

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 14-381

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

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

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

**Filing Date (mm/dd/yy):** September 11, 2014 **Filing Description:** Amendments to Six (6) CME Futures Contracts

**SPECIFY FILING TYPE**

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

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/> | Approval                            | § 40.5(a)  |
| <input type="checkbox"/> | Notification                        | § 40.6(d)  |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change         | § 40.10(h) |

**Rule Numbers:**

**New Product**

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

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

**Official Product Name:**

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

- |                                     |   |                      |
|-------------------------------------|---|----------------------|
| <input checked="" type="checkbox"/> | Certification   | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/>            | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/>            | Approval  | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/>            | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/>            | “Non-Material Agricultural Rule Change”                 | § 40.4(b)(5)         |
| <input type="checkbox"/>            | Notification  | § 40.6(d)            |

**Official Name(s) of Product(s) Affected:** BRL/USD Futures; RMB/USD Futures; KRW/USD Futures; INR/USD Futures; E-Micro INR/USD Futures; RMB/EUR Cross Rate Futures

**Rule Numbers:** CME Rulebook Chapters 257, 270, 271, 279, 296 and 318

September 11, 2014

**VIA ELECTRONIC PORTAL**

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

**RE: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to Six (6) CME Futures Contracts. CME Submission No. 14-381**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to six (6) CME futures contracts effective on Sunday, September 28, 2014 for trade date Monday, September 29, 2014, as listed below:

Rulebook Chapter 257 - Brazilian Real/U.S. Dollar (BRL/USD) Futures  
Venues: CME trading floor; CME Globex, CME ClearPort  
Commodity Codes: BR, 6L

Rulebook Chapter 270 - Chinese Renminbi/U.S. Dollar (RMB/USD) Futures  
Venues: CME Globex, CME ClearPort  
Commodity Codes: RMB

Rulebook Chapter 271 - Korean Won/U.S. Dollar (KRW/USD) Futures  
Venues: CME Globex, CME ClearPort  
Commodity Codes: KRW

Rulebook Chapter 279 - Indian Rupee/U.S. Dollar (INR/USD) Futures  
Venues: CME Globex; CME ClearPort  
Commodity Codes: SIR

Rulebook Chapter 296 - E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures  
Venues: CME Globex; CME ClearPort  
Commodity Codes: MIR

Rulebook Chapter 318 - Chinese Renminbi/Euro (RMB/EUR) Cross Rate Futures  
Venues: CME Globex, CME ClearPort  
Commodity Codes: RME

More specifically, CME is amending:

CME Rule 25702.B. – Cash Settlement of Brazilian Real/U.S. Dollar (BRL/USD) Futures (Rulebook Chapter: 257; Code: BR);

CME Rule 27002.B. – Cash Settlement and the deletion of the Interpretation of Chinese Renminbi/U.S. Dollar (RMB/USD) Futures (Rulebook Chapter: 270; Code: RMB);  
CME Rule 27102.B. – Cash Settlement and the deletion of the Interpretation of Korean Won/U.S. Dollar (KRW/USD) Futures (Rulebook Chapter: 271; Code: KRW);  
CME Rule 27902.B. – Cash Settlement of Indian Rupee/U.S. Dollar (INR/USD) Futures (Rulebook Chapter: 279; Code: SIR)  
CME Rule 29602.B. – Cash Settlement of E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures (Rulebook Chapter: 296; Code: MIR)  
CME Rule 31802.B. – Cash Settlement of Chinese Renminbi/Euro (RMB/EUR) Cross Rate Futures (Rulebook Chapter: 318; Code: RME)

CME specifically seeks to amend the Cash Settlement rule for BRL/USD Futures to reflect a change to the publication site for the BRL PTAX rate. CME seeks to amend the Cash Settlement rule for INR/USD Futures to reflect a change in the publication time for the INR RBIB rate. CME seeks to amend the Cash Settlement rule and the deletion of the Interpretation for RMB/USD and KRW/USD Futures to remove Singapore Financial Exchange Market Committee “SFEMC” fallback procedures. This ensures CME can do what is necessary in the event of a market disruption. CME will work with EMTA and other OTC organizations to make sure CME is aligned in the event a rate is not determined or published. CME also seek to amend the Cash Settlement rule for RMB/EUR Futures to remove SFEMC fallback procedures and will work with EMTA and other OTC organizations to make sure CME is aligned in the event a rate is not determined or published.

