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OFFICE OF THE SECRETARIAT  
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July 20, 2010

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

**RE: Section 5c(c), Part 40.6(a) – Exchange Certification and  
Notification of Amendments to CME Rules 290, 291, 292, 340,  
341, 342, 742 and 855  
CME Submission No. 10-213**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of revisions to the contract specifications for the E-micro FX futures contracts (EUR/USD, GBP/USD, AUD/USD, USD/JPY, USD/CHF, USD/CAD).

The Exchange hereby revises the contract specifications to switch CME E-micro FX Futures to physical delivery from cash settlement effective with the December 2010 contracts. In order to allow sufficient time for implementing the switch and notifying the marketplace of these changes, the listing of the December 2010 contract month was temporarily postponed. We have notified CFTC of the delisting of the December 2010 E-micro FX (EUR/USD, GBP/USD, AUD/USD, USD/JPY, USD/CHF, USD/CAD) futures contracts on June 15<sup>th</sup>, 2010, and we will relist the contracts on July 25, 2010.

The switch to physical delivery will provide more liquidity to the market by allowing market makers to scale up their hedged positions easily between the standard FX futures and the E-micro FX futures contracts by facilitating a ready hedge.

The text of the rule amendments are attached with additions underlined. Appendix 1 to this document contains:

- 1) The amended proposed rules of the revised E-micro FX futures contracts.
- 2) Underlined housekeeping additions to CME Rule 742 – DELIVERY NETTING where clearing firms may request that CME Clearing net currency flows at delivery to the extent possible in order to minimize FX transactions at delivery.
- 3) Rule 855 is amended to allow simpler offset and liquidation of selected E-micro futures and regular corresponding FX futures contracts, that is open long (short) positions in EUR/USD, GBP/USD and AUD/USD E-micro futures are offset and liquidated with the corresponding short (long) regular FX futures contracts on a 10 to 1 ratio basis (analogous to current offset of 2 E-mini FX futures to 1 regular FX future). Such offsets are allowed at the previous day's settlement prices when all positions are held in the same account.

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Appendix 2 provides a clean version of these same rule amendments.

CME certifies that these changes comply with the Commodity Exchange Act and regulations thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Steve Youngren, at 312-930-4583 or via e-mail at [Steve.Youngren@cmegroup.com](mailto:Steve.Youngren@cmegroup.com) or me at 312-648-5422. Please reference our CME Submission No. 10-213 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack  
Regulatory Counsel

8359

**Appendix 1: Amended Rules**  
(Additions are underlined)

**Chapter 290**  
**E-micro British Pound Sterling/U.S. Dollar Futures**

29002. **CASH SETTLEMENT** (Effective for the September 2010 contracts month.)  
E-micro pound sterling / U.S. dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the settlement price of the pound sterling / U.S. dollar futures terminating on the same date as defined in Chapter 251. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 29002. CASH SETTLEMENT will be deleted).

**29002.B. [Reserved]**

29002. **PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**29002.A. Physical Delivery**

**1. Procedures**

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

**2. Delivery Days**

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

**3. Currency Flows at Delivery**

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net U.S. dollar value of such customer's positions and receive delivery in foreign currency. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in foreign currency and receive delivery in U.S. dollars.

**29002.B. [Reserved]**

**Chapter 291**  
**E-micro Australian Dollar/U.S. Dollar Futures**

29102. **CASH SETTLEMENT** (Effective for the September 2010 contracts month.)  
E-micro Australian dollar / U.S. dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the settlement price of the Australian dollar / U.S. dollar futures terminating on the same date as defined in Chapter 255. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 29102. CASH SETTLEMENT will be deleted).

**29102.B. [Reserved]**

29102. **PHYSICAL DELIVERY** (*Effective for the December 2010 and subsequent contract months.*)

**29102.A. Physical Delivery**

**1. Procedures**

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

**2. Delivery Days**

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

**3. Currency Flows at Delivery**

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net U.S. dollar value of such customer's positions and receive delivery in foreign currency. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in foreign currency and receive delivery in U.S. dollars.

