

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 15-449 (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): 10/29/2015 Filing Description: Initial Listing of S&P 500@ Annual Dividend Index Futures and S&P 500@ Quarterly Dividend Index 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 checked="" 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: See filing.

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

- |                          |   |                      |
|--------------------------|---|----------------------|
| <input 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:

Rule Numbers:

October 29, 2015

**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) Notification Regarding the Initial Listing of S&P 500<sup>®</sup> Annual Dividend Index Futures and S&P 500<sup>®</sup> Quarterly Dividend Index Futures Contracts.  
CME Submission No. 15-449 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying terms and conditions for the S&P 500<sup>®</sup> Annual Dividend Index (“SDA”) futures and the S&P 500<sup>®</sup> Quarterly Dividend Index (“SDI”) futures contracts (the “Contracts”) to be listed for trading on CME Globex and for submission for clearing on CME ClearPort, effective on Sunday, November 15, 2015 for trade date Monday, November 16, 2015.

Note that on July 22, 2015, the CFTC issued a conditional order approving the S&P 500 Dividend Index Futures contract for listing and trading on the Exchange. The Exchange had originally submitted this contract for Commission review and approval (in CME Submission 10-195) pursuant to CFTC Regulation 40.3 on July 14, 2010. Although the CFTC’s conditional order approved the contract to be listed, the contract has not yet been made available for trading and this Submission establishes the effective listing date for the contract.

Expiring SDA futures contracts and SDI futures contracts shall be for delivery by cash settlement with reference to the S&P 500<sup>®</sup> Annual Dividends Index and the S&P 500<sup>®</sup> Dividend Points Index, respectively (collectively, “the Indexes”).

In what follows, Section 1 summarizes contract terms and conditions as certified for SDA futures, and as certified for amendment for SDI futures. Section 2 describes the nature, administration, and governance of the respective underlying Indexes. Section 3 delineates standards for block trading in SDA futures and SDI futures. Section 4 addresses compliance of CME Rules and Rule amendments certified herein with the pertinent Core Principles for Designated Contract Markets (“Core Principles”) set forth in the Act.

The terms and conditions of the Contracts appear in Appendix A. Appendix B (attached under separate cover) addresses applicable position limits and reportable position levels pursuant to CME Rulebook Chapter 5. Appendix C addresses CME Globex non-reviewable trading ranges prescribed in CME Rule 588.H. Appendix D sets forth special price fluctuation limits pursuant to CME Rule 589.

## Section 1 – Contract Specifications and Fee Schedule for Dividend Index Futures

(Times referred to herein shall refer to and indicate Chicago time.)

	<b>S&amp;P 500® Annual Dividend Index Futures</b>	<b>S&amp;P 500® Quarterly Dividend Index Futures</b>
<b>Trading Unit</b>	Level of S&P 500® Annual Dividends Index (“Annual Index”) at termination of Contract Reference Period.  <i>Contract Reference Period:</i> For a given futures Delivery Month, the interval terminating on (and including) 3 <sup>rd</sup> Friday of Delivery Month, and commencing on (and including) the day next following the 3 <sup>rd</sup> Friday of 12 <sup>th</sup> month before the Delivery Month.	Level of S&P 500® Dividend Points Index (“Quarterly Index”) at termination of Contract Reference Period.  <i>Contract Reference Period:</i> For a given futures Delivery Month, the interval terminating on (and including) 3 <sup>rd</sup> Friday of Delivery Month, and commencing on (and including) the day next following the 3 <sup>rd</sup> Friday of 3 <sup>rd</sup> month before the Delivery Month.
<b>Delivery Months</b>	Nearest 6 Decembers	Nearest 5 months in March Quarterly Cycle (Mar, Jun, Sep, Dec)
<b>Price Basis</b>	Prices are made in terms of Index points.	
<b>Contract Size</b>	One Annual Index point equals \$250	One Quarterly Index point equals \$1,000
<b>Minimum Price Increment</b>	0.05 Annual Index points = \$12.50 per contract.	0.01 Quarterly Index points = \$10 per contract.
<b>Termination of Trading</b>	Regularly scheduled start of trading on Primary Listing Exchanges (8:30am) on 3 <sup>rd</sup> Friday of contract Delivery Month.	
<b>Final Settlement Price</b>	Index value at termination of Contract Reference Period, representing accumulated ex-dividend amounts of all S&P 500® index constituents during Contract Reference Period, measured in S&P 500® index points.	
<b>Delivery Method</b>	By cash settlement, by final mark-to-market with reference to Final Settlement Price.	
<b>Minimum Block Trade Size</b>	50 contracts	
<b>Trading Prohibitions</b>	The following persons are prohibited from trading in contracts (each, a “prohibited person”): i) any person who is a director or officer, subject to Section 16 of the Securities Exchange Act of 1934 as amended from time to time, of a corporation that is a constituent of the S&P 500® index, and ii) any person who is in possession of material non-public information relating to ordinary cash dividends of a constituent corporation of the S&P 500® index, including (but not limited to) information concerning the timing or amount of any ordinary cash dividend.	
<b>Trading/Clearing Venue</b>	CME Globex: 5pm to 4pm CT, Sun-Fri. CME Globex Matching Algorithm: F -- First In, First Out (FIFO) CME ClearPort: 5pm to 4pm CT, Sun-Fri.  Futures contracts described herein shall trade on and according to the rules of Chicago Mercantile Exchange, pending certification of contract terms and conditions with the US Commodity Futures Trading Commission and completion of all regulatory review periods.	

