

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 22-376 (4 of 4)

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

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

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

**Filing Date (mm/dd/yy):** 09/01/22    **Filing Description:** Initial Listing of Four (4) Event Contracts on Certain CME Futures

**SPECIFY FILING TYPE**

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

**Organization Rules and Rule Amendments**

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

**Rule Numbers:**

**New Product**

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

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

**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:**

**Rule Numbers:**



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

September 1, 2022

**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 40.2(a) Certification. Initial Listing of Four (4) Event Contracts on Certain CME Futures.  
CME Submission No. 22-376 (4 of 4)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or the “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of three (3) equity and one (1) foreign exchange (FX) Event Contracts noted in Table 1. below (the “Event Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) effective on Sunday, September 18, 2022 for trade date Monday, September 19, 2022.

In a separate but related matter, via The Board of Trade of the City of Chicago, Inc. (“CBOT”) Submission No. 22-377, New York Mercantile Exchange, Inc. (“NYMEX”) Submission No. 22-378, and Commodity Exchange, Inc. (“COMEX”) Submission No. 22-379 (collectively, the “CME Group Exchanges”) are concurrently launching Event Contracts on certain of each Exchange’s futures contracts.

Table 1.

|                   | <b>Contract Title</b>   | <b>Rulebook Chapter</b> | <b>Commodity Code</b> |
|-------------------|---|-------------------------|-----------------------|
| <b>CME Equity</b> | Event Contracts on E-mini Standard and Poor’s 500 Stock Price Index Futures | CME 23                  | ECES                  |
|                   | Event Contracts on E-mini Nasdaq-100 Index Futures                          | CME 23                  | ECNQ                  |
|                   | Event Contracts on E-mini Russell 2000 Index Futures                        | CME 23                  | ECRTY                 |
| <b>CME FX</b>     | Event Contracts on Euro/U.S. Dollar (EUR/USD) Futures                       | CME 23                  | EC6E                  |

Event Contracts are daily-expiring, cash settled, European style options on futures contracts, offering short-term trading opportunities for persons seeking to take a position on daily price moves on futures using smaller-value contracts.

Each Event Contract is valued at \$20 and has a fixed payout. In contrast to a traditional option on a futures contract, the Event Contracts settle in reference to the daily settlement prices of futures contracts listed on the CME Group Exchanges. Event Contracts do not exercise into underlying futures positions nor exercise

into delivery of a physical commodity. If an Event Contract expires “in the money” in reference to the underlying futures settlement price, the short position holder pays, and the long position holder receives, a payment of \$20. Event Contracts are subject to premium style margining, which means that a person establishing a long position in an Event Contract will pay the full premium amount for each contract. Thus, the maximum risk on a long position in an Event Contract will be the amount of money the market participant pays as the premium for that option. Due to the fixed payout feature, the maximum per contract risk for a short position is \$20 minus the premium received for selling the option.

Depending on the front-end system used to submit orders, the opportunity to trade an Event Contract may be expressed to a market participant as a “yes/no” choice. In that case, the ‘Yes’ contract shall mean: will the daily settlement price for the specified futures contract be above X, and the ‘No’ contract shall mean: will the daily settlement price for the specified futures contract be at or below X. When presented in this fashion, executing a ‘Yes’ trade constitutes purchasing a fixed payout call option on the futures contract daily settlement price, and executing a ‘No’ trade constitutes purchasing a fixed payout put option on the futures contract daily settlement price.

The CME Group Exchanges remind all market participants that they are required to abide by applicable local regulations with respect to trading in Event Contracts. Market participants that trade or wish to trade Event Contracts, and brokers that seek to sell or distribute such products, must therefore comply with any applicable restrictions or prohibitions imposed by such market participant’s home jurisdiction, including where applicable, and without limitation, the prohibitions on marketing, offering or distribution of such products to retail customers in the United Kingdom and the European Union.

