

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 22-440 (1 of 10)

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/17/22 Filing Description: Initial Listing of Tuesday Weekly Options and Thursday Weekly Options on Certain Foreign Exchange (FX) Futures Contracts

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

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

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

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

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

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

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

**Rule Numbers:**

November 17, 2022

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of Tuesday Weekly Options and Thursday Weekly Options on Certain Foreign Exchange (FX) Futures Contracts. CME Submission No. 22-440 (1 of 10)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of Tuesday Weekly Options and Thursday Weekly Options on certain Foreign Exchange (FX) futures contracts (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, December 4, 2022 for trade date Monday, December 5, 2022.

**Section 1 – Contract Specifications**

**Tuesday and Thursday Weekly Options on British Pound Sterling/U.S. Dollar (GBP/USD) Futures**

Contract Size	One futures contract for 62,500 British pounds
Minimum Price Fluctuation	0.0001 per British pound increment = \$6.25
CME Globex and CME ClearPort Codes	Tuesday Weekly Options: TG1, TG2, TG3, TG4, TG5 Thursday Weekly Options: SB1, SB2, SB3, SB4, SB5
Trading and Clearing Hours	<b>CME Globex Pre-Open:</b> Sunday 4:00 p.m. – 5:00 p.m. Central Time (CT) Monday – Thursday 4:45 p.m. – 5:00 p.m. (CT) <b>CME Globex:</b> Sunday 5:00 p.m. - Friday - 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. – 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
Rulebook Chapter	251A
Price Quotation	U.S. dollars and cents per British Pound increment
Listing Schedule	Two Tuesday weekly contracts listed at a time Two Thursday weekly contracts listed at a time
Initial Listings	Tuesday Week 1 (December 6, 2022), Tuesday Week 2 (December 13, 2022) Thursday Week 2 (December 8, 2022), Thursday Week 3 (December 15, 2022)
Termination of Trading	Trading of Tuesday Weekly Options terminates at 9:00 a.m. CT on Tuesday of the contract week Trading of Thursday Weekly Options terminates at 9:00 a.m. CT on Thursday of the contract week
Exercise Style	European style. Auto-exercised against CME Group FX Fixing Price; no contrary instructions allowed. In-the-money (ITM) strikes exercised. Out-of-the-money (OTM) strikes abandoned.

	An option is ITM if the CME Group FX Fixing Price for the underlying futures contract is equal to or above the strike price in the case of a call or below the strike price in the case of a put.
Strike Price Listing Schedule	+/- 8 strikes at 0.0025 interval plus an additional +/-15 strikes at 0.0050 interval
Settlement Procedure	Option on physical delivery futures contract
Block Minimum Threshold	250 contracts – subject to a 15-minute reporting window
CME Globex Matching Algorithm	F-FIFO 100%

### **Tuesday and Thursday Weekly Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures**

Contract Size	One futures contract for 100,000 Canadian dollars
Minimum Price Fluctuation	0.0001 per Canadian dollar increment = \$10.00 0.00005 per Canadian dollar increment = \$5.00 for premium below 0.0005
CME Globex and CME ClearPort Codes	Tuesday Weekly Options: TL1, TL2, TL3, TL4, TL5 Thursday Weekly Options: SD1, SD2, SD3, SD4, SD5
Trading and Clearing Hours	<b>CME Globex Pre-Open:</b> Sunday 4:00 p.m. – 5:00 p.m. Central Time (CT) Monday – Thursday 4:45 p.m. – 5:00 p.m. (CT) <b>CME Globex:</b> Sunday 5:00 p.m. - Friday 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. – 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
Rulebook Chapter	252A
Price Quotation	U.S dollars and cents per Canadian dollar increment
Listing Schedule	Two Tuesday weekly contracts listed at a time Two Thursday weekly contracts listed at a time
Initial Listings	Tuesday Week 1 (December 6, 2022), Tuesday Week 2 (December 13, 2022) Thursday Week 2 (December 8, 2022), Thursday Week 3 (December 15, 2022)
Termination of Trading	Trading of Tuesday Weekly Options terminates at 9:00 a.m. CT on Tuesday of the contract week Trading of Thursday Weekly Options terminates at 9:00 a.m. CT on Thursday of the contract week
Exercise Style	European style. Auto-exercised against CME Group FX Fixing Price; no contrary instructions allowed. In-the-money (ITM) strikes exercised. Out-of-the-money (OTM) strikes abandoned. An option is ITM if the CME Group FX Fixing Price for the underlying futures contract is equal to or above the strike price in the case of a call or below the strike price in the case of a put.
Strike Price Listing Schedule	+/- 8 strikes at 0.0025 interval plus an additional +/-8 strikes at 0.0050 interval
Settlement Procedure	Option on physical delivery futures contract
Block Minimum Threshold	250 contracts – subject to a 15-minute reporting window
CME Globex Matching Algorithm	F-FIFO 100%

