS**

###### **45401.A. Contract Grade**

~~The contract grade for an expiring futures contract made under these Rules shall be one (1) Two-Year Bundle with Bundle Month identical to the delivery month for such expiring futures contract, subject to the following definitions:~~

###### **1. Two-Year Bundle**

~~A Two-Year Bundle shall be a futures combination comprising one each of eight (8) CME Three-Month Eurodollar (ED) futures (Chapter 452) for delivery in each of eight (8) consecutive months in the March-June-September-December ("March Quarterly") cycle.~~

###### **2. Bundle Month**

~~The Bundle Month for a given Two-Year Bundle (Rule 45401.A.1.) shall be the delivery month of the ED futures contract, comprised within such Two-Year Bundle, that is nearest to delivery (Rule 45202.A.).~~

###### **45401.B. Delivery**

~~Delivery shall apply to all positions in expiring contracts that remain open following Termination of Trading (Rule 45402.G.).~~

~~Each individual contract lot delivered shall consist of one Contract Grade Two-Year Bundle (Rule 45401.A.). To each long (short) expiring contract in delivery, CME Clearing shall assign long (short) positions of one each of the eight (8) ED futures contracts comprised within the Contract Grade. Such ED futures positions shall be assigned at prices determined as follows:~~

###### **1. ED Futures Contracts Excluding the Nearest ED Delivery Month**

~~ED futures contracts for the seven (7) consecutive ED delivery months following, and not including, the Bundle Month (Rule 45401.A.2.) shall be assigned at their respective Daily Settlement Prices on the Last Day of Trading in expiring futures (Rule 45402.G.).~~

###### **2. ED Futures Contract for the Nearest ED Delivery Month**

~~The ED futures contract for delivery in the Bundle Month shall be assigned at a price determined as:~~

~~$(8 \times (\text{Final Settlement Price (Rule 45403.A.) of expiring Two-Year Bundle futures}))$~~

~~minus~~

~~$(\text{Sum of the 7 ED contract assignment prices determined in Rule 45401.B.1.})$~~

##### **45402. TRADING SPECIFICATIONS**

~~The number of futures contract delivery months open for trading at any time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures for delivery in at least each of the two nearest months in the March Quarterly cycle.~~

###### **45402.A. Trading Schedule**

~~Futures contracts shall be scheduled for trading during such hours as may be determined by the Exchange.~~

###### **45402.B. Trading Unit**

~~The unit of trading shall be Eurodollar interbank time deposits in the amount of \$1,000,000, for notional~~

settlement on the third Wednesday of the futures contract delivery month, for a term of two (2) years, paying eight (8) consecutive installments of three-month Eurodollar interbank term interest, with notional resets of such three-month interest rate occurring on the second London business day preceding the third Wednesday of each March, June, September, and December up to, and not including, the month of notional maturity of such Eurodollar interbank time deposits.

**45402.C. — Price Increments**

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the eight (8) ED futures comprised within the Contract Grade (Rule 45401.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$50 per contract, except for intermonth spreads for which the minimum price increment shall be one twentieth of one hundredth (0.0005) of one IMM Index point, equal to \$10.00 per intermonth spread. Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to \$2 per contract.

**45402.D. — Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

**45402.E. — Special Price Fluctuation Limits**

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

**45402.F. — [Reserved]**

**45402.G. — Termination of Trading**

The Last Day of Trading in expiring futures shall be the Last Day of Trading in the ED futures contract (Rule 45202.G.) that is nearest to delivery within the Contract Grade Two-Year Bundle (Rule 45401.A.). Without limitation to the foregoing, the Last Day of Trading in expiring Two-Year Bundle futures typically shall be the second London bank business day preceding the third Wednesday of the contract delivery month (Rule 45402.).

Trading in expiring futures shall terminate at the time of daily settlement for ED futures on the Last Day of Trading. Without limitation to the foregoing, this typically shall occur at 2:00 pm.

**45402.H. — Contract Modifications**

Specifications shall be fixed as of the first day of trading in a contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.

**45402.I. — [Reserved]**

**45403. — SETTLEMENT PROCEDURES**

Delivery on expiring futures shall be made on the Last Day of Trading, following Termination of Trading (Rule 45402.G.), in accord with Rules 45401.

**45403.A. — Final Settlement Price**

The Final Settlement Price of an expiring futures contract shall be the arithmetic average of Settlement Prices on the Last Day of Trading (Rule 45402.G.) of the eight (8) ED futures comprised within the Contract Grade Two-Year Bundle (Rule 45401.A.). Without limitation to the foregoing, the Settlement Price for such ED contract for the nearest ED delivery month typically shall be that ED contract's Final

~~Settlement Price, and Settlement Prices for all other such ED contracts shall be their respective Daily Settlement Prices.~~

~~Each such Final Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.~~

~~**45403.B. — Daily Settlement Price**~~

~~The Daily Settlement Price of a contract on any trading day other than the Last Day of Trading (Rule 45402.G.) shall be the arithmetic average of Daily Settlement Prices of the eight (8) ED futures comprised within the Contract Grade Two-Year Bundle (Rule 45401.A.).~~

~~Each such Daily Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.~~

~~**45404.-06. [RESERVED]**~~

## **Chapter 454A**

### **Options on Two-Year Bundle Futures**

~~**454A00. — SCOPE OF CHAPTER**~~

~~This chapter is limited in application to options on Two-Year Bundle futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.~~

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

~~**454A01. — OPTIONS CHARACTERISTICS**~~

~~**454A01.A. — Contract Months and Trading Hours**~~

~~Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 454A01.I., and shall be scheduled for trading during such hours as may be determined by the Exchange.~~

~~On the last day of trading in an expiring option (Rule 454A01.I.) trading in such option shall terminate at the same time as the close of trading on that day in such option's Underlying Futures Contract (Rule 454A01.D.).~~

~~**454A01.B. — Trading Unit**~~

~~The trading unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one (1) Two-Year Bundle futures contract for a given delivery month (Chapter 454).~~

~~**454A01.C. — Minimum Price Increments**~~

~~The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point, signifying one (1) interest rate basis point per annum (Rule 45402.C.), shall represent \$200 per option contract. For example, a quote of 0.33 represents an option price of \$6,600 (equal to 33 basis points x \$200 per option contract).~~

~~The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$50 per contract.~~

~~For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0025 IMM Index points, equal to \$50 per option contract.~~

~~Where the price of such option is quoted in volatility terms, the minimum price increment shall be 0.05 percent per annum (eg, 9.95 percent, 10.0 percent, 10.05 percent, 10.10 percent).~~

~~**454A01.D. — Underlying Futures Contracts**~~

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

~~For any option for which the month of expiration is in the March Quarterly cycle (ie, March, June, September, or December), the Underlying Futures Contract shall be Two-Year Bundle futures for delivery in such option's month of expiration. For example, for a given year, Two-Year Bundle futures for delivery in September shall be the Underlying Futures Contract for a September option.~~

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

~~For any option for which the month of expiration is not in the March Quarterly cycle, (ie, January, February, April, May, July, August, October, November), the Underlying Futures Contract shall be Two-Year Bundle futures for delivery in the March Quarterly month next following such option's month of expiration. For example, for a given year, Two-Year Bundle futures for delivery in March shall be the Underlying Futures Contract for a January option or a February option.~~

### **3. Weekly Options**

~~A weekly option shall be designated to expire on a given Friday, provided that no weekly option shall expire on any Friday that is also the scheduled last day of trading in a Quarterly Option (Rule 454A01.D.1.) or a Serial Option (Rule 454A01.D.2.). For any weekly option, the Underlying Futures Contract shall be Two-Year Bundle futures for delivery in a March Quarterly month following such option's date of expiration, as designated by the Exchange when such weekly option is listed for trading.~~