## Section 1 – Contract Specifications

| Contract Title                       | Event Contracts   |                  |                |
|--------------------------------------|---|------------------|----------------|
| Rulebook Chapter / Commodity Code    | Contract Title  | Rulebook Chapter | Commodity Code |
|                                      | Event Contracts on E-mini Standard and Poor’s 500 Stock Price Index Futures   | CME 23           | ECES           |
|                                      | Event Contracts on E-mini Nasdaq-100 Index Futures  | CME 23           | ECNQ           |
|                                      | Event Contracts on E-mini Russell 2000 Index Futures  | CME 23           | ECRTY          |
|                                      | Event Contracts on Euro/U.S. Dollar (EUR/USD) Futures   | CME 23           | EC6E           |
| <b>CME Globex Trading Hours</b>      | All times are in Central Prevailing Time (CPT)<br><b>All Contracts:</b> CME Globex Pre Open: Sunday 4:00 – 5:00 p.m. Monday – Thursday 4:45 – 5:00 p.m.<br><b>ECES; ECNQ; ERTY:</b> Sunday 5:00 p.m.- Friday 3:00 p.m. - Next day’s Event Contract will list at 5:00 p.m.<br><b>EC6E:</b> Sunday 5:00 p.m.- Friday 2:00 p.m. - Next day’s Event Contract will list at 5:00 p.m.   |                  |                |
| <b>Contract Size</b>                 | 1 contract = \$20   |                  |                |
| <b>Price Quotation</b>               | U.S. Dollars  |                  |                |
| <b>Listing Schedule</b>              | One daily contract listed on the Principal Contract Month of the Underlying Futures contract  |                  |                |
| <b>Settlement Method</b>             | Financial   |                  |                |
| <b>Minimum Price Fluctuation</b>     | 0.25 = \$0.25   |                  |                |
| <b>Value Per Tick</b>                | \$1 x 0.25 = \$0.25   |                  |                |
| <b>Strike Price Listing Schedule</b> | <b>ECES:</b> 2 strikes at \$25.00 strike increment above and below the at-the-money strike then 4 strikes at \$50.00 strike increment above and below the highest and lowest \$25.00 increment strike.<br><b>ECNQ:</b> 1 strike at \$100.00 strike increment above and below the at-the-money strike then 3 strikes at \$250.00 strike increment above and below the highest and lowest \$100.00 increment strike.<br><b>ECRTY:</b> 1 strike at \$10.00 strike increment above and below the at-the-money strike then 3 strikes at \$25.00 strike increment above and below the highest and lowest \$10.00 increment strike.<br><b>EC6E:</b> 4 strikes at \$0.0025 a strike increment above and below the at-the-money strike then 3 strikes at \$0.0050 strike increment above and below the highest and lowest \$0.0025 increment strike. |                  |                |

Additional strikes may be listed for trading, and strikes scheduled to be listed for trading may be suspended at the sole discretion of the Exchange

|  |  |  |                         |                       |
|--|--|--|-------------------------|-----------------------|
| <b>Option Style</b>  | European   |  |                         |                       |
| <b>Exercise Procedure</b>  | Exact At-The-Money Characteristics (with no contrary instructions)   |  |                         |                       |
| <b>Exact At the Money Characteristics</b>                            | Exercise puts, calls expire with no value  |  |                         |                       |
| <b>Termination of Trading</b>  | Daily products: trading will terminate at the end of the daily settlement period of the Underlying Futures contract. |  |                         |                       |
| <b>Underlying Futures Contract Rulebook Chapter / Commodity Code</b> | <b>Event Contract</b>  | <b>Underlying Futures Contract</b>                       | <b>Rulebook Chapter</b> | <b>Commodity Code</b> |
|  | ECES   | E-mini Standard and Poor's 500 Stock Price Index Futures | <a href="#">CME 358</a> | ES                    |
|  | ECNQ   | E-mini Nasdaq-100 Futures                                | <a href="#">CME 359</a> | NQ                    |
|  | ERTY   | E-mini Russell 2000 Futures                              | <a href="#">CME 393</a> | RTY                   |
|  | EC6E   | Euro/U.S. Dollar FX Futures                              | <a href="#">CME 261</a> | 6E                    |
| <b>Final Settlement</b>  | \$0 or \$20  |  |                         |                       |
| <b>Maximum Order Quantity</b>  | 250 contracts  |  |                         |                       |
| <b>Accountability Level</b>  | Each Event Contract will have its own Single Month Accountability Level of 12,500 contracts                          |  |                         |                       |
| <b>Block Eligible</b>  | No   |  |                         |                       |