### **Tuesday and Thursday Weekly Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures**

Contract Size	One futures contract for 12,500,000 Japanese yen
Minimum Price Fluctuation	0.000001 per Japanese yen increment = \$12.50 0.0000005 per Japanese yen increment = \$6.25 for premium below 0.000005
CME Globex and CME ClearPort Codes	Tuesday Weekly Options: TJ1, TJ2, TJ3, TJ4, TJ5 Thursday Weekly Options: SJ1, SJ2, SJ3, SJ4, SJ5

Trading and Clearing Hours	<b>CME Globex Pre-Open:</b> Sunday 4:00 p.m. – 5:00 p.m. Central Time (CT) Monday – Thursday 4:45 p.m. – 5:00 p.m. (CT) <b>CME Globex:</b> Sunday 5:00 p.m. - Friday - 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. – 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
Rulebook Chapter	253A
Price Quotation	U.S. dollars and cents per Japanese yen increment
Listing Schedule	Two Tuesday weekly contracts listed at a time Two Thursday weekly contracts listed at a time
Initial Listings	Tuesday Week 1 (December 6, 2022), Tuesday Week 2 (December 13, 2022) Thursday Week 2 (December 8, 2022), Thursday Week 3 (December 15, 2022)
Termination of Trading	Trading of Tuesday Weekly Options terminates at 9:00 a.m. CT on Tuesday of the contract week Trading of Thursday Weekly Options terminates at 9:00 a.m. CT on Thursday of the contract week
Exercise Style	European style. Auto-exercised against CME Group FX Fixing Price; no contrary instructions allowed. In-the-money (ITM) strikes exercised. Out-of-the-money (OTM) strikes abandoned. An option is ITM if the CME Group FX Fixing Price for the underlying futures contract is equal to or above the strike price in the case of a call or below the strike price in the case of a put.
Strike Price Listing Schedule	+/- 8 strikes at 0.000025 interval plus an additional +/-10 strikes at 0.000050 interval
Settlement Procedure	Option on physical delivery futures contract
Block Minimum Threshold	250 contracts – subject to a 15-minute reporting window
CME Globex Matching Algorithm	F-FIFO 100%

### Tuesday and Thursday Weekly Options on Australian/U.S. Dollar (AUD/USD) Futures

Contract Size	One futures contract for 100,000 Australian dollars
Minimum Price Fluctuation	0.0001 per Australian dollar increment = \$10.00 0.00005 per Australian dollar increment = \$5.00 for premium below 0.0005
CME Globex and CME ClearPort Codes	Tuesday Weekly Options: TA1, TA2, TA3, TA4, TA5 Thursday Weekly Options: SA1, SA2, SA3, SA4, SA5
Trading and Clearing Hours	<b>CME Globex Pre-Open:</b> Sunday 4:00 p.m. – 5:00 p.m. Central Time (CT) Monday – Thursday 4:45 p.m. – 5:00 p.m. (CT) <b>CME Globex:</b> Sunday 5:00 p.m. - Friday - 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. – 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
Rulebook Chapter	255A
Price Quotation	U.S. dollars and cents per Australian dollar increment
Listing Schedule	Two Tuesday weekly contracts listed at a time Two Thursday weekly contracts listed at a time
Initial Listings	Tuesday Week 1 (December 6, 2022), Tuesday Week 2 (December 13, 2022) Thursday Week 2 (December 8, 2022), Thursday Week 3 (December 15, 2022)
Termination of Trading	Trading of Tuesday Weekly Options terminates at 9:00 a.m. CT on Tuesday of the contract week

	Trading of Thursday Weekly Options terminates at 9:00 a.m. CT on Thursday of the contract week
Exercise Style	European style. Auto-exercised against CME Group FX Fixing Price; no contrary instructions allowed. In-the-money (ITM) strikes exercised. Out-of-the-money (OTM) strikes abandoned. An option is ITM if the CME Group FX Fixing Price for the underlying futures contract is equal to or above the strike price in the case of a call or below the strike price in the case of a put.
Strike Price Listing Schedule	+/- 8 strikes at 0.0025 interval plus an additional +/-8 strikes at 0.0050 interval
Settlement Procedure	Option on physical delivery futures contract
Block Minimum Threshold	250 contracts – subject to a 15-minute reporting window
CME Globex Matching Algorithm	F-FIFO 100%