Exhibit 1 provides amendments to CME Rule 25702.B. in blackline format. Exhibit 2 provides amendments to CME Rule 27002.B. and the deletion of the Interpretation in blackline format. Exhibit 3 provides amendments to CME Rule 27102.B. and the deletion of the Interpretation in blackline format. Exhibit 4 provides amendments to CME Rule 27902.B. in blackline format. Exhibit 5 provides amendments to CME Rule 29602.B. in blackline format. Exhibit 6 provides amendments to CME Rule 31802.B. in blackline format.

The Research and Product Development Department and the Legal Department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”). During the review, staff identified the following Core Principles as being potentially impacted:

- **Contracts Not Readily Susceptible to Manipulation**: Amending Cash Settlement of these futures contracts will not make these contracts more susceptible to market manipulation. The changes to the BRL/USD and INR/USD futures contracts reflect minor changes occurring in the OTC FX market and thus bring CME into alignment with this market. The changes to the KRW/USD, RMB/USD and RMB/EUR remove SFEMC fallback procedures but CME rules allow CME to determine a settlement price in the event of a market disruption and to work with EMTA and other OTC organizations to ensure CME is aligned with the OTC FX market.
- **Prevention of Market Disruption**: CME shall have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the cash settlement process through currently established market surveillance, compliance, and enforcement practices and procedures.
- **Availability of General Information**: As required by this Core Principal, CME will issue a Special Executive Report regarding these aforementioned amendments to notify the market authorities, market participants, and the public so that they have accurate, up-to-date information regarding the rules, regulations, and mechanisms for cash settlement in these futures contracts.

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

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

If you require any additional information regarding this submission, please contact me at 212-299-2200 or via e-mail at [Christopher.Bowen@cmegroup.com](mailto:Christopher.Bowen@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments:

Exhibit 1 - Amendments to CME Rulebook Chapter 257  
Exhibit 2 - Amendments to CME Rulebook Chapter 270  
Exhibit 3 - Amendments to CME Rulebook Chapter 271  
Exhibit 4 - Amendments to CME Rulebook Chapter 279  
Exhibit 5 - Amendments to CME Rulebook Chapter 296  
Exhibit 6 - Amendments to CME Rulebook Chapter 318

## **EXHIBIT 1**

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

### **Chapter 257 Brazilian Real/U.S. Dollar (BRL/USD) Futures**

#### **257.02. CASH SETTLEMENT**

##### **25702.B. Cash Settlement**

All Brazilian real/U.S. dollar futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The CME Brazilian real/U.S. dollar currency futures contract Final Settlement Price shall be equal to the reciprocal of the Commercial exchange rate for Brazilian reais per U.S. dollar for cash delivery, according to the provisions of Resolution no. 1690/90 of the National Monetary Council, defined as the average offered rate calculated by the Central Bank of Brazil on the last Business Day of the month for the Central Bank of Brazil immediately preceding the contract month, according to its criteria, ~~broadcast by SISBACEN, transaction PTAX800, option 5-L (closing quotation)~~, to 5 decimal places ("Central Bank of Brazil BRL PTAX" rate). This rate is reported by the Banco Central do Brasil on its website at [www.bcb.gov.br](http://www.bcb.gov.br) as the Ptax Closing Quotation for Currency Code 220 (USD) by approximately 1:15 p.m., São Paulo time and verified on the last Business Day of the month for the Central Bank of Brazil. This rate is the same Brazilian real per U.S. dollar spot exchange rate calculated by the Central Bank of Brazil and used by the Bolsa de Mercadorias & Futuros (BM&F) to cash settle its U.S. dollar futures contract. All open positions shall be cash settled to the reciprocal of this rate on the Business Day following the last Business Day of the month for the Central Bank of Brazil.