Membership Type	Clearing Fee	CME Globex Fee	All In Fee
Individual Equity Members/Clearing Members/Rule 106.J Equity Member Firms/Rule 106.I Members/Rule 106.S Member Approved	\$0.09	\$0.26	\$0.35

1 North End Avenue New York, NY 10282 t 212 299 2200 f 212 299 2299 christopher.bowen@cmegroup.com cmegroup.com

Funds			
Rule 106.D Lessees / Rule 106.F Employees	\$0.21	\$0.26	\$0.47
Rule 106.R Electronic Corporate Member - Holding Member	\$0.39	\$0.11	\$0.50
Rule 106.H and 106.N Firms	\$0.39	\$0.11	\$0.50
International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants	\$0.41	\$0.10	\$0.51
Asian Incentive Program (AIP), Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), Latin American Proprietary Trading Incentive Program (LAPTIP) Participants	\$0.40	\$0.36	\$0.76
CME Electronic Incentive Program (CEIP) Participants	\$0.49	\$0.16	\$0.65
Latin American Commercial Incentive Program (LACIP) Participants	\$0.40	\$0.76	\$1.16
CTA/Hedge Fund Incentive Program Participants	\$0.40	\$0.76	\$1.16
CBOE Members (reduced for S&P Index & E-mini S&P only)	\$0.40	\$0.76	\$1.16
Customers of Member Firms (Non-Members)	\$0.40	\$0.76	\$1.16

Other CME Processing Fees	Rate
EFM Surcharge <sup>2</sup>	\$1.75
Block Trade Surcharge	\$1.75
Position Adjustments/Position Transfers	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.20

Current CME Fee Programs
International Incentive Program (IIP/IVIP Volume Discount)

## Section 2 – Index Definition, Administration, and Governance

### Index Definition

The S&P 500<sup>®</sup> Annual Dividends Index (“Annual Index”) and the S&P 500<sup>®</sup> Dividend Points Index (“Quarterly Index”) each track the running total accumulation of dividend declarations by S&P 500<sup>®</sup> index constituents during the respective Index reference periods –

For the Annual Index the reference period is one year, spanning from close of business on the 3<sup>rd</sup> Friday of a given December to close of business on the 3<sup>rd</sup> Friday of the following December.

For the Quarterly Index the reference period is one quarter, spanning from close of business on the 3<sup>rd</sup> Friday of a given March Quarterly month (March, June, September, or December) to close of business on the 3<sup>rd</sup> Friday of the next following March Quarterly month.