### Tuesday and Thursday Weekly Options on Euro/U.S. Dollar (EUR/USD) Futures

Contract Size	One futures contract for 125,000 Euro
Minimum Price Fluctuation	0.0001 per Euro increment = \$12.50 0.00005 per Euro increment = \$6.25 for premium below 0.0005
CME Globex and CME ClearPort Codes	Tuesday Weekly Options: TU1, TU2, TU3, TU4, TU5 Thursday Weekly Options: SU1, SU2, SU3, SU4, SU5
Trading and Clearing Hours	<b>CME Globex Pre-Open:</b> Sunday 4:00 p.m. – 5:00 p.m. Central Time (CT) Monday – Thursday 4:45 p.m. – 5:00 p.m. (CT) <b>CME Globex:</b> Sunday 5:00 p.m. - Friday - 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. – 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
Rulebook Chapter	261A
Price Quotation	U.S. dollars and cents per Euro increment
Listing Schedule	Two Tuesday weekly contracts listed at a time Two Thursday weekly contracts listed at a time
Initial Listings	Tuesday Week 1 (December 6, 2022), Tuesday Week 2 (December 13, 2022) Thursday Week 2 (December 8, 2022), Thursday Week 3 (December 15, 2022)
Termination of Trading	Trading of Tuesday Weekly Options terminates at 9:00 a.m. CT on Tuesday of the contract week Trading of Thursday Weekly Options terminates at 9:00 a.m. CT on Thursday of the contract week
Exercise Style	European style. Auto-exercised against CME Group FX Fixing Price; no contrary instructions allowed. In-the-money (ITM) strikes exercised. Out-of-the-money (OTM) strikes abandoned. An option is ITM if the CME Group FX Fixing Price for the underlying futures contract is equal to or above the strike price in the case of a call or below the strike price in the case of a put.
Strike Price Listing Schedule	+/- 8 strikes at 0.0025 interval plus an additional +/-10 strikes at 0.0050 interval
Settlement Procedure	Option on physical delivery futures contract
Block Minimum Threshold	250 contracts – subject to a 15-minute reporting window
CME Globex Matching Algorithm	F-FIFO 100%

## Section 2 – Compliance with Core Principles

The Exchange has reviewed the designated contracts market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or the “Act”) and has identified that the Contracts 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 this 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 CME Rulebook. Trading activity in this Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

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

The Contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash and futures market, which provides diverse participation and sufficient spot transactions.

According to the 2022 Triennial Central Bank Survey conducted by the Bank for International Settlements, the Contracts are the top six most traded currencies in the world.<sup>1</sup> BIS data show that the Contracts had a daily average volume of \$466 to \$2,293 billion.<sup>2</sup> The Contracts are part of the CLS global cash settlement system.

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

Trading in the Contracts shall be subject to CME Rulebook Chapter 4, which includes prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. Trading activity in the Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

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

The Contracts will have a single month contract position accountability level of 10,000 (EUR, JPY and GBP) or 6,000 (CAD, AUD) contracts. The 10,000 and 6,000 contract single month position accountability is equal to 0.01% to 0.06% of M1. The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission’s guidance.

The Contracts will have a 10,000 (EUR, JPY and GBP) or 6,000 (CAD, AUD) contract all month position accountability. The 10,000 and 6,000 contract single month position accountability is equal to 0.01% to 0.06% of M1. The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission’s guidance.

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

The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information with regard to specifications, terms, and conditions of the Contracts. In addition to such SER, daily trading volume, open interest, and price information for the Contracts shall be published on the CME Group website.

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

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

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<sup>1</sup> See *Triennial Central Bank Survey*, Bank for International Settlements, October 2022, table D11.3, <https://stats.bis.org/statx/srs/table/d11.3>

<sup>2</sup> Ibid.

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

The Contracts will be listed for trading on the CME Globex electronic trading platform and for submission of clearing via CME ClearPort. CME Globex provides for competitive and open execution of transactions and affords the benefits of reliability and global connectivity.

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

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

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

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

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

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

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

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

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

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

The Exchange hereby certifies that the Contracts 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 CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A Amendments to CME Rulebook Chapters 251A, 252A, 253A, 255A and 261A (blackline format)  
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”) Table  
Appendix D CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table  
Appendix E Exchange Fees  
Appendix F Cash Market Overview and Analysis of Deliverable Supply



## Appendix A

### CME Rulebook

(additions underscored; deletions ~~struck through~~)

#### Chapter 251A Options on British Pound Sterling/U.S. Dollar (GBP/USD) Futures

##### 251A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on British pound (pound sterling) futures contracts. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

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

Options contracts covered by this chapter may also be referred to as:

GBP/USD Monthly Options

GBP/USD Weekly Monday Options

GBP/USD Weekly Tuesday Options

GBP/USD Weekly Wednesday Options

GBP/USD Weekly Thursday Options

GBP/USD Weekly Friday Options

##### 251A01. OPTION CHARACTERISTICS

###### 251A01A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

###### 251A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one pound sterling futures contract as specified in Chapter 251.

###### 251A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per pound sterling. Each \$0.0001 per pound sterling (one point) shall represent \$6.25. For example, a quote of .0070 represents an option price of \$437.50 (70 points x \$6.25 per point) of premium. The minimum fluctuation shall be one point (also known as one tick).