Event Contracts will be subject to premium style margining. A person establishing a long position in an Event Contract will pay its futures commission merchant (“FCM”) the full premium amount for each such contract when purchased. This is the maximum amount that a purchaser can lose and, thus, Event Contracts are not purchased on leverage.<sup>1</sup> Although short positions will be margined (i.e., leveraged), the leveraged exposure is of short duration because Event Contracts have a same-day term. Thus, a person holding a short out-of-the-money position when trading closes will incur final settlement payment obligations that its clearing member will have to pay to the clearing house with the next settlement cycle. Due to the fixed payment structure of the Event Contracts, a person’s maximum risk for a short position in a single Event Contract will be \$20 minus the premium the seller receives for selling the option.

## Section 2 – Underlying Futures

### Underlying Market Overview

The Event Contracts are daily-expiring, cash settled, European Style options on futures contracts. Event Contracts will be listed on the corresponding designated contract market (“DCM”), where the underlying futures contract is listed. The Event Contracts will not exercise into underlying futures positions and will not exercise into delivery of a physical commodity. Rather, they will cash settle in reference to the daily settlement prices of futures contracts listed on the CME Group Exchanges.

The Event Contracts are options on futures under the Commodity Exchange Act (“CEA” or the “Act”). First, these types of event-based contracts have clearly been treated as “options” under the CEA by the Commission in other contexts.<sup>2</sup> Second, the options are based on the daily price moves of underlying referenced futures contracts that are listed on the CME Group Exchanges.

<sup>1</sup> The CME Group Exchanges anticipate that market participants other than market makers are likely to establish long positions in put or call Event Contracts and sell Event Contracts to liquidate an open long position.

<sup>2</sup> See, e.g., In the Matter of: Blockratize, Inc. d/b/a Polymarket.com, CFTC Docket No. 22-09.

Section 1a(47)(B)(i) of the Act provides that “options on futures” are excluded from the definition of the term “swap” in the Act.<sup>3</sup> This exclusion is not limited only to options on a future if the particular option exercises into a future. Rather, the exclusion applies to any “option” on “such a futures contract.” Separately, the term “options on futures” itself is defined very broadly in the Act to include any transaction “involving” contracts of sale of a commodity for future delivery which is of the character commonly known as an option.<sup>4</sup> Therefore, the Event Contracts are clearly “options” and, further, because they refer to futures contract prices, they are options on futures.

Finally, this classification of the Event Contracts is consistent with the CME Group Exchange’s classification of other cash-settled options on futures it has listed that settle against futures prices in lieu of exercising into a futures contract, which the Commission accepted.<sup>5</sup>

Given that the Event Contracts are cash settled contracts based on daily settlement prices for futures, the underlying cash market overview will be the settlement practices for each underlying futures contract. The Daily Settlement Methodology is time tested, solid, transparent, and well-documented on the [CME website](#).

### Proposed Accountability Levels

Accountability Levels: Each Event Contract listed by CME will have its own Single Month Accountability Level of 12,500 Event Contracts (\$20), equal to a notional value of \$250,000 USD. This allows for the Market Regulation Department to monitor for large positions and provide the ability for the Market Regulation Department to obtain information relating to the position, including, but not limited to, the nature and size of the position, the trading strategy employed with respect to the position, and hedging information. Additionally, any market participant who has a position in excess of an accountability level is deemed to have consented, when ordered by the Market Regulation Department, to: not further increase the positions; comply with any limit on the size of the positions; and/or reduce any open position which exceeds a position accountability level.

Trading activity in the Event Contracts shall be subject to monitoring and surveillance by the Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Event Contracts on the core referenced futures are referenced contracts, however, all Event Contracts shall expire outside the spot period.

### Hypothetical Example Describing a Single Trade

Below is a hypothetical example describing at a summary level how a trade for an Event Contract in CME’s E-mini Standard and Poor’s 500 Stock Price Index Futures contract might occur, using historical settlement prices.

For this example, the final daily settlement price for a CME-listed futures contract (product code ES) was 4158.75 at the end of the regular trading session on June 7<sup>th</sup>. Hypothetically, after this value is established, CME then lists an Event Contract referencing the ES futures for trading on the next day of June 8<sup>th</sup>. Finally, presume that one strike price available to trade for the newly listed June 8<sup>th</sup> ES Event Contract is 4150.