In each case, the Index resets to zero at the beginning of each reference period. At any point within a given reference period, each Index signifies all ordinary gross dividends paid to date on S&P 500<sup>®</sup> constituent stocks that have gone ex-dividend since the start of the reference period. Index inputs are confined to ordinary gross dividends because these “are most likely to be recurring and thus potentially forecastable... Special or extraordinary dividends are not included in most situations. A special dividend is usually defined as not fitting a regular payment out of operating earnings and does not have an impact on future dividend payments. S&P Dow Jones Indices LLC (“S&P DJI”) define special dividends as those dividends that are outside of the normal payment pattern established historically by the issuing corporation. These may be described by the company as ‘special’, ‘extra’, ‘year-end’, or ‘return of capital’.”<sup>1</sup> An exception to this exclusion occurs where a S&P 500<sup>®</sup> constituent company issues recurrent

<sup>1</sup> Lu, Junhua, and Simon Karaban, *Trading Index Dividends*, S&P Indices Research Insights, June 2009, which is available at [http://us.spindices.com/documents/research/SP\\_500\\_Dividend\\_Index\\_Paper.pdf?force\\_download=true](http://us.spindices.com/documents/research/SP_500_Dividend_Index_Paper.pdf?force_download=true)

dividends that it terms as 'special.' S&P DJI include such recurrent 'special' dividends in their calculation of the Indexes.

On any given day  $t$  within a given Index reference period, S&P DJI calculate the Index as:

$$Index(t) = \sum_{r=0...t} ID(r)$$

$r$  is the running variable that marks passage of time, by business day, within the current Index reference period.  $r$  takes values between 0 and  $T$ , such that  $r = 0$  at close of business on the third Friday of the first calendar month in the Index reference period (eg, December), and  $r = T$  at close of business on the third Friday of the last calendar month in the Index reference period (eg, the following December for the Annual Index, the ensuing March for the Quarterly Index).

In the definitional equation above,  $ID(r)$  is the S&P 500<sup>®</sup> index dividend on day  $r$ .

$$ID(r) = [ \sum_{k=1...K} Dividend(k) * Shares(k) ] / Divisor(r).$$

$k$  indexes S&P 500<sup>®</sup> index constituents (1, 2, ...,  $K$ ) for which dividends go ex on day  $r$ .  
 $Dividend(k)$  is the dividend per share that goes ex on day  $r$  for S&P 500<sup>®</sup> constituent  $k$ .  
 $Shares(k)$  is the number of shares outstanding on day  $r$  for S&P 500<sup>®</sup> constituent  $k$ .  
 $Divisor(r)$  is the S&P 500<sup>®</sup> index divisor value for day  $r$ .

#### Index Administration and Governance

The Annual Index and the Quarterly Index are administered and calculated by S&P DJI, which was formed in June 2012 as a joint venture between S&P Indices and Dow Jones Indexes. Headquartered in New York, S&P DJI employs over 390 persons operating out of 20 offices worldwide.

In July 2015, S&P DJI issued a Statement of Alignment with respect to the recommendations made by the International Organization of Securities Commissions ("IOSCO") in its Principles for Financial Benchmarks Final Report ("IOSCO Principles"). In this connection, S&P DJI engaged Ernst & Young LLP "to perform a reasonable assurance examination of S&P DJI's assertion of their alignment with the IOSCO Principles." The Statement of Alignment, including the findings of the reasonable assurance examination by Ernst & Young LLP, may be found among "IOSCO Documents" at <http://us.spindices.com/resource-center/index-policies/>

"S&P DJI's overall governance and control framework is comprised of a variety of components that, together, protect the integrity and quality of its Benchmarks. These components include:

- a) A corporate structure that isolates the S&P DJI Benchmark business into a single corporate entity.
- b) An organizational/operating structure that separates commercial, operational and editorial/analytical functions into distinct reporting lines.
- c) An independent Benchmark governance body (Index Committees) with documented Benchmark governance policies and procedures.
- d) A control framework to ensure a sound process for developing, calculating and distributing its Benchmarks.
- e) An oversight function that monitors and enforces, among other things, S&P DJI's compliance with its various conflicts of interest policies.
- f) Processes with designated individuals and teams to work with and oversee the various third parties involved in the Benchmark determination process."<sup>2</sup>