## **EXHIBIT 2**

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

### **Chapter 270 Chinese Renminbi/U.S. Dollar (RMB/USD) Futures**

#### **270.02. CASH SETTLEMENT**

##### **27002.B. Cash Settlement**

The Final Settlement Price shall be the reciprocal of the “Chinese renminbi per U.S. dollar” fixing (or “midpoint”) rate published by the People’s Bank of China (PBC) and representing spot trading of Chinese renminbi per U.S. dollar on the futures contract termination of trading day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. Central Time in the winter or 8:15 p.m. Central Time in the summer)<sup>1</sup> on each Beijing business day for foreign exchange trading. The fixing rate may be found on the Reuters SAEC page opposite symbol “USDCNY=”. The Final Settlement Price reciprocal calculation shall be rounded to six (6) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 8.0245 Chinese renminbi per U.S. dollar implies a Final Settlement Price of \$0.124618 per Chinese renminbi (reciprocal rounded to 6 decimal places).

~~In the event that the “Chinese renminbi per U.S. dollar” fixing (or “midpoint”) rate as calculated by the PBC is not published on the CME Chinese renminbi futures contract Termination of Trading day, and therefore, CME cannot determine the CME Chinese renminbi Final Settlement Price, then final settlement of the CME Chinese renminbi/U.S. dollar futures contract may be deferred or postponed for up to 14 consecutive calendar days. This procedure is intended to correspond to the deferral or postponement procedure followed by the interbank non-deliverable forward (“NDF”) market to cash-settled NDF transactions, pursuant to recognized market practices as published by EMTA, Inc., the Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee (“SFEMC”). Upon the publication of the “Chinese renminbi per U.S. dollar” fixing (or “midpoint”) rate as calculated by the PBC prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the reciprocal of such PBC rate and the CME Chinese renminbi/U.S. dollar futures contract shall be cash settled on such day. If however, 14 consecutive calendar days pass without publication of the PBC rate, CME shall otherwise determine the Final Settlement Price.~~

~~After the lapse of 14 consecutive calendar days without publication of the PBC “Chinese renminbi per U.S. dollar” fixing (or “midpoint”) rate, the Final Settlement Price may be calculated and published by CME on the next Business Day using the SFEMC CNY Indicative Survey Rate (“CNY Indicative Survey Rate”), if available. The CNY Indicative Survey Rate is proposed to be published by SFEMC (or its designee) and posted on the public portion of SFEMC and EMTA’s website following the continuous unavailability of the PBC rate for 14 calendar days in order to provide the NDF market with a back-up rate source for valuation of certain outstanding non-deliverable foreign exchange transactions if the PBC rate cannot be published for an extended period of time. The procedures for the SFEMC CNY Indicative Survey are defined in the Interpretation to this chapter.~~

~~However, if SFEMC fails to publish the CNY Indicative Survey Rate on the first Business Day following the lapse of the valuation postponement or deferral period described above, and the PBC rate is also unavailable, then SFEMC shall repeat efforts to obtain the CNY Indicative Survey Rate each day for an additional two business days. If on either of these two Business Days the PBC “Chinese renminbi per U.S. dollar” fixing (or “midpoint”) rate is published, then final settlement of the CME Chinese renminbi/U.S. dollar futures contracts shall be the reciprocal of the first of these rates published. However, if the PBC rate is unavailable and the SFEMC publishes the CNY Indicative Survey Rate on either of these two Business Days, then the final settlement of the CME Chinese renminbi/U.S. dollar futures contracts shall~~

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<sup>1</sup> Beijing is 14 hours ahead of Chicago in the winter and 13 hours ahead of Chicago in the summer. Beijing does not observe daylight saving time.

be the reciprocal of the first of these rates published. If the SFEMC does not publish the CNY Indicative Survey Rate on either of these two Business Days, then Rule 27003 shall apply to determine the Final Settlement Price. However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then Rule 812 shall apply to determine the Final Settlement Price.