**29102.B. [Reserved]**

**Chapter 292**  
**E-micro Euro/U.S. Dollar Futures**

29202. **CASH SETTLEMENT** (*Effective for the September 2010 contracts month.*)

E-micro Euro / U.S. dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the settlement price of the Euro / U.S. dollar futures terminating on the same date as defined in Chapter 261. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 29202. CASH SETTLEMENT will be deleted).

**29202.B. [Reserved]**

29202. **PHYSICAL DELIVERY** (*Effective for the December 2010 and subsequent contract months.*)

**29202.A. Physical Delivery**

**1. Procedures**

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

**2. Delivery Days**

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

**3. Currency Flows at Delivery**

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net U.S. dollar value of such customer's positions and receive delivery in foreign currency. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in foreign currency and receive delivery in U.S. dollars.

**29202.B. [Reserved]**

**Chapter 340**  
**E-micro U.S. Dollar/Canadian Dollar Futures**

**34002. CASH SETTLEMENT** (*Effective for the September 2010 contracts month.*)  
E-micro U.S. dollar / Canadian dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the reciprocal of the settlement price, rounded to four decimal places, of the U.S. dollar / Canadian dollar futures terminating on the same date as defined in Chapter 252. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 34002. CASH SETTLEMENT will be deleted).

**34002.B. [Reserved]**

**34002. PHYSICAL DELIVERY** (*Effective for the December 2010 and subsequent contract months.*)

**34002.A. Physical Delivery**

**1. Procedures**

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

**2. Delivery Days**

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

**3. Currency Flows at Delivery**

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net foreign currency value of such customer's positions and receive delivery in U.S. dollars. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in U.S. dollars and receive delivery in foreign currency.

**34002.B. [Reserved]**

**Chapter 341**  
**E-micro U.S. Dollar/Japanese Yen Futures**

**34102. CASH SETTLEMENT** (*Effective for the September 2010 contracts month.*)  
E-micro U.S. dollar / Japanese yen futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the reciprocal of the settlement price, rounded to two (2) decimal places, of the U.S. dollar / Japanese yen futures terminating on the same date as defined in Chapter 253. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 34102. CASH SETTLEMENT will be deleted).

**34102.B. [Reserved]**

**34102. PHYSICAL DELIVERY** (*Effective for the December 2010 and subsequent contract months.*)

**34102.A. Physical Delivery**

**1. Procedures**

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net foreign currency value of such customer's positions and receive delivery in U.S. dollars. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in U.S. dollars and receive delivery in foreign currency.

**34102.B. [Reserved]**

**Chapter 342  
E-micro U.S. Dollar/Swiss franc Futures**

**34202. CASH SETTLEMENT** (*Effective for the September 2010 contracts month.*)

E-micro U.S. dollar / Swiss franc futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the reciprocal of the settlement price, rounded to four decimal places, of the U.S. dollar / Swiss franc futures terminating on the same date as defined in Chapter 254. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 34202. CASH SETTLEMENT will be deleted).

**34202.B. [Reserved]**

**34202. PHYSICAL DELIVERY** (*Effective for the December 2010 and subsequent contract months.*)

**34202.A. Physical Delivery**

1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net foreign currency value of such customer's positions and receive delivery in U.S. dollars. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in U.S. dollars and receive delivery in foreign currency.

**34202.B. [Reserved]**

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## **Rule 742. DELIVERY NETTING**

### **742.A. CLS Delivered Currency Futures Contracts**

Exchange currency futures contracts delivered through the CLS Bank and/or the CME CLS Agent Bank shall be netted according to procedures specified by the Clearing House from time to time.

### **742.B. Non-CLS Delivered Currency Futures Contracts**

To facilitate spread trading between currency products where positions held to termination create offsetting currency payment obligations, the Clearing House may net to the extent possible physical delivery payment obligations by clearing member customer by currency, in accordance with the procedures outlined in the Clearing House Manual of Operations. Clearing members desiring netting of obligations may only net payment obligations that arise from positions belonging to the same beneficial account owner, and shall be required to submit a Delivery Netting Request form, which identifies the final positions and net currency payments of a customer requesting delivery netting, to the Clearing House by 11:00 a.m. on the last day of trading. For U.S. Dollar/ Canadian Dollar, E-micro U.S. Dollar/Canadian dollar, U.S. Dollar/ Turkish Lira or Euro/ Turkish Lira Contracts only, such Delivery Netting Request form shall be submitted to the Clearing House by 10:00 a.m. on the last day of trading.