---

<sup>2</sup> *Management Statement of Alignment with the IOSCO Principles for Financial Benchmarks*, Section 1, pg 2, S&P Dow Jones Indices, McGraw Hill Financial, 21 July 2015, available at <http://us.spindices.com/resource-center/index-policies/>

## Section 3 – Block Trading Standards

Standards for block trading in SDA futures and SDI futures shall be comparable to established standards applicable to other equity-related futures products listed for trading on the Exchange. The minimum size threshold for a block trade in either SDA futures or SDAI futures for a given delivery month shall be 50 contracts, consistent with the standards applicable to the majority of E-mini equity index futures products in which the Exchange now permits block trades.

## Section 4 – Compliance with Core Principles

The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and has identified that the new product terms and conditions certified herein may bear upon the following Core Principles:

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

Trading in the Contracts shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the 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 these contracts shall be subject to monitoring and surveillance by the Exchange’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<sup>3</sup>**

These Contracts are not readily subject to manipulation as:

- (1) There is no underlying market in which to trade the Annual Index, nor the Quarterly Index, nor their respective component dividends *per se*.
- (2) Although it is possible that a single actor could manipulate the dividend policy of a S&P 500<sup>®</sup> index constituent corporation, the possibility is remote because such dividend policy is implemented as an action by the board of directors of such corporation, not as an action of such single actor. Since any dividend so affected would issue from only one of the 400 to 450 S&P 500<sup>®</sup> index constituents that regularly issue dividends, moreover, the impact of such affected dividend upon either the Annual Index or the Quarterly Index would likely not be material.<sup>4</sup>

To reduce any susceptibility of the Contracts to price manipulation, the Exchange shall implement the following three prudential measures:

- (a) Targeted trading prohibitions shall apply to “any person who is a director or officer...of a corporation that is a constituent of the S&P 500<sup>®</sup> index” and to “any person who is in possession of material non-public information relating to ordinary cash dividends of a

---

<sup>3</sup> The analysis of compliance with Core Principle 3 herein tracks closely the Commission’s treatment, found on pp 4-5 of *Order Approving the Listing of the Chicago Mercantile Exchange’s S&P 500 Dividend Index Futures Contract*, Commodity Futures Trading Commission, Washington, DC, 22 July 2015.

<sup>4</sup> As of 30 September 2015, for example, the S&P 500<sup>®</sup> index numbered 505 constituent companies with aggregate market capitalization of \$17.752 trln, of which 423 constituent companies currently pay dividends. See *S&P 500 Factsheet*, S&P Dow Jones Indices, 30 September 2015, which is available at <http://us.spindices.com/indices/equity/sp-500> and *U.S. Companies Continue To Slow Pace of Dividend Net Increases*, S&P Dow Jones Indices, 30 September 2015, which is available at [http://us.spindices.com/documents/index-news-and-announcements/20150930-quarterly-dividends.pdf?force\\_download=true](http://us.spindices.com/documents/index-news-and-announcements/20150930-quarterly-dividends.pdf?force_download=true)

constituent corporation of the S&P 500<sup>®</sup> index...” (See CME Rules 36502.J. and 36502.K. as certified herein, and as set forth in Appendix A, and CME Rules 36602.J. and 36602.K. for which amendments are certified herein, as set forth in Appendix B.)

- (b) A large trader reporting threshold of one (1) contract shall apply to SDA futures and to SDI futures, in addition to a Single-Month Position Limit of 28,000 contracts for SDA futures and a Single-Month Position Limit of 7,000 contracts for SDI futures. (See the Position Limit, Position Accountability, and Reportable Level Table in CME Rulebook Chapter 5, for which amendments are certified herein, as set forth in Appendix C.)
- (c) The Exchange shall maintain a market surveillance program to identify potential illegal insider trading in either SDA futures or SDI futures.

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

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

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

The SDA futures product certified herein shall be subject to a Single-Month Position Limit of 28,000 net futures contract equivalents. The SDI futures product for which amendments to terms and conditions are certified herein shall be subject to a Single-Month Position Limit of 7,000 net futures contract equivalents. Both of these requirements are commensurate with standards that apply to CME Standard and Poor’s 500 Stock Price Index futures. Further, SDA futures and SDI futures each shall be subject to a Position Reporting Level of one (1) contract.