~~For an Underlying Futures Contract for a given delivery month, all companion Weekly Options shall expire prior to the expiration of Quarterly Options (Rule 454A01.D.1. and Rule 454A01.I.).~~

#### **454A01.E.— Exercise Prices**

##### **1.— Twenty-Five Point Exercise Prices**

~~Option exercise prices shall be stated in terms of the IMM Index for the Two-Year Bundle futures contract that is deliverable upon option exercise (Rule 45402.C.), and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 (“twenty five point exercise prices”) for all IMM Index levels (eg, 88.00, 88.25, 88.50, 88.75).~~

~~At the commencement of trading in option contracts for a given expiration date, the Exchange shall list for trading put and call options at the exercise price that is nearest the previous day's settlement price of the respective Underlying Futures Contract (“at-the-money price” or “ATM price”). If the previous day's Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, the ATM price shall be set as the higher of the two eligible exercise price levels. The Exchange also shall list for trading put and call options at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price.~~

~~Thereafter, the Exchange shall add new put and call options to ensure that such options are listed for trading at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price. New options may be listed for trading up to and including the Termination of Trading in such options (Rule 454A01.I.).~~

##### **2.— Special Listings of 12.5 Point Exercise Prices**

~~Additional option exercise prices shall be stated in terms of the IMM Index for the Two-Year Bundle futures contract that is deliverable upon option exercise (Rule 45402.C.), and shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 (“12.5 point exercise prices”) for all IMM Index levels (eg, 93.125, 93.375, 93.625, 93.875). The Exchange shall ensure that put and call options with 12.5 point exercise prices are listed for trading at all eligible exercise price levels in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the ATM exercise price (Rule 454A01.E.1.).~~

##### **3.— Dynamically-Listed Exercise Prices**

~~Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current range exercise price may be added, on an as-soon-as-possible basis, provided that the last two digits of the exercise price of such newly added option contract must be 00, 25, 50, or 75 (eg, 88.00, 88.25, 88.50, 88.75).~~

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

#### **454A01.F.— Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

#### **454A01.G.— Nature of Options**

~~The buyer of a put option may exercise such option at any time prior to expiration (subject to Rule 454A02.A.) to assume a short position in one Underlying Futures Contract (Rule 454A01.D.) at such option's exercise price (Rule 454A01.E.). Upon exercise by a put option buyer, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract at such option's exercise price.~~

~~The buyer of a call option may exercise such option at any time prior to expiration (subject to Rule 454A02.A.) to assume a long position in one Underlying Futures Contract at such option's exercise price.~~

Upon exercise by a call option buyer, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

#### **454A01.H. — Special Price Fluctuation Limits**

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

#### **454A01.I. — Termination of Trading**

~~For any option contract made under these Rules, if the date for termination of trading under Rule 454A01.I.1. or Rule 454A01.I.2. is a scheduled Exchange holiday, option trading shall terminate on the immediately preceding Business Day. In the event that the market in the Underlying Futures Contract (Rule 454A01.D.) for such option does not open on the scheduled option expiration day, the option expiration shall be extended to the next day on which the market in such Underlying Futures Contract is open for trading.~~

##### **1. Quarterly Options and Serial Options**

~~Subject to Rule 454A01.I., for any Quarterly Option (Rule 454A01.D.1.) or Serial Option (Rule 454A01.D.2.) trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the expiration month for such option.~~

##### **2. Weekly Options**

~~Subject to Rule 454A01.I., trading in any Weekly Option shall terminate at the close of trading on the Friday scheduled for option expiration (Rule 454A01.D.3.).~~

#### **454A01.J. Contract Modification**

~~Contract terms for any option shall be fixed when such option is initially listed for trading, provided that any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.~~

#### **454A01.K. — [Reserved]**

### **454A02. — EXERCISE AND ASSIGNMENT**

~~In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options made under these Rules.~~

#### **454A02.A. Exercise of Option by Buyer**

~~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 the day of exercise.~~

~~An option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m. (or such other time as may be designated by the Exchange) on the last day of trading in such option (Rule 454A01.I.).~~

~~A call option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract (Rule 454A01.D.) on the last day of trading in such option lies strictly above such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or below such option's exercise price.~~

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

#### **454A02.B. Assignment**

~~For any given option contract, an exercise notice accepted by the Clearing House (in accord with Rule 454A02.A.) shall be assigned by the Clearing House through a process of random selection of clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.~~

~~The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 454A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing~~



~~the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.~~

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

~~454A03. [RESERVED]~~

~~454A04. CORRECTIONS TO OPTIONS EXERCISES~~

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

## Chapter 455 Three-Year Bundle Futures

~~45500. SCOPE OF CHAPTER~~

~~This chapter is limited in application to trading of Three-Year Bundle futures. Procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange ("Rules").~~

~~Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.~~

~~Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.~~

~~45501. CONTRACT SPECIFICATIONS~~

~~45501.A. Contract Grade~~

~~The contract grade for an expiring futures contract made under these Rules shall be one (1) Three-Year Bundle with Bundle Month identical to the delivery month for such expiring futures contract, subject to the following definitions:~~

~~1. Three-Year Bundle~~

~~A Three-Year Bundle shall be a futures combination comprising one each of 12 CME Three-Month Eurodollar (ED) futures (Chapter 452) for delivery in each of 12 consecutive months in the March-June-September-December ("March Quarterly") cycle.~~

~~2. Bundle Month~~

~~The Bundle Month for a given Three-Year Bundle (Rule 45501.A.1.) shall be the delivery month of the ED futures contract, comprised within such Three-Year Bundle, that is nearest to delivery (Rule 45202.A.).~~

~~45501.B. Delivery~~

~~Delivery shall apply to all positions in expiring contracts that remain open following Termination of Trading (Rule 45502.G.).~~

~~Each individual contract lot delivered shall consist of one Contract Grade Three-Year Bundle (Rule 45501.A.). To each long (short) expiring contract in delivery, CME Clearing shall assign long (short) positions of one each of the 12 ED futures contracts comprised within the Contract Grade. Such ED futures positions shall be assigned at prices determined as follows:~~

~~1. ED Futures Contracts Excluding the Nearest ED Delivery Month~~

~~ED futures contracts for the 11 consecutive ED delivery months following, and not including, the Bundle Month (Rule 45501.A.2.) shall be assigned at their respective Daily Settlement Prices on the Last Day of Trading in expiring futures (Rule 45502.G.).~~

~~2. ED Futures Contract for the Nearest ED Delivery Month~~

~~The ED futures contract for delivery in the Bundle Month shall be assigned at a price determined as:~~

~~(12 × (Final Settlement Price (Rule 45503.A.) of expiring Three-Year Bundle futures))~~

~~— minus~~

~~(Sum of the 11 ED contract assignment prices determined in Rule 45501.B.1.).~~

## **45502. TRADING SPECIFICATIONS**

~~The number of futures contract delivery months open for trading at any time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures for delivery in at least each of the two nearest months in the March Quarterly cycle.~~

### **45502.A. Trading Schedule**

~~Futures contracts shall be scheduled for trading during such hours as may be determined by the Exchange.~~