###### 251A01.D. Underlying Futures Contract

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

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

###### 2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the underlying futures contract is the next nearest quarterly futures contract.

###### 251A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

###### 251A01.F. [Reserved]

#### 251A01.G. Special Price Fluctuation Limits

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

251A01.H. [Reserved]

251A01.I. [Reserved]

#### 251A01.J. Termination of Trading and Expiration Days for Options

##### 1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 3. Weekly Monday Options

Trading in weekly Monday options shall terminate at 9:00 a.m. Central time on Mondays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Monday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 4. Weekly Tuesday Options

Trading in weekly Tuesday options shall terminate at 9:00 a.m. Central time on Tuesdays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Tuesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 45. Weekly Wednesday Options

Trading in weekly Wednesday options shall terminate at 9:00 a.m. Central time on Wednesdays. If the foregoing date for termination is a scheduled Exchange holiday, ~~trading in weekly Wednesday options shall terminate on the immediately preceding business day,~~ such weekly Wednesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 6. Weekly Thursday Options

Trading in weekly Thursday options shall terminate at 9:00 a.m. Central time on Thursdays. If the foregoing date for termination is a scheduled Exchange holiday or the day prior to a scheduled Exchange holiday, such weekly Thursday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 37. Weekly Friday Options

Trading in weekly Friday options shall terminate at 9:00 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

## 251A01.K. Exercise Prices and Listing of Exercise Prices

### 1. Front Monthly Options in the March Quarterly Cycle ("Quarterly Option") or Front Option Not in the March Quarterly Cycle ("Serial" Option)

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on British pound sterling futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional fifteen higher and fifteen lower put and call options at the \$0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise prices for options on British pound sterling futures put and call options at the next higher or next lower regular \$0.0025 and \$0.0050 exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

### 2. Non-Front Quarterly and Serial Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0050 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on British pound sterling futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional fifteen higher and fifteen lower put and call options at the \$0.0100 regular exercise price. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0050 exercise price interval of the tenth highest or tenth lowest existing regular exercise prices for options on British pound sterling futures, put and call options at the next higher or next lower regular \$0.0050 and \$0.0100 exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading. The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

### 3. Weekly Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on British pound sterling futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional fifteen higher and fifteen lower put and call options at the \$0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise prices for options on British pound sterling futures, put and call options at the next higher or next lower regular \$0.0025 and \$0.0050 exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

### 4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new exercise prices at \$0.0005 per British pound intervals may be added for trading on as soon as possible basis.

## 251A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on British pound sterling/U.S. dollar futures. All options on British pound sterling/U.S. dollar futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

251A02.A.1. [Reserved]

251A02.A.2. [Reserved]

### 251A02.A.3. Exercise of Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration

for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

#### 251A02.B. Assignment

Exercise notices created by the Clearing House for buyers of options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day. The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

#### 251A03. [RESERVED]

(End Chapter 251A)

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

#### 252A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Canadian dollar/U.S. dollar futures. In addition to this chapter, options on Canadian dollar/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

Options contracts covered by this chapter may also be referred to as:

CAD/USD Monthly Options

CAD/USD Weekly Monday Options

[CAD/USD Weekly Tuesday Options](#)

CAD/USD Weekly Wednesday Options

[CAD/USD Weekly Thursday Options](#)

CAD/USD Weekly Friday Options

#### 252A01. OPTIONS CHARACTERISTICS

##### 252A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.

##### 252A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Canadian dollar/U.S. dollar futures contract as specified in Chapter 252.

##### 252A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per Canadian dollar. Each \$0.0001 per Canadian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of

\$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and

#### 252A01.D. Underlying Futures Contract

##### 1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

##### 2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the underlying futures contract is the next nearest quarterly futures contract.

#### 252A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

#### 252A01.F. Special Price Fluctuation Limits

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

#### 252A01.G. [Reserved]

#### 252A01.H. [Reserved]

#### 252A01.I. [Reserved]

#### 252A01.J. Termination of Trading and Expiration Days for Options

##### 1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

~~53~~ Weekly Monday Options Trading in weekly Monday options shall terminate at 9:00 a.m. Central time on Mondays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Monday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 4. Weekly Tuesday Options

Trading in weekly Tuesday options shall terminate at 9:00 a.m. Central time on Tuesdays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Tuesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 45. Weekly Wednesday Options

Trading in weekly Wednesday options shall terminate at 9:00 a.m. Central time on Wednesdays. If the foregoing date for termination is a scheduled Exchange holiday, ~~trading in weekly Wednesday options shall terminate on the immediately preceding business day~~ such weekly Wednesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 6. Weekly Thursday Options