CME Globex will now begin to accept orders for the newly listed option contract in the same manner that it currently accepts orders for other options contracts listed on the CME Group Exchanges, that is, traders

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<sup>3</sup> More specifically, the relevant provision provides: “[t]he term ‘swap’ does not include – (i) any contract of sale of a commodity for future deliver (or option on such contract).”

<sup>4</sup> See Section 2(a)(1)(A) of the Act.

<sup>5</sup> See, e.g., Natural Gas Weekly Financial Options, Chapter 1006, NYMEX Rulebook.

with connections to CME Globex can begin to enter bids and offers for the call and separate bids and offers for the put. Trading in the Event Contract will close at the same time as trading of the ES contract.

It is expected that brokers who would like to offer retail clients trading in the newly listed Event Contract options might develop capabilities to show their clients the market in non-traditional ways. For example, if a market maker had entered orders to establish the inside market in the hypothetical ES Event Contract described above, then a broker could show its retail clients a screen expressing that market as, for example:

**“Will the price of ES be above 4150 at 3:00 PM CT on July 8<sup>th</sup>? Yes - \$11.25 No - \$9.00”**

In this example, the \$11.25 value represents an offer resting on the call book at that price (and the \$9.00 value represents an offer resting on the put book at that price). If the broker’s client had a view that the value of the ES futures contract would be above 4150 at the end of the regular trading session for ES on the date of June 8<sup>th</sup>, then that client could enter an order with its broker for “yes,” thus buying the call at \$11.25.

For this example, the final daily settlement price for the ES futures contract on the date of June 8<sup>th</sup> was later established at 4110. This value would be established per the specifications of trading in the ES futures contract, that is, the Exchange would take a VWAP measurement of trading activity during the last 30 seconds of trading in the ES futures contract prior to 3:00 p.m. CT.

Because the 4110 value of the ES futures contract at the end of the regular trading session for the ES futures contract is less than the 4150 strike price for the call option in the applicable Event Contract, the client’s call option in the ES Event Contract expires out of the money. The full amount of the \$11.25 premium posted by the Clearing Member for that client would then be passed on to the call option seller’s Clearing Member through the clearing process.

If, in contrast, the daily settlement price of the underlying ES futures contracts was established above the 4150 strike price of the retail client’s Event Contract, then the client’s call option would expire in the money and that client would receive the Settlement Value of \$20.00, which would include return of its \$11.25 plus \$8.75.

### **Section 3 – Compliance with Core Principles**

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

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

Trading in the Event Contracts shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the Event Contracts shall be subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in the Event Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

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

The Exchange certifies that the underlying settlement rate for Event Contracts is not readily subject to manipulation. The large size and liquidity of the underlying market reduces the susceptibility of these cash-settled contracts to possible manipulation.

In the case of an option that cash settles based on the price of a futures contract, the “underlying market” is the futures market price series that determines the options settlement (i.e., trading activity in the futures contract settlement period).

The Exchange has satisfied itself that the volume of the transactions and/or number of participants in the cash settlement is sufficiently high. The Exchange generally considers average daily volumes, average volume executed during the settlement period, and the number of participants active during the periods. The greater the participation and volume, the more difficult it would be to manipulate the settlement.

The volume of transactions and number of participants in the settlement periods gives us comfort that the settlement periods are sufficiently active to support Event Contracts.

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

Trading in Event Contracts will be subject to CME Rulebook Chapters 4 and 7, which include prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. As with any new product listed for trading on a CME Group designated contract market, trading activity in Event Contracts certified herein will be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

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

Each Event Contract will have its own Single Month Accountability Level of 12,500 Event Contracts (\$20), equal to a notional value of \$250,000 USD, which shall be reset daily.

Trading activity in Event Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

To allow for enhanced transparency and more effective market surveillance, a reportable position level of one (1) Event Contract will be implemented.

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

The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information in regard to specifications, terms, and conditions of the Event Contracts. The SER will also be published on the Exchange’s website.

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

The Exchange shall publish trading volumes and price information daily of the Event Contracts on the CME Group website and through quote vendors.