### **45502.B. Trading Unit**

~~The unit of trading shall be Eurodollar interbank time deposits in the amount of \$1,000,000, for notional settlement on the third Wednesday of the futures contract delivery month, for a term of three (3) years, paying 12 consecutive installments of three-month Eurodollar interbank term interest, with notional resets of such three-month interest rate occurring on the second London business day preceding the third Wednesday of each March, June, September, and December up to, and not including, the month of notional maturity of such Eurodollar interbank time deposits.~~

### **45502.C. Price Increments**

~~Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the 12 ED futures comprised within the Contract Grade (Rule 45501.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).~~

~~The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$75 per contract, except for intermonth spreads for which the minimum price increment shall be one twentieth of one hundredth (0.0005) of one IMM Index point, equal to \$15.00 per intermonth spread. Contracts shall not be made on any other price basis.~~

~~For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to \$3 per contract.~~

### **45502.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

### **45502.E. Special Price Fluctuation Limits**

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

### **45502.F. [Reserved]**

### **45502.G. Termination of Trading**

~~The Last Day of Trading in expiring futures shall be the Last Day of Trading in the ED futures contract (Rule 45202.G.) that is nearest to delivery within the Contract Grade Three Year Bundle (Rule 45501.A.). Without limitation to the foregoing, the Last Day of Trading in expiring Three Year Bundle futures typically shall be the second London bank business day preceding the third Wednesday of the contract delivery month (Rule 45502.).~~

~~Trading in expiring futures shall terminate at the time of daily settlement for ED futures on the Last Day of Trading. Without limitation to the foregoing, this typically shall occur at 2:00 pm.~~

### **45502.H. Contract Modifications**

~~Specifications shall be fixed as of the first day of trading in a contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.~~

~~45502.I. [Reserved]~~

~~45503. SETTLEMENT PROCEDURES~~

~~Delivery on expiring futures shall be made on the Last Day of Trading, following Termination of Trading (Rule 45502.G.), in accord with Rules 45501.~~

~~45503.A. Final Settlement Price~~

~~The Final Settlement Price of an expiring futures contract shall be the arithmetic average of Settlement Prices on the Last Day of Trading (Rule 45502.G.) of the 12 ED futures comprised within the Contract Grade Three Year Bundle (Rule 45501.A.). Without limitation to the foregoing, the Settlement Price for such ED contract for the nearest ED delivery month typically shall be that ED contract's Final Settlement Price, and Settlement Prices for all other such ED contracts shall be their respective Daily Settlement Prices.~~

~~Each such Final Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.~~

~~45503.B. Daily Settlement Price~~

~~The Daily Settlement Price of a contract on any trading day other than the Last Day of Trading (Rule 45502.G.) shall be the arithmetic average of Daily Settlement Prices of the 12 CME ED futures comprised within the Contract Grade Three Year Bundle (Rule 45501.A.).~~

~~Each such Daily Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.~~

~~45504.06. [RESERVED]~~

## Chapter 455A Options on Three-Year Bundle Futures

~~455A00. SCOPE OF CHAPTER~~

~~This chapter is limited in application to options on Three-Year Bundle futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.~~

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

~~455A01. OPTIONS CHARACTERISTICS~~

~~455A01.A. Contract Months and Trading Hours~~

~~Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 455A01.I., and shall be scheduled for trading during such hours as may be determined by the Exchange.~~

~~On the last day of trading in an expiring option (Rule 455A01.I.) trading in such option shall terminate at the same time as the close of trading on that day in such option's Underlying Futures Contract (Rule 455A01.D.).~~

~~455A01.B. Trading Unit~~

~~The trading unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one (1) Three-Year Bundle futures contract for a given delivery month (Chapter 455).~~

~~455A01.C. Minimum Price Increments~~

~~The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point, signifying one (1) interest rate basis point per annum (Rule 45502.C.), shall represent \$300 per option contract. For example, a quote of 0.33 represents an option price of \$9,900 (equal to 33 basis points x \$300 per option contract).~~

~~The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$75 per contract.~~

~~For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0025 IMM Index points, equal to \$75 per option contract.~~

~~Where the price of such option is quoted in volatility terms, the minimum price increment shall be 0.05 percent per annum (eg, 9.95 percent, 10.0 percent, 10.05 percent, 10.10 percent).~~

#### **455A01.D.—Underlying Futures Contracts**

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

For any option for which the month of expiration is in the March Quarterly cycle (ie, March, June, September, or December), the Underlying Futures Contract shall be Three-Year Bundle futures for delivery in such option’s month of expiration. For example, for a given year, Three-Year Bundle futures for delivery in September shall be the Underlying Futures Contract for a September option.

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

For any option for which the month of expiration is not in the March Quarterly cycle, (ie, January, February, April, May, July, August, October, November), the Underlying Futures Contract shall be Three-Year Bundle futures for delivery in the March Quarterly month next following such option’s month of expiration. For example, for a given year, Three-Year Bundle futures for delivery in March shall be the Underlying Futures Contract for a January option or a February option.

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

A weekly option shall be designated to expire on a given Friday, *provided that* no weekly option shall expire on any Friday that is also the scheduled last day of trading in a Quarterly Option (Rule 455A01.D.1.) or a Serial Option (Rule 455A01.D.2.). For any weekly option, the Underlying Futures Contract shall be Three-Year Bundle futures for delivery in a March Quarterly month following such option’s date of expiration, as designated by the Exchange when such weekly option is listed for trading.

For an Underlying Futures Contract for a given delivery month, all companion Weekly Options shall expire prior to the expiration of Quarterly Options (Rule 455A01.D.1. and Rule 455A01.I.).

#### **455A01.E.—Exercise Prices**

##### **1. Twenty-Five Point Exercise Prices**

Option exercise prices shall be stated in terms of the IMM Index for the Three-Year Bundle futures contract that is deliverable upon option exercise (Rule 45502.C.), and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 (“twenty-five point exercise prices”) for all IMM Index levels (eg, 88.00, 88.25, 88.50, 88.75).

At the commencement of trading in option contracts for a given expiration date, the Exchange shall list for trading put and call options at the exercise price that is nearest the previous day’s settlement price of the respective Underlying Futures Contract (“at-the-money price” or “ATM price”). If the previous day’s Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, the ATM price shall be set as the higher of the two eligible exercise price levels. The Exchange also shall list for trading put and call options at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price.

Thereafter, the Exchange shall add new put and call options to ensure that such options are listed for trading at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price. New options may be listed for trading up to and including the Termination of Trading in such options (Rule 455A01.I.).

##### **2. Special Listings of 12.5 Point Exercise Prices**

Additional option exercise prices shall be stated in terms of the IMM Index for the Three-Year Bundle futures contract that is deliverable upon option exercise (Rule 45502.C.), and shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 (“12.5 point exercise prices”) for all IMM Index levels (eg, 93.125, 93.375, 93.625, 93.875). The Exchange shall ensure that put and call options with 12.5 point exercise prices are listed for trading at all eligible exercise price levels in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the ATM exercise price (Rule 455A01.E.1.).

##### **3. Dynamically-Listed Exercise Prices**

Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current-range exercise price may be added, on an as-soon-as-possible basis, *provided that* the last two digits of the exercise price of such newly added option contract must be 00, 25, 50, or 75 (eg, 88.00, 88.25, 88.50, 88.75).