### 27003. [RESERVED]

(End Chapter 270)

#### **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 270**

Effective, May 17, 2006, EMTA, Inc., the Foreign Exchange Committee ("FXC") and the Singapore Foreign Exchange Market Committee ("SFEMC") adopted amendments to the December 1, 2004 non-deliverable forward ("NDF") template procedures for six Asian currencies, which included a "SFEMC CNY Indicative Survey" ("CNY Indicative Survey") to be conducted in certain circumstances when the "Chinese renminbi per U.S. dollar" fixing (or "midpoint" or "CNY SAEC (CNY01)") rate as calculated by the People's Bank of China ("PBC") is unavailable for settlement of expiring non-deliverable forward ("NDF") Chinese renminbi versus U.S. dollar transactions. The CNY Indicative Survey results in the calculation of the "SFEMC CNY Indicative Survey Rate" ("CNY Indicative Survey Rate"), which can be used by the NDF market to settle non-deliverable Chinese renminbi/U.S. dollar transactions in defined circumstances. In order to reduce basis risk for market participants trading both NDF Chinese renminbi transactions and CME Chinese renminbi/U.S. dollar futures and options on futures contracts, CME has also adopted procedures to settle terminated CME Chinese renminbi/U.S. dollar futures contracts to the reciprocal of the CNY Indicative Survey Rate when the PBC rate has been unavailable for 14 consecutive calendar days. The following sets forth the EMTA, the Foreign Exchange Committee and SFEMC methodology for the CNY Indicative Survey.

#### **The SFEMC CNY Indicative Survey**

For purposes of determining the SFEMC CNY Indicative Survey Rate ("CNY Indicative Survey Rate") for any Valuation Date, SFEMC (or a service provider SFEMC may select in its sole discretion) shall conduct a survey of financial institutions ("CNY Indicative Survey") for such date.

- **Commencing the CNY Indicative Survey:** SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC CNY Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Beijing (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).
- **Polled Banks:** For purposes of determining the CNY Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the CNY/U.S. dollar market (each, a "Participating Bank") and included in a current list of Participating Banks published on the SFEMC's website ([www.sfemc.org](http://www.sfemc.org)) (the "Publication Site"). Only one office of each financial institution will be included as a Participating Bank in each CNY Indicative Survey.
- **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market CNY spot rate (bid-offer pair) for a standard size CNY/U.S. dollar wholesale financial transaction for same-day settlement in the Beijing marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign

exchange market for CNY/U.S. dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for CNY/U.S. dollar transactions (commercial or otherwise).

### **Use of Survey Results**

- SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to determine the CNY Indicative Survey Rate, rounded to the fourth decimal point as describe below.
- If the CNY Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points shall be eliminated
- If the CNY Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points shall be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points shall be eliminated.
- If the CNY Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point shall be eliminated.
- If the CNY Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date.
- Quotes will be provided to the fourth decimal point (e.g., 1.0000).

### **Insufficient Responses**

- If the CNY Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no CNY Indicative Survey Rate will be available for the relevant Valuation Date. The next CNY Indicative Survey will take place on the next succeeding Business Day in Beijing (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to section below titled “Discontinuing the CNY Indicative Survey.”

### **CNY Indicative Survey Rate Publication**

- The CNY Indicative Survey Rate will be published on Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- As soon as it is determined that the CNY Indicative Survey will result in Insufficient Responses, a notice that no CNY Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.



- The response of each Participating Bank to the Indicative Survey (bid-off pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first Business Day in Beijing (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant CNY Indicative Survey Rate is published, or as soon thereafter as practicable.