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

The Event Contracts will be listed for trading on the CME Globex which provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.

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

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

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

The Event Contracts shall be cleared by CME Clearing, which is registered with the Commission as a derivative clearing organization, and which is subject to all CFTC regulations related thereto.

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

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

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

Chapter 4 of the CME Rulebook provide for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the Event Contracts shall be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in the Event Contracts are identified.

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

Disputes in respect of the Event Contracts shall be subject to the arbitration provisions set forth in Chapter 6 of the CME Rulebook, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

Pursuant to Section 5c(c) of the Act and Regulation 40.2(a), the Exchange certifies that the Event Contracts comply with the Act, including all regulations thereunder. There were no substantive opposing views to this proposal.

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

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

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

|              |            |  |
|--------------|------------|--|
| Attachments: | Appendix A | CME Rulebook Chapter 23 ("Event Contracts")  |
|              | Appendix B | Position Limit, Position Accountability, and Reportable Level Table,<br>CME Rulebook Chapter 5 (attached under separate cover) |
|              | Appendix C | Strike Price Listing and Exercise Procedures Table   |
|              | Appendix D | Exchange Fees  |



## Appendix A

### **CME Rulebook Chapter 23 Event Contracts**

#### **2300. SCOPE OF CHAPTER**

Event Contracts are daily-expiring, cash-settled, European style, premium style, options on futures contracts.

Each Event Contract shall expire on the Expiration Date to the daily settlement price of the Principal Contract Month of the Underlying Futures as calculated by the Exchange at a time determined by the Exchange.

An Event Contract gives the right to receive a fixed Settlement Value per Contract on the Settlement Date. The following Rules set forth the terms of Event Contracts. In addition to the Rules of this chapter, Event Contracts shall be subject to the general rules of the Exchange as applicable.

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

#### **2301. DEFINITIONS**

“**Call Contract**” pays the corresponding Settlement Value if at Expiration the daily settlement price for the Underlying Futures is strictly above the strike price and zero otherwise.

“**Expiration**” means the time on the Expiration Date established by these Rules at which an Event Contract expires, and the Settlement Value of that Event Contract is determined.

“**Expiration Date**” means the Business Day established by these Rules on which the Settlement Value of each Event Contract is determined.

“**Principal Contract Month**” means the expiration month of the Underlying Futures, as identified by the Exchange, to which the Event Contract will base its settlement on, as set forth in the Strike Price Listing and Exercise Procedures Table.

“**Put Contract**” pays the corresponding Settlement Value if at Expiration the daily settlement price for the Underlying Futures is equal to or less than the strike price and zero otherwise.

“**Settlement Value**” is the amount paid to the holder of the in-the-money Event Contract at Expiration.

“**Strike Price**” is the Exchange established price level to determine if the Event Contract will be above or below at Expiration Date to calculate the Settlement Value.

“**Underlying Futures**” means the underlying futures contract upon which the Event Contract is based.

#### **2302. EVENT CONTRACTS CHARACTERISTICS**

##### **2302.A. Trading Schedule**

Event Contracts shall be listed for Expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange.

##### **2302.B. Trading Unit**

Prices shall be quoted in U.S. dollars and cents per Event Contract.

##### **2302.C. Price Increments**

Event Contracts shall be quoted with a price range from zero (0) to twenty (20) equal to \$0.00 - \$20.00.

The minimum price increment for each Event Contract shall be 0.25 equal to \$0.25.

##### **2302.D. Strike Price Listing Schedule**

On any Business Day, and subject to Rule 2302.A., the Exchange shall list for trading all Put and Call Event Contracts at such strike intervals and such range of strike prices as set forth in the Strike Price Listing and Exercise Procedures Table.

Additional strikes may be listed for trading, and strikes scheduled to be listed for trading may be suspended at the sole discretion of the Exchange

##### **2302.E. Termination of Trading**

Trading shall terminate at the end of the daily settlement period for the Underlying Futures, on the Expiration Date that the Event Contract was listed for.

**2302.F. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and accountability 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.

**2302.G. Settlement Value**

The Settlement Value of each Event Contract shall be determined by the Exchange as the daily settlement price of the Principal Contract Month of the Underlying Futures at Expiration.