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

#### **455A01.F.—Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

A Person seeking an exemption from position limits for *bona fide* commercial purposes shall apply to the

~~Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.~~

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

#### **455A01.G. — Nature of Options**

~~The buyer of a put option may exercise such option at any time prior to expiration (subject to Rule 455A02.A.) to assume a short position in one Underlying Futures Contract (Rule 455A01.D.) at such option's exercise price (Rule 455A01.E.). Upon exercise by a put option buyer, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract at such option's exercise price.~~

~~The buyer of a call option may exercise such option at any time prior to expiration (subject to Rule 455A02.A.) to assume a long position in one Underlying Futures Contract at such option's exercise price. Upon exercise by a call option buyer, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

#### **455A01.H. — Special Price Fluctuation Limits**

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

#### **455A01.I. — Termination of Trading**

~~For any option contract made under these Rules, if the date for termination of trading under Rule 455A01.I.1. or Rule 455A01.I.2. is a scheduled Exchange holiday, option trading shall terminate on the immediately preceding Business Day. In the event that the market in the Underlying Futures Contract (Rule 455A01.D.) for such option does not open on the scheduled option expiration day, the option expiration shall be extended to the next day on which the market in such Underlying Futures Contract is open for trading.~~

##### **1. Quarterly Options and Serial Options**

~~Subject to Rule 455A01.I., for any Quarterly Option (Rule 455A01.D.1.) or Serial Option (Rule 455A01.D.2.) trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the expiration month for such option.~~

##### **2. Weekly Options**

~~Subject to Rule 455A01.I., trading in any Weekly Option shall terminate at the close of trading on the Friday scheduled for option expiration (Rule 455A01.D.3.).~~

#### **455A01.J. Contract Modification**

~~Contract terms for any option shall be fixed when such option is initially listed for trading, *provided that* any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.~~

#### **455A01.K. — [Reserved]**

### **455A02. — EXERCISE AND ASSIGNMENT**

~~In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options made under these Rules.~~

#### **455A02.A. Exercise of Option by Buyer**

~~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 the day of exercise.~~

~~An option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m. (or such other time as may be designated by the Exchange) on the last day of trading in such option (Rule 455A01.I.).~~

~~A call option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract (Rule 455A01.D.) on the last day of trading in such option lies strictly above such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or below such option's exercise price.~~

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

#### **455A02.B. Assignment**

For any given option contract, an exercise notice accepted by the Clearing House (in accord with Rule 455A02.A.) shall be assigned by the Clearing House through a process of random selection of clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 455A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

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

#### **455A03. [RESERVED]**

#### **455A04. CORRECTIONS TO OPTIONS EXERCISES**

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

## **Chapter 456 Five-Year Bundle Futures**

#### **45600. SCOPE OF CHAPTER**

This chapter is limited in application to trading of Five-Year Bundle futures. Procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange ("Rules").

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.

Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.

#### **45601. CONTRACT SPECIFICATIONS**

##### **45601.A. Contract Grade**

The contract grade for an expiring futures contract made under these Rules shall be one (1) Five-Year Bundle with Bundle Month identical to the delivery month for such expiring futures contract, subject to the following definitions:

##### **1. Five-Year Bundle**

A Five-Year Bundle shall be a futures combination comprising one each of 20 CME Three-Month Eurodollar (ED) futures (Chapter 452) for delivery in each of 20 consecutive months in the March-June-September-December ("March Quarterly") cycle.

##### **2. Bundle Month**

The Bundle Month for a given Five-Year Bundle (Rule 45601.A.1.) shall be the delivery month of the ED futures contract, comprised within such Five-Year Bundle, that is nearest to delivery (Rule 45202.A.).

**45601.B. — Delivery**

Delivery shall apply to all positions in expiring contracts that remain open following Termination of Trading (Rule 45602.G.).

Each individual contract lot delivered shall consist of one Contract Grade Five-Year Bundle (Rule 45601.A.). To each long (short) expiring contract in delivery, CME Clearing shall assign long (short) positions of one each of the 20 ED futures contracts comprised within the Contract Grade. Such ED futures positions shall be assigned at prices determined as follows:

**1. — ED Futures Contracts Excluding the Nearest ED Delivery Month**

ED futures contracts for the 19 consecutive ED delivery months following, and not including, the Bundle Month (Rule 45601.A.2.) shall be assigned at their respective Daily Settlement Prices on the Last Day of Trading in expiring futures (Rule 45602.G.).

**2. — ED Futures Contract for the Nearest ED Delivery Month**

The ED futures contract for delivery in the Bundle Month shall be assigned at a price determined as:

*(20 × (Final Settlement Price (Rule 45603.A.) of expiring Five-Year Bundle futures))*

— minus

*(Sum of the 19 ED contract assignment prices determined in Rule 45601.B.1.)*

**45602. — TRADING SPECIFICATIONS**

The number of futures contract delivery months open for trading at any time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures for delivery in at least each of the two nearest months in the March Quarterly cycle.

**45602.A. — Trading Schedule**

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

**45602.B. — Trading Unit**

The unit of trading shall be Eurodollar interbank time deposits in the amount of \$1,000,000, for notional settlement on the third Wednesday of the futures contract delivery month, for a term of five (5) years, paying 20 consecutive installments of three-month Eurodollar interbank term interest, with notional resets of such three-month interest rate occurring on the second London business day preceding the third Wednesday of each March, June, September, and December up to, and not including, the month of notional maturity of such Eurodollar interbank time deposits.

**45602.C. — Price Increments**

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the 20 CME ED futures comprised within the Contract Grade (Rule 45601.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$125 per contract, except for intermonth spreads for which the minimum price increment shall be one twentieth of one hundredth (0.0005) of one IMM Index point, equal to \$25.00 per intermonth spread. Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to \$5 per contract.

**45602.D. — Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

**45602.E. — Special Price Fluctuation Limits**

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

**45602.F. — [Reserved]**

**45602.G. — Termination of Trading**

~~The Last Day of Trading in expiring futures shall be the Last Day of Trading in the ED futures contract (Rule 45202.G.) that is nearest to delivery within the Contract Grade Five-Year Bundle (Rule 45601.A.). Without limitation to the foregoing, the Last Day of Trading in expiring Five-Year Bundle futures typically shall be the second London bank business day preceding the third Wednesday of the contract delivery month (Rule 45602.).~~

~~Trading in expiring futures shall terminate at the time of daily settlement for ED futures on the Last Day of Trading. Without limitation to the foregoing, this typically shall occur at 2:00 pm.~~

**45602.H. — Contract Modifications**

~~Specifications shall be fixed as of the first day of trading in a contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.~~

**45602.I. — [Reserved]**

**45603. — SETTLEMENT PROCEDURES**

~~Delivery on expiring futures shall be made on the Last Day of Trading, following Termination of Trading (Rule 45602.G.), in accord with Rules 45601.~~

**45603.A. — Final Settlement Price**

~~The Final Settlement Price of an expiring futures contract shall be the arithmetic average of Settlement Prices on the Last Day of Trading (Rule 45602.G.) of the 20 ED futures comprised within the Contract Grade Five-Year Bundle (Rule 45601.A.). Without limitation to the foregoing, the Settlement Price for such ED contract for the nearest ED delivery month typically shall be that ED contract's Final Settlement Price, and Settlement Prices for all other such ED contracts shall be their respective Daily Settlement Prices.~~

~~Each such Final Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.~~

**45603.B. — Daily Settlement Price**

~~The Daily Settlement Price of a contract on any trading day other than the Last Day of Trading (Rule 45602.G.) shall be the arithmetic average of Daily Settlement Prices of the 20 CME ED futures comprised within the Contract Grade Five-Year Bundle (Rule 45601.A.).~~

~~Each such Daily Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.~~

**45604.-06. [RESERVED]**

## Chapter 456A Options on Five-Year Bundle Futures

**456A00. — SCOPE OF CHAPTER**

This chapter is limited in application to options on Five-Year Bundle futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.