Trading in weekly Thursday options shall terminate at 9:00 a.m. Central time on Thursdays. If the foregoing date for termination is a scheduled Exchange holiday or the day prior to a scheduled Exchange holiday, such weekly Thursday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 37. Weekly Friday Options

Trading in weekly Friday options shall terminate at 9:00 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 252A01.K. Exercise Prices and Listing of Exercise Prices

##### 1. Front Monthly Options in the March Quarterly Cycle ("Quarterly Option") or Front Option Not in the March Quarterly Cycle ("Serial" Option)

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the \$0.0050 regular exercise price. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower regular \$0.0025 and \$0.0050 exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

##### 2. Non-Front Quarterly and Serial Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0050 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.0100 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0050 exercise price interval of the tenth highest or tenth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower \$0.0050 and \$0.0100 regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

##### 3. Weekly Options

At the commencement of trading in a weekly option, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the \$0.0050 regular exercise price. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower \$0.0025 and \$0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

#### 4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new exercise prices at \$0.0005 per Canadian dollar intervals may be added for trading on as soon as possible basis.

### 252A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Canadian dollar/U.S. dollar futures. All options on Canadian dollar/U.S. dollar futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

252A02.A.1. [Reserved]

252A02.A.2. [Reserved]

#### 252A02.A.3. Exercise of Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

#### 252A02.B. Assignment

Exercise notices created by the Clearing House for buyers of options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.

### 252A03. [RESERVED]

(End Chapter 252A)

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

### 253A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Japanese yen/U.S. dollar futures. In addition to this chapter, options on Japanese yen/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

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

Options contracts covered by this chapter may also be referred to as:

JPY/USD Monthly Options

JPY/USD Weekly Monday Options

JPY/USD Weekly Tuesday Options

JPY/USD Weekly Wednesday Options

JPY/USD Weekly Thursday Options

JPY/USD Weekly Friday Options

### 253A01. OPTIONS CHARACTERISTICS

#### 253A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.

#### 253A01.B Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Japanese yen/U.S. dollar futures contract as specified in Chapter 253.

#### 253A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per Japanese yen. Each \$0.000001 per Japanese yen (one point) shall represent \$12.50. For example, a quote of .000075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.0000005 (\$6.25, also known as one-half tick), \$.0000015 (\$18.75, also known as one and one-half ticks), \$.0000025 (\$31.25, also known as two and one-half ticks), \$.0000035 (\$43.75, also known as three and one-half ticks), and \$.0000045 (\$56.25, also known as four and one-half ticks).

#### 253A01.D. Underlying Futures Contract

##### 1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

##### 2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the underlying futures contract is the next nearest quarterly futures contract.

#### 253A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

#### 253A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits



253A01.G. [Reserved]

253A01.H. [Reserved]

253A01.I. [Reserved]

253A01.J. Termination of Trading and Expiration Days for Options

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

~~53.~~ Weekly Monday Options Trading in weekly Monday options shall terminate at 9:00 a.m. Central time on Mondays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Monday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

4. Weekly Tuesday Options

Trading in weekly Tuesday options shall terminate at 9:00 a.m. Central time on Tuesdays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Tuesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

~~45.~~ Weekly Wednesday Options

Trading in weekly Wednesday options shall terminate at 9:00 a.m. Central time on Wednesdays. If the foregoing date for termination is a scheduled Exchange holiday, ~~trading in weekly Wednesday options shall terminate on the immediately preceding business day~~ such weekly Wednesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

6. Weekly Thursday Options

Trading in weekly Thursday options shall terminate at 9:00 a.m. Central time on Thursdays. If the foregoing date for termination is a scheduled Exchange holiday or the day prior to a scheduled Exchange holiday, such weekly Thursday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

~~37.~~ Weekly Friday Options

Trading in weekly Friday options shall terminate at 9:00 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the

scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 253A01.K. Exercise Prices and Listing of Exercise Prices

##### 1. Front Monthly Options in the March Quarterly Cycle ("Quarterly Option") or Front Option Not in the March Quarterly Cycle ("Serial" Option)

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.000025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Japanese yen/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.000050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the eighth highest or eighth lowest existing regular exercise prices for options on Japanese yen/U.S. dollar futures, put and call options at the next higher or next lower \$0.000025 and \$0.000050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

##### 2. Non-Front Quarterly and Serial Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.00005 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Japanese yen/U.S. dollar futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.000100 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.000050 exercise price interval of the tenth highest or tenth lowest existing regular exercise prices for options on Japanese yen/U.S. dollar futures, put and call options at the next higher or next lower \$0.000050 and \$0.000100 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

##### 3. Weekly Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.000025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Japanese yen/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.000050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.000025 exercise price interval of the eighth highest or eighth lowest existing regular exercise prices for options on Japanese yen/U.S. dollar futures, put and call options at the next higher or next lower \$0.000025 and \$0.000050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

##### 4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new exercise prices at \$0.000005 per Japanese yen intervals may be added for trading on as soon as possible basis.