- (a) For a Call Contract, if that day's settlement price of the Underlying Futures is strictly above the strike price, the Event Contract shall be deemed to have expired in-the-money, with a Settlement Value of \$20.00; conversely, if that day's settlement price of the Underlying Futures is equal to, or below the strike price, the Event Contract shall be deemed to have expired out-of-the-money, with a Settlement Value of \$0.00.
- (b) For a Put Contract, if that day's settlement price of the Underlying Futures is equal to, or below the strike price, the Event Contract shall be deemed to have expired in-the-money, with a Settlement Value of \$20.00; conversely, if that day's settlement price of the Underlying Futures is above the strike price, the Event Contract shall be deemed to have expired out-of-the-money, with a Settlement Value of \$0.00.

**2302.H. Final Settlement**

Following the determination of the Final Settlement Value (Rule 2302.G.), the Clearing House shall effectuate the Final Settlement in accordance with normal settlement variation procedures.

**2303. TRADING HALTS AND CONTINGENCIES**

**2303.A. Market Disruption Events**

In the event of a market disruption in the Underlying Futures, upon which any Event Contract is based, all executed Event Contracts shall settle on their originally listed Expiration Date, to a Settlement Value determined by the Exchange as the daily settlement price of the Principal Contract Month of the Underlying Futures at Expiration.

The Final Settlement of an expiring Event Contract shall not be deferred except as provided in Rule 2303.D.

**2303.B. Special Price Fluctuation Limits**

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

**2303.C. Discretion to Refrain from Listing Contracts**

The Exchange may, in its discretion, temporarily refrain from the listing of any Event Contract due to the unavailability of the Underlying Futures upon which the Event Contract is based, or any other condition the Exchange determines may be detrimental to the listing of the Event Contract.

**2303.D. Settlement Contingencies**

In the event the Exchange is unable to establish a reliable settlement price for the Underlying Futures upon which any Event Contract is based, or no daily settlement price is determined by the Exchange, final settlement shall be deferred until such time a daily settlement price for the Underlying Futures is determined. Notwithstanding the delay, trading in the Event Contract shall cease at the originally determined Expiration.

**2304. EVENT CONTRACTS AND RELATED UNDERLYING FUTURES CONTRACTS**

|    | <b>Event Contract Title</b>   | <b>Underlying Futures Contract</b>                       | <b>Underlying Futures Contract Rulebook Chapter</b> |
|----|---|--|---|
| 1. | Event Contracts on E-mini Standard and Poor's 500 Stock Price Index Futures | E-mini Standard and Poor's 500 Stock Price Index Futures | <a href="#">CME 358</a>                             |
| 2. | Event Contracts on E-mini Nasdaq-100 Index Futures                          | E-mini Nasdaq-100 Futures                                | <a href="#">CME 359</a>                             |
| 3. | Event Contracts on E-mini Russell 2000 Index Futures                        | E-mini Russell 2000 Futures                              | <a href="#">CME 393</a>                             |
| 4. | Event Contracts on Euro/U.S. Dollar (EUR/USD) Futures                       | Euro/U.S. Dollar FX Futures                              | <a href="#">CME 261</a>                             |

**Appendix B**

**CME Rulebook**

**Chapter 5**

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

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

(attached under separate cover)