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

**456A01. — OPTIONS CHARACTERISTICS**



#### **456A01.A.—Contract Months and Trading Hours**

Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 456A01.I., and shall be scheduled for trading during such hours as may be determined by the Exchange.

On the last day of trading in an expiring option (Rule 456A01.I.) trading in such option shall terminate at the same time as the close of trading on that day in such option's Underlying Futures Contract (Rule 456A01.D.).

#### **456A01.B.—Trading Unit**

The trading unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one (1) Five-Year Bundle futures contract for a given delivery month (Chapter 456).

#### **456A01.C.—Minimum Price Increments**

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point, signifying one (1) interest rate basis point per annum (Rule 45602.C.), shall represent \$500 per option contract. For example, a quote of 0.33 represents an option price of \$16,500 (equal to 33 basis points x \$500 per option contract).

The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$125 per contract.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0025 IMM Index points, equal to \$125 per option contract.

Where the price of such option is quoted in volatility terms, the minimum price increment shall be 0.05 percent per annum (eg, 9.95 percent, 10.0 percent, 10.05 percent, 10.10 percent).

#### **456A01.D.—Underlying Futures Contracts**

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

For any option for which the month of expiration is in the March Quarterly cycle (ie, March, June, September, or December), the Underlying Futures Contract shall be Five-Year Bundle futures for delivery in such option's month of expiration. For example, for a given year, Five-Year Bundle futures for delivery in September shall be the Underlying Futures Contract for a September option.

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

For any option for which the month of expiration is not in the March Quarterly cycle, (ie, January, February, April, May, July, August, October, November), the Underlying Futures Contract shall be Five-Year Bundle futures for delivery in the March Quarterly month next following such option's month of expiration. For example, for a given year, Five-Year Bundle futures for delivery in March shall be the Underlying Futures Contract for a January option or a February option.

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

A weekly option shall be designated to expire on a given Friday, *provided that* no weekly option shall expire on any Friday that is also the scheduled last day of trading in a Quarterly Option (Rule 456A01.D.1.) or a Serial Option (Rule 456A01.D.2.). For any weekly option, the Underlying Futures Contract shall be Five-Year Bundle futures for delivery in a March Quarterly month following such option's date of expiration, as designated by the Exchange when such weekly option is listed for trading.

For an Underlying Futures Contract for a given delivery month, all companion Weekly Options shall expire prior to the expiration of Quarterly Options (Rule 456A01.D.1. and Rule 456A01.I.).

#### **456A01.E.—Exercise Prices**

##### **1.—Twenty-Five Point Exercise Prices**

Option exercise prices shall be stated in terms of the IMM Index for the Five-Year Bundle futures contract that is deliverable upon option exercise (Rule 45602.C.), and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 (“twenty-five point exercise prices”) for all IMM Index levels (eg, 88.00, 88.25, 88.50, 88.75).

At the commencement of trading in option contracts for a given expiration date, the Exchange shall list for trading put and call options at the exercise price that is nearest the previous day's settlement price of the respective Underlying Futures Contract (“at-the-money price” or “ATM price”). If the previous day's Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, the ATM price shall be set as the higher of the two eligible exercise price levels. The Exchange also shall list for trading put and call options at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price.

Thereafter, the Exchange shall add new put and call options to ensure that such options are listed for trading at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index

points below the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price. New options may be listed for trading up to and including the Termination of Trading in such options (Rule 456A01.I.).

## **2. Special Listings of 12.5 Point Exercise Prices**

Additional option exercise prices shall be stated in terms of the IMM Index for the Five-Year Bundle futures contract that is deliverable upon option exercise (Rule 45602.C.), and shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 ("12.5 point exercise prices") for all IMM Index levels (eg, 93.125, 93.375, 93.625, 93.875). The Exchange shall ensure that put and call options with 12.5 point exercise prices are listed for trading at all eligible exercise price levels in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the ATM exercise price (Rule 456A01.E.1.).

## **3. Dynamically-Listed Exercise Prices**

Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current-range exercise price may be added, on an as-soon-as-possible basis, *provided that* the last two digits of the exercise price of such newly added option contract must be 00, 25, 50, or 75 (eg, 88.00, 88.25, 88.50, 88.75).

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

## **456A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

## **456A01.G. Nature of Options**

The buyer of a put option may exercise such option at any time prior to expiration (subject to Rule 456A02.A.) to assume a short position in one Underlying Futures Contract (Rule 456A01.D.) at such option's exercise price (Rule 456A01.E.). Upon exercise by a put option buyer, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract at such option's exercise price.

The buyer of a call option may exercise such option at any time prior to expiration (subject to Rule 456A02.A.) to assume a long position in one Underlying Futures Contract at such option's exercise price. Upon exercise by a call option buyer, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

## **456A01.H. Special Price Fluctuation Limits**

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

## **456A01.I. Termination of Trading**

~~For any option contract made under these Rules, if the date for termination of trading under Rule 456A01.I.1. or Rule 456A01.I.2. is a scheduled Exchange holiday, option trading shall terminate on the immediately preceding Business Day. In the event that the market in the Underlying Futures Contract (Rule 456A01.D.) for such option does not open on the scheduled option expiration day, the option expiration shall be extended to the next day on which the market in such Underlying Futures Contract is open for trading.~~

### **1. Quarterly Options and Serial Options**

~~Subject to Rule 456A01.I., for any Quarterly Option (Rule 456A01.D.1.) or Serial Option (Rule 456A01.D.2.) trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the expiration month for such option.~~

### **2. Weekly Options**

~~Subject to Rule 456A01.I., trading in any Weekly Option shall terminate at the close of trading on the Friday scheduled for option expiration (Rule 456A01.D.3.).~~

## **456A01.J. Contract Modification**

~~Contract terms for any option shall be fixed when such option is initially listed for trading, *provided that*~~

any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.

~~456A01.K. [Reserved]~~

#### ~~456A02. EXERCISE AND ASSIGNMENT~~

~~In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options made under these Rules.~~

##### ~~456A02.A. Exercise of Option by Buyer~~

~~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 the day of exercise.~~

~~An option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m. (or such other time as may be designated by the Exchange) on the last day of trading in such option (Rule 456A01.I.).~~

~~A call option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract (Rule 456A01.D.) on the last day of trading in such option lies strictly above such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or below such option's exercise price.~~

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

##### ~~456A02.B. Assignment~~

~~For any given option contract, an exercise notice accepted by the Clearing House (in accord with Rule 456A02.A.) shall be assigned by the Clearing House through a process of random selection of clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.~~

~~The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 456A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.~~

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

#### ~~456A03. [RESERVED]~~

#### ~~456A04. CORRECTIONS TO OPTIONS EXERCISES~~

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

## **Chapter 503 Three-Month Euribor Futures**

#### ~~50300. SCOPE OF CHAPTER~~

This chapter is limited in application to Three-Month Euribor futures. In addition to this chapter, Three-Month Euribor futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

#### **50301. CONTRACT SPECIFICATIONS**

Each futures contract shall be for a euro interbank time deposit having a principal value of approximately €1,000,000 with a three-month term to maturity.

#### **50302. TRADING SPECIFICATIONS**

##### **50302.A. Trading Schedule**

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

##### **50302.B. Trading Unit**

The size of the unit of trading shall be euro interbank time deposits in the approximate amount of €1,000,000.

##### **50302.C. Price Increments**

Prices shall be quoted in terms of the IMM Index, 100.0000 minus the three-month euro interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 2.55 percent shall be quoted as 97.4500.)