Clearing members may also net delivery obligations within a given currency following the last day of trading in such eligible currency product, except for U.S. Dollar/ Canadian Dollar, E-micro U.S. Dollar/Canadian Dollar, U.S. Dollar/ Turkish Lira or Euro/ Turkish Lira Contracts. Clearing members may net delivery obligations across all accounts belonging to the same beneficial account owner.

Clearing members are prohibited from netting open positions across customer accounts while a currency contract remains eligible for trading on the Exchange.

Clearing members shall be required to submit a Delivery Netting Request, which identifies the final positions and net currency delivery obligations to the Clearing House by 11:00 a.m. (10:00 a.m. for U.S. Dollar/ Canadian Dollar, E-micro U.S. Dollar/Canadian Dollar, U.S. Dollar/ Turkish Lira or Euro/ Turkish Lira Contracts), on the last day of trading, in accordance with the procedures outlined in the Clearing House Manual of Operations.

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## Rule 855. OFFSETTING DIFFERENT SIZED FUTURES POSITIONS

*Additions to Rule 855.A. below effective after expiration of the September 2010 E-micro FX futures contracts.*

- A. With the consent of the account controller, a clearing member may offset and liquidate long E-Mini or E-Micro futures positions against short regular futures positions, or short E-Mini or E-Micro futures positions against long regular futures positions, held in the same account in the following ratios of E-Mini or E-Micro to regular futures contracts:

E-Mini S&P 500 to regular S&P 500:	_____	5:1
E-Mini Nasdaq 100 Index to regular Nasdaq 100 Index:	_____	5:1
E-Mini S&P Midcap 400 to regular S&P Midcap 400	_____	5:1
E-Mini Currency to regular Currency:	_____	2:1
E-Micro GBP/USD, EUR/USD, AUD/USD to regular Currency:	_____	10:1

The clearing member shall notify the Clearing House of offsetting positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement price.

- [B] The positions being offset shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding account shall be netted, thus reducing the number of open positions in such contract.
- [C]B. With the consent of the account controller, a clearing member may convert Eurodollar and E-Mini Eurodollar futures positions into equivalent E-mini Five-year Eurodollar Bundle positions, or E-mini Five-year Eurodollar Bundle positions into equivalent Eurodollar and E-Mini Eurodollar futures positions, held in the same account in the following ratios of E-Mini to regular futures contracts:

One (1) each of twenty (20) consecutive quarterly expirations of the E-Mini Eurodollar Futures to one (1) E-mini Five-Year Eurodollar Bundle Futures

One (1) each of twenty (20) consecutive quarterly expirations of the Eurodollar Futures to ten (10) E-mini Five-Year Eurodollar Bundle Futures

The positions being converted shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding account shall be netted, thus reducing the number of open positions in such contract. The clearing member shall notify the Clearing House of the offsetting Eurodollar, E-mini Eurodollar and E-mini Five-Year Eurodollar Bundle positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement prices, with any rounding in favor of the CME holding account.

*Deletion of Rule 855.D. effective after expiration of the September 2010 E-micro FX futures contracts.*

- ~~A. With the consent of the account controller, a clearing member may request to offset and liquidate long (short) E-micro FX futures positions against short (long) regular FX futures positions, held in the same account in the ratio of ten (10) E-micro FX futures contracts to one (1) full-sized FX futures contract.~~

~~The clearing member shall notify the Clearing House of its request to offset positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. If accepted, the positions being offset shall be transferred to a holding account at the Clearing House. The Clearing House shall accept such request or fraction of such request upon receiving an opposite offset request from another clearing member. Such requests shall be processed in the order of oldest request date first.~~

~~No such offset request shall be accepted during the last two trading days.~~



## Appendix 2: Clean Copy of Amended Rules

### Chapter 290 E-micro British Pound Sterling/U.S. Dollar Futures

**29002. CASH SETTLEMENT** (Effective for June 2010 and September 2010 contracts months.)  
E-micro pound sterling / U.S. dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the settlement price of the pound sterling / U.S. dollar futures terminating on the same date as defined in Chapter 251. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 29002. CASH SETTLEMENT will be deleted).