#### **Discontinuing the CNY Indicative Survey**

- The CNY Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Beijing on which the CNY SAEC (CNY 01) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the CNY Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the CNY Indicative Survey at an appropriate time.
- A notice that the CNY Indicative Survey has been discontinued will be published on the Publication Site.

#### **Amendments to the Methodology**

- SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the CNY Indicative Survey.

#### **Disclaimer**

- CME, SFEMC and any service provider SFEMC may select disclaim liability for the use of the SFEMC Indicative Survey Rates and for any action taken in reliance thereon, and CME, SFEMC and any service provider SFEMC may select make no representation and warranty, express or implied, either as to the results (including, without limitation, the accuracy, timeliness or adequacy) obtained from the use of any of the SFEMC Indicative Survey Rates or the methodology for determining any of the SFEMC Indicative Survey Rates and its merchantability or suitability for any particular use.

## **EXHIBIT 3**

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

### **Chapter 271 Korean Won/U.S. Dollar (KRW/USD) Futures**

#### **271.02. CASH SETTLEMENT**

##### **27102.B. Cash Settlement**

All Korean won/U.S. dollar futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. Final Settlement Price is equal to the reciprocal of the spot exchange rate of Republic of Korea won per U.S. dollar as reported on the termination of trading day by Korea Financial Telecommunication and Clearing Corporation (KFTC) and determined by the Seoul Money Brokerage Service Limited (SMBS), which appears on (1) the Reuters KFTC18 Page to the right of the caption "USD Today" and also on (2) the Telerate Page 45644 to the right of the caption "Today." The reciprocal will be rounded to seven decimal places. The reported KFTC18 rate and Telerate Page 45644 rate represent spot market activity for value on the second succeeding Korean Business Day. The Republic of Korea Ministry of Finance and Economy (MOFE) has designated SMBS as the institution responsible for the calculation and announcement of the basic exchange rate of Korea won against major currencies. This spot exchange rate is published at about 3:30 p.m. Seoul Time on the rate calculation date, but no later than 9:00 a.m. Seoul Time (6:00 p.m. Central time in the winter and 7:00 p.m. Central time in the summer) on the next Korean Business Day. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Korean won versus U.S. dollars. All open positions at the termination of trading will be cash settled to the reciprocal of this rate when it is available.

~~In the event that the spot exchange rate of Korean won per U.S. dollar is not reported by Korea Financial Telecommunication and Clearing Corporation (KFTC) and/or determined by the Seoul Money Brokerage Service Limited (SMBS) on the CME Korean won/U.S. dollar futures contract Termination of Trading day, and therefore, CME cannot determine the CME Korean won/U.S. dollar Final Settlement Price, then final settlement of the CME Korean won/U.S. dollar futures contract may be deferred or postponed for up to 14 consecutive calendar days. This procedure is intended to correspond to the deferral or postponement procedure followed by the inter bank non-deliverable forward ("NDF") market to cash settle NDF transactions, pursuant to recognized market practices as published by EMTA, Inc., the Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee ("SFEMC"). Upon the reporting of the spot exchange rate of Korean won per U.S. dollar by KFTC and calculated by SMBS prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the reciprocal of such KFTC rate rounded to seven decimal places, and the CME Korean won/U.S. dollar futures contract shall be cash settled on such day. If however, 14 consecutive calendar days pass without publication of the KFTC rate, CME shall otherwise determine the Final Settlement Price.~~

~~After the lapse of 14 consecutive calendar days without publication of the KFTC rate, the Final Settlement Price may be calculated and published by CME on the next Business Day using the SFEMC KRW Indicative Survey Rate ("KRW Indicative Survey Rate"), if available. The KRW Indicative Survey Rate is proposed to be published by SFEMC (or its designee) and posted on the public portion of SFEMC and EMTA's website following the continuous unavailability of the KFTC rate for 14 calendar days in order to provide the NDF market with a back-up rate source for valuation of certain outstanding non-deliverable foreign exchange transactions if the KFTC rate cannot be published for an extended period of time. The procedures for the SFEMC KRW Indicative Survey are defined in the Interpretation to this chapter.~~