##### **50302.C.1. Nearest Expiring Contract Month**

Minimum fluctuations of the IMM Index shall be in multiples of 0.0025 Index points, equal to €6.25 per contract.

##### **50302.C.2. Contract Months Excluding the Nearest Expiring Contract Month**

Minimum fluctuations of the IMM Index shall be in multiples of 0.005 Index points, equal to €12.50 per contract.

##### **50302.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

##### **50302.E. Special Price Fluctuation Limits**

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

##### **50302.F. [Reserved]**

##### **50302.G. Termination of Trading**

##### **50302.G.1. Last Day of Trading**

Trading in an expiring contract shall terminate at 11:00 a.m. Central Europe time\* on the second Trans-European Automated Real-time Gross settlement Express Transfer ("TARGET") System Business Day immediately preceding the third Wednesday of such contract's named month of delivery.

\*11:00 a.m. Central Europe time is 4:00 a.m. Chicago time, except when Daylight Savings Time is in effect in either, but not both, the Central Europe Time Zone or Chicago.

##### **50302.G.2. Provision for Adjustment to Last Day of Trading**

If, at any time after close of trading on the second Exchange Business Day prior to the day scheduled for Last Day of Trading (Rule 50302.G.1.), it becomes known to the Exchange that such day scheduled for Last Day of Trading will not be a TARGET System Business Day, then the TARGET System Business Day next following such day shall become the Last Day of Trading.

##### **50302.G.3. Exclusions**

If, at any time after close of trading on the second Exchange Business Day prior to the day scheduled for Last Day of Trading, it becomes known to the Exchange that the day which would have been the TARGET System Business Day immediately preceding the third Wednesday of the month will not be a TARGET System Business Day, then such event shall not affect the Last Day of Trading, which shall remain as scheduled in accord with Rules 50302.G.1. and 50302.G.2.

~~50302.H. [Reserved]~~

### ~~50303. SETTLEMENT PROCEDURES~~

~~Delivery shall be by cash settlement.~~

#### ~~50303.A. Final Settlement Price~~

~~The final settlement price of an expiring contract shall be 100 minus the three-month euro interbank time deposit rate (three-month EURIBOR@) determined at the EURIBOR-EBF fixing on the second TARGET System Business Day immediately preceding the third Wednesday of such contract's delivery month.~~

~~Such three-month EURIBOR@ value shall be rounded to the nearest 1/1,000th of a percentage point per annum. Tie values, ie, any such values ending in 0.0005, shall be rounded down. For example, a three-month EURIBOR@ fixing value of 2.7185 percent would be rounded down to 2.718 percent, and then subtracted from 100 to determine a contract final settlement price of 97.282.~~

#### ~~50303.B. Final Settlement~~

~~Clearing members holding open positions in a contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.~~

### ~~50304.-29. [RESERVED]~~

~~(End Chapter 503)~~

## **INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 503**

~~Three-Month Euribor futures are not in any way sponsored, endorsed, sold, or promoted by EURIBOR-EBF, and EURIBOR-EBF has no obligations or liability in connection with the trading of Three-Month Euribor futures. EURIBOR@ is compiled and calculated on behalf of EURIBOR-EBF. However, EURIBOR-EBF shall not be liable (whether in negligence or otherwise) to any person for any error in EURIBOR@ or use of the same, whether or not arising from the negligence of EURIBOR-EBF, and EURIBOR-EBF shall not be under any obligation to advise any person of any error therein.~~

~~EURIBOR-EBF MAKES NO WARRANTY, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF EURIBOR@, AND/OR THE FIGURE AT WHICH EURIBOR@ STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. EURIBOR-EBF MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR USE WITH RESPECT TO THE PRODUCT, AND EXCLUDES ALL LIABILITY FOR ANY LOSS OF BUSINESS OR PROFITS OR FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE ARISING FROM USE OF EURIBOR@.~~

## Exhibit B

### CBOT Rulebook Chapters

(deletions are struck through)

#### **Chapter 55** **2-Year Euro Interest Rate Swap Futures**

##### **55100. SCOPE OF CHAPTER**

This chapter is limited in application to trading of 2-Year Euro Interest Rate Swap ("EUR IRS") futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange ("Rules").

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange ("CME") Rule 90002.N.).

Except as noted, all times referenced in this chapter are Chicago times and are subject to change by the Exchange.

##### **55101. CONTRACT SPECIFICATIONS**

###### **55101.A. Contract Grade**

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract ("IRS Contract" per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: ~~Subject to CBOT Rules 55104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.~~
2. Floating Rate Payer: ~~Subject to CBOT Rules 55104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.~~
3. IRS Effective Date: ~~Third (3rd) Wednesday of futures contract delivery month (CBOT Rules 55102. and 55103.A.).~~
4. Currency: ~~Euros (CME Rule 90102.B.).~~
5. Notional Amount: ~~€100,000.~~
6. Business Day(s): ~~TARGET Settlement Days.~~
7. Business Day Convention: ~~Modified Following.~~
8. Termination Date: ~~Second (2nd) anniversary of IRS Effective Date (CBOT Rule 55101.A.3.).~~
9. Initial Payment Amount: ~~See CBOT Rule 55101.B.~~
10. Initial Amount Payer: ~~See CBOT Rule 55101.B.~~

11. Fixed Rate Payment Dates: ~~Annually from IRS Effective Date (CBOT Rule 55101.A.3.) subject to CBOT Rules 55101.A.6. and 55101.A.7.~~

12. Fixed Rate: ~~Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 55102.).~~

13. Fixed Rate Day Count: ~~30/360.~~

14. Floating Rate Payment Dates: ~~Semiannually from IRS Effective Date (CBOT Rule 55101.A.3.) subject to CBOT Rules 55101.A.6. and 55101.A.7.~~

15. Floating Rate Option: ~~EUR-EURIBOR-Reuters (CME Rule 90102.E.4.).~~

16. Designated Maturity: ~~Six (6) months.~~

17. Floating Rate Day Count: ~~Actual/360.~~

18. Spread: ~~None.~~

19. Compounding: ~~None.~~

#### **55101.B. Physical Delivery**

Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 55101.A.).

For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 55104.), the IRS Initial Payment Amount (CBOT Rule 55101.A.9.) due upon delivery (CBOT Rule 55103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 55101.A.10.), shall be determined as follows:

Define P as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 55102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (CBOT Rule 55102.C.).

1. If P is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

$(\text{€}1,000 \text{ per point}) \times (\text{P points} - 100 \text{ points})$  per contract.

2. Else, if P is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

$(\text{€}1,000 \text{ per point}) \times (100 \text{ points} - \text{P points})$  per contract.

3. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.

Example: For a hypothetical expiring futures contract, assume the final settlement price P is 100.255 (ie, 100.255 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of €255 per contract, equal to  $(\text{€}1,000 \text{ per point}) \times (100.255 \text{ points} - 100 \text{ points})$ . Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of €255 per contract.

#### **55102. TRADING SPECIFICATIONS**

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 55101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.

#### **55102.A. Trading Schedule**

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 55102.F.), the close of the expiring contract shall begin at 5:14 pm Central European time, and trading shall be permitted thereafter for a period not to exceed one minute.

#### **55102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 55101.A.), having notional amount of one hundred thousand Euros (€100,000) or multiples thereof.

#### **55102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to €1,000 per contract. The minimum price fluctuation shall be one half of one one hundredth (1/2 of 1/100th) of one point (equal to €5 per contract). Contracts shall not be made on any other price basis.