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

The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information in regard to contract terms and conditions, and amendments to contract terms and conditions, certified herein. In addition to such SER, daily trading volume, open interest, and price information for such contracts shall be published on the Exchange’s website.

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

The Exchange shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors.

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

Contracts for which terms and conditions and amendments to terms and conditions are certified herein shall be listed for trading on CME Globex, which provides for efficient, competitive, and open execution of transactions. Additionally, CME Globex affords the benefits of reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges shall be as set forth in Appendix C.

#### ***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***

Contracts for which terms and conditions, or amendments to terms and conditions, are certified herein shall be cleared by CME Clearing, which is registered with the Commission as a derivatives clearing organization, and which is subject to all CFTC regulations related thereto.

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

CME Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in all of the Exchange’s competitive trading venues and will apply to transactions in the contracts certified herein.



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

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the contracts for which terms and conditions, or amendments to terms and conditions, are certified herein 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 these products are identified.

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

Disputes in respect of any contract for which terms and conditions, or amendments to terms and conditions, are certified herein shall be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, 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.

The Exchange certifies that the 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 via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A - CME Rulebook Chapters 365 and 366  
Appendix B - Position Limit, Position Accountability, and Reportable Level Table,  
CME Rulebook Chapter 5 (attached under separate cover)  
Appendix C - CME Rule 588.H – Globex Non-Reviewable Trading Ranges Table  
Appendix D - CME Rule 589 – Special Price Fluctuation Limits



## Appendix A

### **CME Rulebook Chapter 365 S&P 500<sup>®</sup> Annual Dividend Index Futures**

#### **36500. SCOPE OF CHAPTER**

This chapter is limited in application to Standard & Poor's 500<sup>®</sup> Annual Dividend Index futures ("S&P 500<sup>®</sup> Annual Dividend futures" or "futures"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

#### **36500.A. Market Decline**

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **36500.B. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the U.S. Securities and Exchange Commission ("SEC"), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

#### **36500.C. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **36501. CONTRACT SPECIFICATIONS**

Each futures contract shall be valued at \$250.00 times the Standard & Poor's 500<sup>®</sup> Annual Dividends Index ("Index").

The Index tracks the total dividends from the constituents of the S&P 500<sup>®</sup> index. The Index resets to zero annually, at the end of the third Friday of each December. On a given day, the Index level is based on the running total accumulation of all ordinary gross dividends paid on S&P 500<sup>®</sup> index constituent stocks that have gone ex-dividend since the previous zero-reset date. The Index is expressed in S&P 500<sup>®</sup> index points.

#### **36502. TRADING SPECIFICATIONS**

##### **36502.A. Trading Schedule**

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

##### **36502.B. Trading Unit**

The unit of trade shall be \$250.00 times the Index.

##### **36502.C. Price Increments**

Bids and offers shall be quoted in Index points. The minimum price increment shall be 0.05 Index points, equal to \$12.50 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.025 Index points, equal to \$6.25 per intermonth spread.

**36502.D. Position Limits**

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.

**36502.E. [Reserved]****36502.F. [Reserved]****36502.G. Termination of Trading**

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the primary listing exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 36503.A.) for such futures.

**36502.H. [Reserved]****36502.I. Price Limits and Trading Halts**

There shall be no futures trading when the primary S&P 500 Stock Price Index futures contract is limit bid or offered at any price limit, pursuant to CME Rule 35102.I.

**1. Regulatory Halts**

From 8:30 a.m. until and including 3:00 p.m., or from 8:30 a.m. until and including noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 36500.B.), futures trading shall halt at such time as the Primary Listing Exchange may declare a Regulatory Halt (Rule 36500.C.) in response to either a Level 1 (7%) Market Decline or a Level 2 (13%) Market Decline in the S&P 500<sup>®</sup> index (Rule 36500.A.). When trading resumes on the Primary Listing Exchange, futures trading shall resume.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500<sup>®</sup> index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

**2. Unscheduled Non-Regulatory Halts**

If an unscheduled trading halt that is not also a Regulatory Halt occurs on one or more Primary Listing Exchanges between 8:30 a.m. and 2.25 p.m., or between 8:30 a.m. and 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange(s), then futures trading shall be subject to such trading halts as the Exchange, in its sole discretion, may determine to be appropriate.