~~However, if SFEMC fails to publish the KRW Indicative Survey Rate on the first Business Day following the lapse of the valuation postponement or deferral period described above, and the KFTC rate is also unavailable, then SFEMC shall repeat efforts to obtain the KRW Indicative Survey Rate each day for an additional two Business Days. If on either of these two Business Days the KFTC rate is published, then final settlement of the CME Korean won/U.S. dollar futures contracts shall be to the reciprocal of the first of these rates published, rounded to seven decimal places. However, if the KFTC rate is unavailable and the SFEMC publishes the KRW Indicative Survey Rate on either of these two Business Days, then the final settlement of the CME Korean won/U.S. dollar futures contracts shall be to the reciprocal of the first of these rates published, rounded to seven decimal places. If the SFEMC does not publish the KRW Indicative Survey Rate on either of these two Business Days, then Rule 812 shall apply to determine the Final Settlement Price.~~

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections and the Interpretation to this chapter, then Rule 812 shall apply to determine the Final Settlement Price.

### **27103. [RESERVED]**

(End Chapter 271)

#### **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 271**

Effective, May 17, 2006, EMTA, Inc., the Foreign Exchange Committee ("FXC") and the Singapore Foreign Exchange Market Committee ("SFEMC") adopted amendments to the December 1, 2004 non-deliverable forward ("NDF") template procedures for six Asian currencies, which included a "SFEMC KRW Indicative Survey" ("KRW Indicative Survey") to be conducted in certain circumstances when the official closing "exchange rate of Korean won per U.S. dollar" as reported by the Korea Financial Telecommunication and Clearing Corporation (KFTC) and determined by the Seoul Money Brokerage Service Limited (SMBS) is unavailable for settlement of expiring non-deliverable forward ("NDF") Korean won versus U.S. dollar transactions. The KRW Indicative Survey results in the calculation of the "SFEMC KRW Indicative Survey Rate" ("KRW Indicative Survey Rate"), which can be used by the NDF market to settle non-deliverable Korean won/U.S. dollar transactions in defined circumstances. In order to reduce basis risk for market participants trading both NDF Korean won transactions and CME Korean won/U.S. dollar futures and options on futures contracts, CME has also adopted procedures to settle terminated CME Korean won/U.S. dollar futures contracts to the reciprocal of the KRW Indicative Survey Rate when the KRW KFTC18 rate has been unavailable for 14 consecutive calendar days. The following sets forth the EMTA, FXC and SFEMC methodology for the KRW Indicative Survey.

#### **The SFEMC KRW Indicative Survey**

For purposes of determining the SFEMC KRW Indicative Survey Rate ("KRW Indicative Survey Rate") for any Valuation Date, SFEMC (or a service provider SFEMC may select in its sole discretion) shall conduct a survey of financial institutions ("KRW Indicative Survey") for such date.

- **Commencing the KRW Indicative Survey:** SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC KRW Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Seoul (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).
- **Polled Banks:** For purposes of determining the KRW Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the KRW/U.S. dollar market (each, a "Participating Bank") and included in a current list of Participating Banks published on the SFEMC's website ([Hwww.sfemc.org](http://www.sfemc.org)H) (the "Publication Site"). Only one office of each financial institution will be included as a Participating Bank in each KRW Indicative Survey.
- **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market KRW spot rate (bid-offer pair) for a standard size KRW/U.S. dollar wholesale financial transaction for same-day settlement in the Seoul marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for KRW/U.S. dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for KRW/U.S. dollar transactions (commercial or otherwise).