#### **55102.D. Special Price Fluctuation Limits**

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

#### **55102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

#### **55102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 5:15pm Central European time (CBOT Rule 55102.A.) on the second TARGET Settlement Day before the third Wednesday of the contract delivery month (where TARGET signifies the Trans-European Automated Real-time Gross settlement Express Transfer system).

### **55103. DATE OF DELIVERY**

Subject to CBOT Rules 55104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 55102.).

#### **55103.A. IRS Effective Date**

Such Date of Delivery shall be the Effective Date (CBOT Rule 55101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.

#### **55103.B. Acceptance Date and Clearing Effective Date**

The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.

### **55104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

#### **55104.A. Requirements for Participation in Delivery**

For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and
2. either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).



Subject to these requirements and to CBOT Rules 55104.B. and 55104.C., upon termination of trading in such expiring futures (CBOT Rule 55102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 55101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.

#### **55104.B. IRS Product Account Registration**

Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).

#### **55104.C. Clearing Member Obligations in Delivery**

Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 55102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:

1. ensure that the requirements set forth in CBOT Rule 55104.A. are met.
2. in accord with the requirements set forth in CBOT Rule 55104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).
3. ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 55104.C.2. has been notified of such designation.
4. obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 55104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 55104.E.).

Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 55104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.

#### **55104.D. Clearing Member Reporting Obligations Prior to Delivery**

Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:

1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;
2. confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 55104.A.;
3. where such account meets the requirements set forth in CBOT Rule 55104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 55104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 55104.C.3., and has made such acknowledgements as are required by CBOT Rule 55104.C.4.

#### **55104.E. Notification of IRS Clearing Members in Delivery**

Following the termination of trading in an expiring futures contract (CBOT Rule 55102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 55104.C. For each such IRS Clearing Member, such Clearing House notification shall include:

1. identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.

#### **55104.F. IRS Clearing Member Obligations in Delivery**

In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 55104.E., such IRS Clearing Member shall promptly

~~notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 55103.B.).~~

~~As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 55104.A, 55104.B., 55104.C., 55104.D. and 55104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.~~

**55104.G. Clearing House Financial Safeguards**

~~A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.).~~

~~An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.).~~

**55105. (RESERVED)**

**55106. (RESERVED)**

**55107. PAYMENT**

~~Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 55101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 55103.) at such time as the Clearing House may designate.~~

~~If such Initial Payment Amount is equivalent to \$100,000,000 or greater, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 55103.B. and CME Rule 90102.C.).~~

## **Chapter 56**

### **5-Year Euro Interest Rate Swap Futures**

**56100. SCOPE OF CHAPTER**

~~This chapter is limited in application to trading of 5-Year Euro Interest Rate Swap (“EUR IRS”) futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange (“Rules”).~~

~~Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange (“CME”) Rule 90002.N.).~~

~~Except as noted, all times referenced in this chapter are Chicago times and are subject to change by the Exchange.~~

**56101. CONTRACT SPECIFICATIONS**

**56101.A. Contract Grade**

~~The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract (“IRS Contract” per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):~~

- ~~1. Fixed Rate Payer: \_\_\_\_\_ Subject to CBOT Rules 56104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.~~
- ~~2. Floating Rate Payer: \_\_\_\_\_ Subject to CBOT Rules 56104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to~~

deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.

3. ~~IRS Effective Date: \_\_\_\_\_ Third (3rd) Wednesday of futures contract delivery month (CBOT Rules 56102. and 56103.A.).~~
4. ~~Currency: \_\_\_\_\_ Euros (CME Rule 90102.B.).~~
5. ~~Notional Amount: \_\_\_\_\_ €100,000.~~
6. ~~Business Day(s): \_\_\_\_\_ TARGET Settlement Days.~~
7. ~~Business Day Convention: \_\_\_\_\_ Modified Following.~~
8. ~~Termination Date: \_\_\_\_\_ Fifth (5th) anniversary of IRS Effective Date. (CBOT Rule 56101.A.3.).~~
9. ~~Initial Payment Amount: \_\_\_\_\_ See CBOT Rule 56101.B.~~
10. ~~Initial Amount Payer: \_\_\_\_\_ See CBOT Rule 56101.B.~~
11. ~~Fixed Rate Payment Dates: \_\_\_\_\_ Annually from IRS Effective Date (CBOT Rule 56101.A.3.) subject \_\_\_\_\_ to CBOT Rules 56101.A.6. and 56101.A.7.~~
12. ~~Fixed Rate: \_\_\_\_\_ Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 56102.).~~
13. ~~Fixed Rate Day Count: \_\_\_\_\_ 30/360.~~
14. ~~Floating Rate Payment Dates: \_\_\_\_\_ Semiannually from IRS Effective Date (CBOT Rule 56101.A.3.) \_\_\_\_\_ subject to CBOT Rules 56101.A.6. and 56101.A.7.~~
15. ~~Floating Rate Option: \_\_\_\_\_ EUR-EURIBOR-Reuters (CME Rule 90102.E.4.).~~
16. ~~Designated Maturity: \_\_\_\_\_ Six (6) months.~~
17. ~~Floating Rate Day Count: \_\_\_\_\_ Actual/360.~~
18. ~~Spread: \_\_\_\_\_ None.~~
19. ~~Compounding: \_\_\_\_\_ None.~~

**56101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 56101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 56104.), the IRS Initial Payment Amount (CBOT Rule 56101.A.9.) due upon delivery (CBOT Rule 56103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 56101.A.10.), shall be determined as follows:~~

~~Define P as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 56102.F.), where such Final Settlement~~

Price is expressed in points and fractions of points, with par on the basis of 100 points (CBOT Rule 56102.C.).

1. If P is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

$(€1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$

2. Else, if P is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

$(€1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$

3. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.

Example: For a hypothetical expiring futures contract, assume the final settlement price P is 100.210 (ie, 100.210 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of €210 per contract, equal to  $(€1,000 \text{ per point}) \times (100.210 \text{ points minus } 100 \text{ points})$ . Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of €210 per contract.

## **56102. TRADING SPECIFICATIONS**

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 56101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.

### **56102.A. Trading Schedule**

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 56102.F.), the close of the expiring contract shall begin at 5:14 pm Central European time, and trading shall be permitted thereafter for a period not to exceed one minute.

### **56102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 56101.A.), having notional amount of one hundred thousand Euros (€100,000) or multiples thereof.

### **56102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to €1,000 per contract. The minimum price fluctuation shall be one one-hundredth (1/100th) of one point (equal to €10 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one half of one-hundredth (1/2 of 1/100th) of one point (equal to €5 per intermonth spread contract pair). Contracts shall not be made on any other price basis.

### **56102.D. Special Price Fluctuation Limits**

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

### **56102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

### **56102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 5:15pm Central European time (CBOT Rule 56102.A.) on the second TARGET Settlement Day before the third Wednesday of the contract delivery month (where TARGET signifies the Trans-European Automated Real-time Gross settlement Express Transfer system).

#### **56103. DATE OF DELIVERY**

Subject to CBOT Rules 56104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 56102.).

##### **56103.A. IRS Effective Date**

Such Date of Delivery shall be the Effective Date (CBOT Rule 56101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.

##### **56103.B. Acceptance Date and Clearing Effective Date**

The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.

#### **56104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

##### **56104.A. Requirements for Participation in Delivery**

For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7-USC §1a(18) and 17-CFR 1.3(m)), and
2. either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).

Subject to these requirements and to CBOT Rules 56104.B. and 56104.C., upon termination of trading in such expiring futures (CBOT Rule 56102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 56101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.

##### **56104.B. IRS Product Account Registration**

Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).