**36502.J. Trading Prohibition**

The following persons are prohibited from trading in futures (each, a "Prohibited Person"):

1. Any person who is a director or officer, subject to Section 16 of the Securities Exchange Act of 1934 as amended from time to time, of a corporation that is a constituent of the S&P 500<sup>®</sup> index.
2. Any person who is in possession of material non-public information relating to ordinary cash dividends of a constituent corporation of the S&P 500<sup>®</sup> index, including (but not limited to) information concerning the timing or amount of any ordinary cash dividend.

**36502.K. Acceptance for Clearing**

A clearing member shall not accept an order for futures contracts from any person, whether such person is trading for its own account or for the account of another person, unless such person provides to the clearing member at or before the time of the order a representation and covenant that, at the time such

order is accepted or executed, or the position is held, such person and, as applicable, the other person for whose account such person is trading, is not a Prohibited Person (Rule 36502.J.).

### **36503. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

#### **36503.A. Final Settlement Price**

For a futures contract for a given delivery month, the Final Settlement Price shall be the Index value determined on the third Friday of such delivery month, based on the accumulation of all ordinary gross dividends paid on S&P 500<sup>®</sup> index constituent stocks that have gone ex-dividend since the Index's previous zero-reset date.

If the Index is not scheduled to be published on the third Friday of the contract delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

#### **36503.B. Final Settlement**

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 36502.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 36503.A.).

**36504. [RESERVED]**

**36505. [RESERVED]**

**36506. [RESERVED]**

(End Chapter 365)

### **INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 365**

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), licenses the Exchange to use various S&P indices ("S&P Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Indices. S&P does not guarantee the accuracy and/or completeness of the S&P Indices or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the S&P Indices or any data included therein in connection with the trading of futures contracts, options on futures contracts or any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages

## **CME Rulebook Chapter 366**

### **S&P 500<sup>®</sup> Quarterly Dividend Index Futures**

#### **36600. SCOPE OF CHAPTER**

This chapter is limited in application to Standard & Poor's 500<sup>®</sup> Quarterly Dividend Index futures ("S&P 500<sup>®</sup> Quarterly Dividend futures" or "futures"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

#### **36600.A. Market Decline**

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **36600.B. Primary Listing Exchange**

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the U.S. Securities and Exchange Commission ("SEC"), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

#### **36600.C. Regulatory Halt**

For the purposes of this chapter a Regulatory Halt shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### **36601. CONTRACT SPECIFICATIONS**

Each futures contract shall be valued at \$1,000.00 times the Standard & Poor's 500<sup>®</sup> Dividend Points Index ("Index").

The Index tracks the total dividends from the constituents of the S&P 500<sup>®</sup> index. The Index resets to zero quarterly, at the end of the third Friday of each March, June, September, and December. On a given day, the Index level is based on the running total accumulation of all ordinary gross dividends paid on S&P 500<sup>®</sup> index constituent stocks that have gone ex-dividend since the previous zero-reset date. The Index is expressed in S&P 500<sup>®</sup> index points.

#### **36602. TRADING SPECIFICATIONS**

##### **36602.A. Trading Schedule**

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

##### **36602.B. Trading Unit**

The unit of trade shall be \$1,000.00 times the Index.

##### **36602.C. Price Increments**

Bids and offers shall be quoted in Index points. The minimum price increment shall be 0.01 Index points, equal to \$10.00 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.005 Index points, equal to \$5.00 per intermonth spread.

##### **36602.D. Position Limits**

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.

**36602.E. [Reserved]**

**36602.F. [Reserved]**

**36602.G. Termination of Trading**

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the Primary Listing Exchanges on the Business Day scheduled for determination of the Final Settlement Price (Rule 36603.A.) for such futures.