#### **Use of Survey Results**

- SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to determine the KRW Indicative Survey Rate, rounded to the fourth decimal point as describe below.
- If the KRW Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points shall be eliminated
- If the KRW Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points shall be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points shall be eliminated.
- If the KRW Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point shall be eliminated.
- If the KRW Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date.
- Quotes will be provided to the fourth decimal point (e.g., 1.0000).

#### **Insufficient Responses**

- If the KRW Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no KRW Indicative Survey Rate will be available for the relevant Valuation Date. The next KRW Indicative Survey will take place on the next succeeding Business Day in Seoul (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to section below titled “Discontinuing the KRW Indicative Survey.”

#### **KRW Indicative Survey Rate Publication**

- The KRW Indicative Survey Rate will be published on Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- As soon as it is determined that the KRW Indicative Survey will result in Insufficient Responses, a notice that no KRW Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- The response of each Participating Bank to the Indicative Survey (bid-off pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first Business Day in Seoul (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant KRW Indicative Survey Rate is published, or as soon thereafter as practicable.

#### **Discontinuing the KRW Indicative Survey**

- The KRW Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Seoul on which the KRW KFTC18 (KRW 02) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the KRW Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the KRW Indicative Survey at an appropriate time.
- A notice that the KRW Indicative Survey has been discontinued will be published on the Publication Site.

#### **Amendments to the Methodology**

- SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the KRW Indicative Survey.

**Disclaimer**

~~CME, SFEMC and any service provider SFEMC may select disclaim liability for the use of the SFEMC Indicative Survey Rates and for any action taken in reliance thereon, and CME, SFEMC and any service provider SFEMC may select make no representation and warranty, express or implied, either as to the results (including, without limitation, the accuracy, timeliness or adequacy) obtained from the use of any of the SFEMC Indicative Survey Rates or the methodology for determining any of the SFEMC Indicative Survey Rates and its merchantability or suitability for any particular use.~~

## **EXHIBIT 4**

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

### **Chapter 279 Indian Rupee/U.S. Dollar (INR/USD) Futures**

#### **279.02. CASH SETTLEMENT**

##### **27902.B. Cash Settlement**

The Final Settlement Price shall be equal to the reciprocal of "INR RBIB (INR01)," which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 p.m. Mumbai time (about 4:00 a.m. Central Time in the winter and 2:00 a.m. Central Time in the summer). This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. Reuters quotes this RBI USD/INR spot rate on its page RBIB. The Final Settlement Price shall be rounded to two (2) decimal places. Open positions on the business day following the termination of trading day will be marked to the Final Settlement Price. For example, the Final Settlement Price based upon the reciprocal of a RBI INR/USD rate of 54.8473 Indian rupees per one U.S. dollar is 182.32 U.S. cents per 100 Indian rupees.

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then Rule 812 shall apply to determine the Final Settlement Price.

## **EXHIBIT 5**

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

### **Chapter 296 E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures**

#### **296.02. CASH SETTLEMENT**

##### **29602.B. Cash Settlement**

The Final Settlement Price shall be equal to the reciprocal of "INR RBIB (INR01)," which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 p.m. Mumbai time (about 4:00 a.m. Central Time in the winter and ~~2~~3:00 a.m. Central Time in the summer). This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. Reuters quotes this RBI USD/INR spot rate on its page RBIB. The Final Settlement Price shall be rounded to two (2) decimal places. Open positions on the business day following the termination of trading day will be marked to the Final Settlement Price. For example, the Final Settlement Price based upon the reciprocal of a RBI INR/USD rate of 54.8473 Indian rupees per one U.S. dollar is 182.32 U.S. cents per 100 Indian rupees.

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then Rule 812 shall apply to determine the Final Settlement Price.