#### **253A02. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Japanese yen/U.S. dollar futures. All options on Japanese yen/U.S. dollar futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

253A02.A.1. [Reserved]

253A02.A.2. [Reserved]

### 253A02.A.3. Exercise of Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

### 253A02.B. Assignment

Exercise notices created by the Clearing House for buyers of options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.

### 253A03. [RESERVED]

(End Chapter 253A)

## Chapter 255A

### Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures

#### 255A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Australian dollar/U.S. dollar futures. In addition to this chapter, options on Australian dollar/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

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

Options contracts covered by this chapter may also be referred to as:

AUD/USD Monthly Options

AUD/USD Weekly Monday Options

[AUD/USD Weekly Tuesday Options](#)

AUD/USD Weekly Wednesday Options

[AUD/USD Weekly Thursday Options](#)

AUD/USD Weekly Friday Options

#### 255A01. OPTIONS CHARACTERISTICS

##### 255A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.

##### 255A01.B Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one

Australian dollar/U.S. dollar futures contract as specified in Chapter 255.

255A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per Australian dollar. Each \$0.0001 per Australian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

255A01.D. Underlying Futures Contract

1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the underlying futures contract is the next nearest quarterly futures contract.

255A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

255A01.F. Special Price Fluctuation Limits

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

255A01.G. [Reserved]

255A01.H. [Reserved]

255A01.I. [Reserved]

255A01.J. Termination of Trading and Expiration Days for Options

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

53. Weekly Monday Options Trading in weekly Monday options shall terminate at 9:00 a.m. Central time on Mondays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Monday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 4. Weekly Tuesday Options

Trading in weekly Tuesday options shall terminate at 9:00 a.m. Central time on Tuesdays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Tuesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 45. Weekly Wednesday Options

Trading in weekly Wednesday options shall terminate at 9:00 a.m. Central time on Wednesdays. If the foregoing date for termination is a scheduled Exchange holiday, ~~trading in weekly Wednesday options shall terminate on the immediately preceding business day~~ such weekly Wednesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 6. Weekly Thursday Options

Trading in weekly Thursday options shall terminate at 9:00 a.m. Central time on Thursdays. If the foregoing date for termination is a scheduled Exchange holiday or the day prior to a scheduled Exchange holiday, such weekly Thursday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 37. Weekly Friday Options

Trading in weekly Friday options shall terminate at 9:00 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

### 255A01.K. Exercise Prices and Listing of Exercise Prices

#### 1. Front Monthly Options in the March Quarterly Cycle ("Quarterly Option") or Front Option Not in the March Quarterly Cycle ("Serial" Option)

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the \$0.0050 regular exercise price. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower \$0.0025 and \$0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

#### 2. Non-Front Quarterly and Serial Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0050 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.0100 regular exercise price. When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0050 exercise price interval of the tenth highest or tenth lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower \$0.0050 and \$0.0100 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

### 3. Weekly Options

At the commencement of trading in a weekly option, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the \$0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower \$0.0025 and \$0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

### 4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new exercise prices at \$0.0005 per Australian dollar intervals may be added for trading on as soon as possible basis.

## 255A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Australian dollar/U.S. dollar futures. All options on Australian dollar/U.S. dollar futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

255A02.A.1. [Reserved]

255A02.A.2. [Reserved]

### 255A02.A.3. Exercise of Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

### 255A02.B. Assignment

Exercise notices created by the Clearing House for buyers of options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.

## 255A03. [RESERVED]

(End Chapter 255A)

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

#### 261A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Euro/U.S. dollar futures. In addition to this chapter, options on Euro/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

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

Options contracts covered by this chapter may also be referred to as:

EUR/USD Monthly Options

~~AUD~~EUR/USD Weekly Monday Options

EUR/USD Weekly Tuesday Options

EUR/USD Weekly Wednesday Options

EUR/USD Weekly Thursday Options

EUR/USD Weekly Friday Options

#### 261A01. OPTIONS CHARACTERISTICS

##### 261A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.

##### 261A01.B Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Euro/U.S. dollar futures contract as specified in Chapter 261.

##### 261A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per Euro. Each \$0.0001 per Euro (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

##### 261A01.D. Underlying Futures Contract

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

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

###### 2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the underlying futures contract is the next nearest quarterly futures contract.