**36602.H. [Reserved]**

**36602.I. Price Limits and Trading Halts**

There shall be no futures trading when the primary S&P 500 Stock Price Index futures contract is limit bid or offered at any price limit, pursuant to CME Rule 35102.I.

**1. Regulatory Halts**

From 8:30 a.m. until and including 3:00 p.m., or from 8:30 a.m. until and including noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 36600.B.), futures trading shall halt at such time as the Primary Listing Exchange may declare a Regulatory Halt (Rule 36600.C.) in response to either a Level 1 (7%) Market Decline or a Level 2 (13%) Market Decline in the S&P 500<sup>®</sup> index (Rule 36600.A.). When trading resumes on the Primary Listing Exchange, futures trading shall resume.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500<sup>®</sup> index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

**2. Unscheduled Non-Regulatory Halts**

If an unscheduled trading halt that is not also a Regulatory Halt occurs on one or more Primary Listing Exchanges between 8:30 a.m. and 2:25 p.m., or between 8:30 a.m. and 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange(s), then futures trading shall be subject to such trading halts as the Exchange, in its sole discretion, may determine to be appropriate.

**36602.J. Trading Prohibition**

The following persons are prohibited from trading in futures (each, a "Prohibited Person"):

1. Any person who is a director or officer, subject to Section 16 of the Securities Exchange Act of 1934 as amended from time to time, of a corporation that is a constituent of the S&P 500<sup>®</sup> index.
2. Any person who is in possession of material non-public information relating to ordinary cash dividends of a constituent corporation of the S&P 500<sup>®</sup> index, including (but not limited to) information concerning the timing or amount of any ordinary cash dividend.

**36602.K. Acceptance for Clearing**

A clearing member shall not accept an order for futures contracts from any person, whether such person is trading for its own account or for the account of another person, unless such person provides to the clearing member at or before the time of the order a representation and covenant that, at the time such order is accepted or executed, or the position is held, such person and, as applicable, the other person for whose account such person is trading, is not a Prohibited Person (Rule 36602.J.).

**36603. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

**36603.A. Final Settlement Price**

For a futures contract for a given delivery month, the Final Settlement Price shall be the Index value determined on the third Friday of such delivery month, based on the accumulation of all ordinary gross dividends paid on S&P 500® index constituent stocks that have gone ex-dividend since the Index's previous zero-reset date.

If the Index is not scheduled to be published on the third Friday of the contract delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

**36603.B. Final Settlement**

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 36602.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 36603.A.).

**36604. [RESERVED]**

**36605. [RESERVED]**

**36606. [RESERVED]**

(End Chapter 366)

**INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 366**

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), licenses the Exchange to use various S&P indices ("S&P Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Indices. S&P does not guarantee the accuracy and/or completeness of the S&P Indices or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the S&P Indices or any data included therein in connection with the trading of futures contracts, options on futures contracts or any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

**Appendix B**

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

(Attached under separate cover)



## Appendix C

### CME Rule 588.H – Globex Non-Reviewable Trading Ranges

(Additions are shown in underline font)

Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks
<u>S&amp;P 500® Annual Dividend Index Futures</u>	<u>SDA</u>	<u>1.000 index points</u>	<u>1000</u>	<u>20</u>
<u>S&amp;P 500® Quarterly Dividend Index Futures</u>	<u>SDI</u>	<u>0.500 index points</u>	<u>500</u>	<u>50</u>

## Appendix D

### CME Rule 589 – Special Price Fluctuation Limits

(Additions are shown in underline font)

Product	Rulebook Chapter	Commodity Code	Primary/Associated	Associated With	Base in Real Economic Value	Level
<u>S&amp;P 500® Annual Dividend Index Futures</u>	<u>365</u>	<u>SDA</u>	<u>Associated</u>	<u>ES</u>		<u>See Rulebook Chapter</u>
<u>S&amp;P 500® Quarterly Dividend Index Futures</u>	<u>366</u>	<u>SDI</u>	<u>Associated</u>	<u>ES</u>		<u>See Rulebook Chapter</u>