## **EXHIBIT 6**

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

### **Chapter 318 Chinese Renminbi/Euro (RMB/EUR) Cross Rate Futures**

#### **318.02. CASH SETTLEMENT**

##### **31802.B. Cash Settlement**

The Final Settlement Price shall be the reciprocal of the “Chinese renminbi per Euro” fixing (or “midpoint”) rate published by the People’s Bank of China (PBC) and representing spot trading of Chinese renminbi per Euro on the futures contract termination of trading day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on each Beijing Business Day for foreign exchange trading. The fixing rate may be found on the Reuters SAEC page opposite symbol “EURCNY=”. The Final Settlement Price reciprocal calculation shall be rounded to six (6) decimal places. Open positions on the Business Day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 9.65410 Chinese renminbi per Euro implies a Final Settlement Price of 0.103583 Euro per Chinese renminbi (reciprocal rounded to 6 decimal places).

~~In the event that the “Chinese renminbi per Euro” fixing (or “midpoint”) rate as calculated by the PBC is not published on the CME Chinese renminbi/Euro futures contract Termination of Trading day, but the PBC “Chinese renminbi per U.S. dollar” fixing (or “midpoint”) rate is published, then determination of the Final Settlement Price will be based upon the reciprocal of the product of the bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 9:00 a.m. Beijing time and the PBC USDCNY rate rounded to six (6) decimal places. If the PBC EURCNY and USDCNY rates are unavailable on the termination of trading day, determination of the Final Settlement Price may be postponed or deferred each such day for up to 14 consecutive calendar days. If on the first of any of the intervening 14 calendar days, the PBC EURCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the PBC EURCNY rate, rounded to six decimal places. If on the first of any of the intervening 14 calendar days, when the PBC EURCNY rate is unavailable, but the PBC USDCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the product of the PBC USDCNY rate and the bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 9:00 a.m. Beijing time, rounded to six decimal places. However, if on the 15th such consecutive calendar day where neither the PBC EURCNY rate nor the PBC USDCNY rate is available, then the Final Settlement Price may be set equal to the reciprocal of the product of the SFEMC CNY Indicative Survey Rate, published by the Singapore Foreign Exchange Market Committee (SFEMC) or its designee, and calculated according to the SFEMC RMB Indicative Survey Rate Methodology published on the SFEMC website ([www.sfemc.org](http://www.sfemc.org)) and EMTA, Inc. website ([www.emta.org](http://www.emta.org)) and the bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 11:00 a.m. Singapore (and Beijing) time, rounded to six (6) decimal places. Details of the survey methodology appear in the CME Rulebook and on the CME Web site ([www.cme.com](http://www.cme.com)).~~

~~However, if SFEMC fails to publish the CNY Indicative Survey Rate on the first Business Day following the lapse of the valuation postponement or deferral period described above (i.e., the 15th consecutive calendar day), and the PBC EURCNY rate and PBC USDCNY rate are also unavailable, then SFEMC shall repeat efforts to obtain the CNY Indicative Survey Rate each day for an additional two Business Days (i.e., the 16th and 17th consecutive calendar days). If on either of these two Business Days the SFEMC CNY Indicative Survey Rate is published and the PBC EURCNY rate and PBC USDCNY rate are unavailable, then the Final Settlement Price of the CME Chinese renminbi/Euro futures contracts shall be the reciprocal of the product of the first of these SFEMC CNY Indicative Survey Rates and that rate’s contemporaneous bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 11:00 a.m. Singapore (and Beijing) time, rounded to six (6) decimal places.~~



~~However, if on either of the next two Business Days (i.e., the 16th and 17th consecutive calendar days), the PBC EURCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the first such PBC EURCNY rate, rounded to six decimal places. If on either the next two Business Days, when the PBC EURCNY rate is unavailable, but the PBC USDCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the product of the first such PBC USDCNY rate and that rate's contemporaneous bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 9:00 a.m. Beijing time, rounded to six decimal places.~~

~~If the SFEMC fails to publish the CNY Indicative Survey Rate on both of these two Business Days and the PBC EURCNY rate and PBC USDCNY rate are unavailable, then Rule 812 shall apply to determine the Final Settlement Price.~~

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then Rule 812 shall apply to determine the Final Settlement Price.