##### **56104.C. Clearing Member Obligations in Delivery**

Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 56102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:

1. ensure that the requirements set forth in CBOT Rule 56104.A. are met.
2. in accord with the requirements set forth in CBOT Rule 56104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).
3. ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 56104.C.2. has been notified of such designation.
4. obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 56104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 56104.E.).

Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 56104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.

##### **56104.D. Clearing Member Reporting Obligations Prior to Delivery**

Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate

inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:

1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;

2. confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 56104.A.;

3. where such account meets the requirements set forth in CBOT Rule 56104.A., (a) the IRS

Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 56104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 56104.C.3., and has made such acknowledgements as are required by CBOT Rule 56104.C.4.

#### **56104.E. Notification of IRS Clearing Members in Delivery**

Following the termination of trading in an expiring futures contract (CBOT Rule 56102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 56104.C. For each such IRS Clearing Member, such Clearing House notification shall include:

1. identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and /or

2. identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.

#### **56104.F. IRS Clearing Member Obligations in Delivery**

In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 56104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 56103.B.).

As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 56104.A, 56104.B., 56104.C., 56104.D. and 56104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.

#### **56104.G. Clearing House Financial Safeguards**

A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.).

An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.).

**56105. (RESERVED)**

**56106. (RESERVED)**

**56107. PAYMENT**

Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 56101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 56103.) at such time as the Clearing House may designate.

If such Initial Payment Amount is equivalent to \$100,000,000 or greater, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 56103.B. and CME Rule 90102.C.).

## **Chapter 57**

## 10-Year Euro Interest Rate Swap Futures

### 57100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 10-Year Euro Interest Rate Swap (“EUR-IRS”) futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange (“Rules”).

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange (“CME”) Rule 90002.N.).

Except as noted, all times referenced in this chapter are Chicago times and are subject to change by the Exchange.

### 57101. CONTRACT SPECIFICATIONS

#### 57101.A. Contract Grade

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract (“IRS Contract” per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: Subject to CBOT Rules 57104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
2. Floating Rate Payer: Subject to CBOT Rules 57104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
3. IRS Effective Date: Third (3rd) Wednesday of futures contract delivery month (CBOT Rules 57102. and 57103.A.).
4. Currency: Euros (CME Rule 90102.B.).
5. Notional Amount: €100,000.
6. Business Day(s): TARGET Settlement Days.
7. Business Day Convention: Modified Following.
8. Termination Date: Tenth (10th) anniversary of IRS Effective Date. (CBOT Rule 57101.A.3.).
9. Initial Payment Amount: See CBOT Rule 57101.B.
10. Initial Amount Payer: See CBOT Rule 57101.B.
11. Fixed Rate Payment Dates: Annually from IRS Effective Date (CBOT Rule 57101.A.3.) subject to CBOT Rules 57101.A.6. and 57101.A.7.
12. Fixed Rate: Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 57102.).

13. Fixed Rate Day Count: ~~30/360.~~

14. Floating Rate Payment Dates: ~~Semiannually from IRS Effective Date (CBOT Rule 57101.A.3.)~~  
~~subject to CBOT Rules 57101.A.6. and 57101.A.7.~~

15. Floating Rate Option: ~~EUR-EURIBOR-Reuters (CME Rule 90102.E.4.).~~

16. Designated Maturity: ~~Six (6) months.~~

17. Floating Rate Day Count: ~~Actual/360.~~

18. Spread: ~~None.~~

19. Compounding: ~~None.~~

#### **57101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 57101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 57104.), the IRS Initial Payment Amount (CBOT Rule 57101.A.9.) due upon delivery (CBOT Rule 57103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 57101.A.10.), shall be determined as follows:~~

~~Define P as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 57102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (CBOT Rule 57102.C.).~~

~~1. If P is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~(€1,000 per point) x (P points minus 100 points) per contract.~~

~~2. Else, if P is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~(€1,000 per point) x (100 points minus P points) per contract.~~

~~3. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half cents rounded up to the nearest cent.~~

~~Example: For a hypothetical expiring futures contract, assume the final settlement price P is 100.210 (ie, 100.210 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of €210 per contract, equal to (€1,000 per point) x (100.210 points minus 100 points). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of €210 per contract.~~

#### **57102. TRADING SPECIFICATIONS**

~~The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.~~

~~For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 57101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.~~

#### **57102.A. Trading Schedule**



The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 57102.F.), the close of the expiring contract shall begin at 5:14 pm Central European time, and trading shall be permitted thereafter for a period not to exceed one minute.

#### **57102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 57101.A.), having notional amount of one hundred thousand Euros (€100,000) or multiples thereof.

#### **57102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to €1,000 per contract. The minimum price fluctuation shall be one one-hundredth (1/100th) of one point (equal to €10 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one half of one hundredth (1/2 of 1/100th) of one point (equal to €5 per intermonth spread contract pair). Contracts shall not be made on any other price basis.

#### **57102.D. Special Price Fluctuation Limits**

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

#### **57102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

#### **57102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 5:15pm Central European time (CBOT Rule 57102.A.) on the second TARGET Settlement Day before the third Wednesday of the contract delivery month (where TARGET signifies the Trans-European Automated Real-time Gross settlement Express Transfer system).

### **57103. DATE OF DELIVERY**

Subject to CBOT Rules 57104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 57102.).

#### **57103.A. IRS Effective Date**

Such Date of Delivery shall be the Effective Date (CBOT Rule 57101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.

#### **57103.B. Acceptance Date and Clearing Effective Date**

The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.

### **57104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

#### **57104.A. Requirements for Participation in Delivery**

For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and
2. either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).

Subject to these requirements and to CBOT Rules 57104.B. and 57104.C., upon termination of trading in such expiring futures (CBOT Rule 57102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 57101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.

#### **57104.B. IRS Product Account Registration**

Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009 and CME Rule 90005.B.).

#### **57104.C. Clearing Member Obligations in Delivery**

Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 57102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:

1. ensure that the requirements set forth in CBOT Rule 57104.A. are met;
2. in accord with the requirements set forth in CBOT Rule 57104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s);
3. ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 57104.C.2. has been notified of such designation;
4. obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 57104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 57104.E.).

Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 57104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.

#### **57104.D. Clearing Member Reporting Obligations Prior to Delivery**

Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:

1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;
2. confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 57104.A.;
3. where such account meets the requirements set forth in CBOT Rule 57104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 57104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 57104.C.3., and has made such acknowledgements as are required by CBOT Rule 57104.C.4.

#### **57104.E. Notification of IRS Clearing Members in Delivery**

Following the termination of trading in an expiring futures contract (CBOT Rule 57102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 57104.C. For each such IRS Clearing Member, such Clearing House notification shall include:

1. identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.

#### **57104.F. IRS Clearing Member Obligations in Delivery**

In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 57104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 57103.B.).

As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 57104.A., 57104.B., 57104.C., 57104.D. and

~~57104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.~~

**~~57104.G. Clearing House Financial Safeguards~~**

~~A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.).~~

~~An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.).~~

**~~57105. (RESERVED)~~**

**~~57106. (RESERVED)~~**

**~~57107. PAYMENT~~**

~~Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 57101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 57103.) at such time as the Clearing House may designate.~~

~~If such Initial Payment Amount is equivalent to \$100,000,000 or greater, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 57103.B. and CME Rule 90102.C.)~~

**Exhibit C**

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

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

(attached under separate cover)

**Exhibit D**

**CBOT Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

**Position Limits, Position Accountability and Reportable Level Table  
in Chapter 5 of the CBOT Rulebook**

(attached under separate cover)