##### 261A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

#### 261A01.F. Special Price Fluctuation Limits

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

261A01.G. [Reserved]

261A01.H. [Reserved]

261A01.I. [Reserved]

#### 261A01.J. Termination of Trading and Expiration Days for Options

##### 1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

~~53.~~ Weekly Monday Options Trading in weekly Monday options shall terminate at 9:00 a.m. Central time on Mondays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Monday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 4. Weekly Tuesday Options

Trading in weekly Tuesday options shall terminate at 9:00 a.m. Central time on Tuesdays. If the foregoing date for termination is a scheduled Exchange holiday, such weekly Tuesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### ~~45.~~ Weekly Wednesday Options

Trading in weekly Wednesday options shall terminate at 9:00 a.m. Central time on Wednesdays. If the foregoing date for termination is a scheduled Exchange holiday, ~~trading in weekly Wednesday options shall terminate on the immediately preceding business day~~ such weekly Wednesday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### 6. Weekly Thursday Options

Trading in weekly Thursday options shall terminate at 9:00 a.m. Central time on Thursdays. If the foregoing date for termination is a scheduled Exchange holiday or the day prior to a scheduled Exchange holiday, such weekly Thursday option shall not be listed for trading. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

##### ~~37.~~ Weekly Friday Options

Trading in weekly Friday options shall terminate at 9:00 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the



scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

#### 261A01.K. Exercise Prices and Listing of Exercise Prices

##### 1. Front Monthly Options in the March Quarterly Cycle ("Quarterly Option") or Front Option Not in the March Quarterly Cycle ("Serial" Option)

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Euro/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Euro/U.S. dollar futures, put and call options at the next higher or next lower \$0.0025 and \$0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

##### 2. Non-Front Quarterly and Serial Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0050 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Euro/U.S. dollar futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.0100 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0050 exercise price interval of the tenth highest or tenth lowest existing regular exercise price for options on Euro/U.S. dollar futures, put and call options at the next higher or next lower regular \$0.0050 and \$0.0100 exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

##### 3. Weekly Options

At the commencement of trading in a contract month, the Exchange shall list put and call options at the \$0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Euro/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the \$0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular \$0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Euro/U.S. dollar futures, put and call options at the next higher or next lower \$0.0025 and \$0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

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

##### 4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new exercise prices at \$0.0005 per Euro intervals may be added for trading on as soon as possible basis.

#### **261A02. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Euro/U.S. dollar futures. All options on Euro/U.S. dollar futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

261A02.A.1. [Reserved]

261A02.A.2. [Reserved]

#### 261A02.A.3. Exercise of Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

#### 261A02.B. Assignment

Exercise notices created by the Clearing House for buyers of options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.

#### **261A03. [RESERVED]**

(End Chapter 261A)

**Appendix B**

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

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

(attached under separate cover)

**Appendix C**

**CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")  
CME Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table**

(additions underscored)

<b>FX Options</b>	<b>Globex Symbol</b>	<b>Globex Non-Reviewable Ranges (NRR)</b>
<u>GBP/USD Weekly Tuesday Options</u>	<u>TG1-TG5</u>	<u>The greater of the following:</u> •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable
<u>GBP/USD Weekly Thursday Options</u>	<u>SB1-SB5</u>	<u>range</u> •2 ticks
<u>CAD/USD Weekly Tuesday Options</u>	<u>TL1-TL5</u>	<u>The greater of the following:</u> •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable
<u>CAD/USD Weekly Thursday Options</u>	<u>SD1-SD5</u>	<u>range</u> •2 ticks
<u>JPY/USD Weekly Tuesday Options</u>	<u>TJ1-TJ5</u>	<u>The greater of the following:</u> •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable
<u>JPY/USD Weekly Thursday Options</u>	<u>SJ1-SJ5</u>	<u>range</u> •2 ticks
<u>AUD/USD Weekly Tuesday Options</u>	<u>TA1-TA5</u>	<u>The greater of the following:</u> •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable
<u>AUD/USD Weekly Thursday Options</u>	<u>SA1-SA5</u>	<u>range</u> •2 ticks
<u>EUR/USD Weekly Tuesday Options</u>	<u>TU1-TU5</u>	<u>The greater of the following:</u> •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable
<u>EUR/USD Weekly Thursday Options</u>	<u>SU1-SU5</u>	<u>range</u> •2 ticks

**Appendix D**

**CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")  
CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table**

(additions underscored)