## Appendix C

### Strike Price Listing and Exercise Procedures Table

| Commodity Code | CME Globex Code | Contract Title  | Product Group | Product Subgroup | Exchange | Rulebook Chapter | Strike Price Listing Rule  | Option Style | Contrary Instructions | Exact At-The-Money Characteristics        | Underlying Futures Contract Name                         | Underlying Futures Commodity Code | Underlying Futures Rulebook Chapter | Principal Contract Month Rule   |
|----------------|-----------------|---|---------------|------------------|----------|------------------|--|--------------|-----------------------|---|--|-----------------------------------|-------------------------------------|---|
| ECES           | ECES            | Event Contracts on E-mini Standard and Poor's 500 Stock Price Index Futures | Equity        | Event Contracts  | CME      | 23               | 2 strikes at \$25.00 strike increment above and below the at-the-money strike then 4 strikes at \$50.00 strike increment above and below the highest and lowest \$25.00 increment strike.      | European     | No                    | Exercise puts, calls expire with no value | E-mini Standard and Poor's 500 Stock Price Index Futures | ES                                | <a href="#">CME 358</a>             | Nearest March, June, September, or December quarterly contract month. Underlying Contract Month rolls to the next quarterly month effective on the Monday of the week of expiration of the nearest contract month |
| ECNQ           | ECNQ            | Event Contracts on E-mini Nasdaq-100 Index Futures                          | Equity        | Event Contracts  | CME      | 23               | 1 strike at \$100.00 strike increment above and below the at-the-money strike then 3 strikes at \$250.00 strike increment above and below the highest and lowest \$100.00 increment strike.    | European     | No                    | Exercise puts, calls expire with no value | E-mini Nasdaq-100 Index Futures                          | NQ                                | <a href="#">CME 359</a>             | Nearest March, June, September, or December quarterly contract month. Underlying Contract Month rolls to the next quarterly month effective on the Monday of the week of expiration of the nearest contract month |
| ECRTY          | ECRTY           | Event Contracts on E-mini Russell 2000 Index Futures                        | Equity        | Event Contracts  | CME      | 23               | 1 strike at \$10.00 strike increment above and below the at-the-money strike then 3 strikes at \$25.00 strike increment above and below the highest and lowest \$10.00 increment strike.       | European     | No                    | Exercise puts, calls expire with no value | E-mini Russell 2000 Index Futures                        | RTY                               | <a href="#">CME 393</a>             | Nearest March, June, September, or December quarterly contract month. Underlying Contract Month rolls to the next quarterly month effective on the Monday of the week of expiration of the nearest contract month |
| EC6E           | EC6E            | Event Contracts on Euro/U.S. Dollar (EUR/USD) Futures                       | FX            | Event Contracts  | CME      | 23               | 4 strikes at \$0.0025 a strike increment above and below the at-the-money strike then 3 strikes at \$0.0050 strike increment above and below the highest and lowest \$0.0025 increment strike. | European     | No                    | Exercise puts, calls expire with no value | Euro/U.S. Dollar (EUR/USD) Futures                       | 6E                                | <a href="#">CME 261</a>             | Nearest March, June, September, or December quarterly contract month. Underlying Contract Month rolls to the next quarterly effective on the Friday preceding the expiration of the nearest contract month        |

## Appendix D

### Exchange Fees\*

| Membership Type  | Venue/Transaction Type | Fee    |
|--|------------------------|--------|
| Individual Members<br>Clearing Members   | CME Globex             | \$0.01 |
| Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries<br>Rule 106.I Members & Rule 106.I Qualified Affiliates<br>Rule 106.S Member Approved Funds   | Cash Settlement**      | \$0.10 |
| Rule 106.D Lessees<br>Rule 106.F Employees   | CME Globex             | \$0.03 |
|  | Cash Settlement**      | \$0.15 |
| Rule 106.R Electronic Corporate Members  | CME Globex             | \$0.03 |
|  | Cash Settlement**      | \$0.15 |
| Rule 106.H and 106.N Firms   | CME Globex             | \$0.03 |
|  | Cash Settlement**      | \$0.15 |
| International Incentive Program (IIP) Participants<br>International Volume Incentive Program (IVIP) Participants<br>Central Bank Incentive Program (CBIP) Participants<br>Latin American Fund Manager Incentive Program (FMIP) Participants<br>CBOE Members<br>CTA/Hedge Fund Incentive Program Participants<br>Members Trading Outside of Division<br>Non-Members | CME Globex             | \$0.05 |
|  | Cash Settlement**      | \$0.20 |

| Processing Fees                       | Fee    |
|---------------------------------------|--------|
| Give-Up Surcharge                     | \$0.05 |
| Position Adjustment/Position Transfer | \$0.10 |

\*Exchange Fee Waivers:

CME Globex Transaction Fees:

- CME transaction fees waived through 8/31/2023

Cash Settlement Fees:

- CME Cash Settlement Fees waived through 3/31/2023

\*\*Cash Settlement Fees: applies only to long in the money and short out of the money contracts. Settlement precisely at a strike will result in puts being treated in-the-money and calls out-of-the-money.