<b>Product</b>	<b>Rulebook Chapter</b>	<b>Commodity Code</b>	<b>Primary/ Associated</b>	<b>Associated With</b>	<b>Dynamically Calculated Variant</b>
<u>GBP/USD Weekly Tuesday Options</u>	<u>251A</u>	<u>TG1-TG5</u>	<u>Associated</u>	<u>6B</u>	
<u>GBP/USD Weekly Thursday Options</u>	<u>251A</u>	<u>SB1-SB5</u>	<u>Associated</u>	<u>6B</u>	
<u>CAD/USD Weekly Tuesday Options</u>	<u>252A</u>	<u>TL1-TL5</u>	<u>Associated</u>	<u>6C</u>	
<u>CAD/USD Weekly Thursday Options</u>	<u>252A</u>	<u>SD1-SD5</u>	<u>Associated</u>	<u>6C</u>	
<u>JPY/USD Weekly Tuesday Options</u>	<u>253A</u>	<u>TJ1-TJ5</u>	<u>Associated</u>	<u>6J</u>	
<u>JPY/USD Weekly Thursday Options</u>	<u>253A</u>	<u>SJ1-SJ5</u>	<u>Associated</u>	<u>6J</u>	
<u>AUD/USD Weekly Tuesday Options</u>	<u>255A</u>	<u>TA1-TA5</u>	<u>Associated</u>	<u>6A</u>	
<u>AUD/USD Weekly Thursday Options</u>	<u>255A</u>	<u>SA1-SA5</u>	<u>Associated</u>	<u>6A</u>	
<u>EUR/USD Weekly Tuesday Options</u>	<u>261A</u>	<u>TU1-TU5</u>	<u>Associated</u>	<u>6E</u>	
<u>EUR/USD Weekly Thursday Options</u>	<u>261A</u>	<u>SU1-SU5</u>	<u>Associated</u>	<u>6E</u>	

## Appendix E

### Exchange Fees

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex	\$0.34
	EFP*	\$0.65
	EFR*	\$0.65
	Block	\$1.07
	Delivery	\$0.07
	Exe Asn Future From	\$0.12
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.52
	EFP*	\$0.68
	EFR*	\$0.68
	Block	\$1.27
	Delivery	\$0.27
	Exe Asn Future From	\$0.32
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.44
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	CME Globex	\$0.44
	EFP*	\$0.70
	EFR*	\$0.70
	Block	\$1.45
	Delivery	\$0.45
	Exe Asn Future From	\$0.50
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.54
Central Bank Incentive Program (CBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$1.00
CTA/Hedge Fund Incentive Program Participants (For FX products only; for all other products - Non-Member rates apply)	CME Globex	Refer to CME FX Products <a href="#">Fee Schedule</a>
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$0.85
Non-Members	CME Globex	\$1.60
	EFP	\$1.60
	EFR	\$1.60
	Block	\$1.60
	Delivery	\$0.60
	Exe Asn Future From	\$0.65

\*Effective through January 31, 2023, Exchange Fees for EFP|EFR transactions will be discounted to \$0.52 per side for individual Members and Member Firms.

Processing Fees	Fee
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40

## Appendix F

### **Cash Market Overview and Analysis of Deliverable Supply**

As a basis for providing a uniform and methodical analysis of the position limits, the Exchange adopted the following metrics to frame our analysis quantitatively.

The Exchange defines the deliverable grade as equal to the M1 money supply. In general terms, M1 money supply consists of currency in circulation plus demand deposits, such as checking and savings accounts. M1 is the narrowest and most conservative definition of the deliverable currency stock available on a spot market basis. M1 data is also readily available.<sup>1</sup>

First, the Exchange recommends single month position accountability equal to one or two percent of M1 money supply. The Exchange believes one or two percent is a conservative level. The speculative position limits for the Contracts are consistent with the Commission's guidance.

Second, the Exchange recommends all months position limits equal to two percent of M1 money supply. The speculative position limits for the Contracts are consistent with the Commission's guidance.

#### **Tuesday/Thursday Options**

- ***Currency Background***

According to the 2022 Triennial Central Bank Survey conducted by the Bank for International Settlements, the Contracts are the top six most traded currencies in the world.<sup>2</sup> BIS data show that the Contracts had a daily average volume of \$466 to \$2,293 billion.<sup>3</sup> The Contracts are part of the CLS global cash settlement system.

- ***Cash Market Analysis***

Exhibit 1 summarizes M1 money supply on a monthly basis between August 2019 and July 2021. During this three-year period, M1 increased by 28 to 63 percent.

- ***Spot Month Contract Position Limit***

Similar to the existing Monday, Wednesday and Friday Weekly, Serial and Quarterly expirations, the Contracts will not be subject to a spot month position limit.

- ***Single Month Contract Position Accountability***

The Contracts will have a single month contract position accountability level of 10,000 (EUR, JPY and GBP) or 6,000 (CAD, AUD) contracts. The 10,000 and 6,000 contract single month position accountability is equal to 0.01% to 0.06% of M1. This is a conservative level as it is substantially below the CFTC's 25 percent maximum threshold.

- ***All Months Contract Position Accountability***

The Contracts will have a 10,000 (EUR, JPY and GBP) or 6,000 (CAD, AUD) contract all month position accountability. The 10,000 and 6,000 contract single month position accountability is equal to 0.01% to

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<sup>1</sup> See <https://fred.stlouisfed.org/search?et=&nasw=0&pageID=4&st=M1+Money+Stock&t=m1>

<sup>2</sup> See *Triennial Central Bank Survey*, Bank for International Settlements, October 2022, table D11.3, <https://stats.bis.org/statx/srs/table/d11.3>

<sup>3</sup> Ibid.