**29002.B. [Reserved]**

**29002. PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**29002.A. Physical Delivery**

1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net U.S. dollar value of such customer's positions and receive delivery in foreign currency. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in foreign currency and receive delivery in U.S. dollars.

**29002.B. [Reserved]**

### Chapter 291 E-micro Australian Dollar/U.S. Dollar Futures

**29102. CASH SETTLEMENT** (Effective for June 2010 and September 2010 contracts months.)  
E-micro Australian dollar / U.S. dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the settlement price of the Australian dollar / U.S. dollar futures terminating on the same date as defined in Chapter 255. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 29102. CASH SETTLEMENT will be deleted).

**29102.B. [Reserved]**

**29102. PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**29102.A. Physical Delivery**

1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net U.S. dollar value of such customer's positions and receive delivery in foreign currency. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in foreign currency and receive delivery in U.S. dollars.

**29102.B. [Reserved]**

**Chapter 292**  
**E-micro Euro/U.S. Dollar Futures**

**29202. CASH SETTLEMENT** (Effective for June 2010 and September 2010 contracts months.)  
E-micro Euro / U.S. dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the settlement price of the Euro / U.S. dollar futures terminating on the same date as defined in Chapter 261. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 29202. CASH SETTLEMENT will be deleted).

**29202.B. [Reserved]**

**29202. PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**29202.A. Physical Delivery**

1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net U.S. dollar value of such customer's positions and receive delivery in foreign currency. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in foreign currency and receive delivery in U.S. dollars.

**29202.B. [Reserved]**

**Chapter 340**  
**E-micro U.S. Dollar/Canadian Dollar Futures**

**34002. CASH SETTLEMENT** (Effective for June 2010 and September 2010 contracts months.)  
E-micro U.S. dollar / Canadian dollar futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the reciprocal of the settlement price, rounded to four decimal places, of the U.S. dollar / Canadian dollar futures terminating on the same date as defined in Chapter 252. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 34002. CASH SETTLEMENT will be deleted).

**34002.B. [Reserved]**

**34002. PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**34002.A. Physical Delivery**

1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net foreign currency value of such customer's positions and receive delivery in U.S. dollars. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in U.S. dollars and receive delivery in foreign currency.

**34002.B. [Reserved]**

**Chapter 341**  
**E-micro U.S. Dollar/Japanese Yen Futures**

**34102. CASH SETTLEMENT** (Effective for June 2010 and September 2010 contracts months.)  
E-micro U.S. dollar / Japanese yen futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the reciprocal of the settlement price, rounded to two (2) decimal places, of the U.S. dollar / Japanese yen futures terminating on the same date as defined in Chapter 253. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 34102. CASH SETTLEMENT will be deleted).

**34102.B. [Reserved]**

**34102. PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**34102.A. Physical Delivery**

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1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net foreign currency value of such customer's positions and receive delivery in U.S. dollars. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in U.S. dollars and receive delivery in foreign currency.

**34102.B. [Reserved]**

## **Chapter 342**

### **E-micro U.S. Dollar/Swiss franc Futures**

**34202. CASH SETTLEMENT** (Effective for June 2010 and September 2010 contracts months.)

E-micro U.S. dollar / Swiss franc futures contracts shall be settled at termination in cash at a Final Settlement Price equivalent to the reciprocal of the settlement price, rounded to four decimal places, of the U.S. dollar / Swiss franc futures terminating on the same date as defined in Chapter 254. Open positions on the business day following the termination of trading day will be marked-to-market to the Final Settlement Price. (After expiration of the September 2010 contract month, 34202. CASH SETTLEMENT will be deleted).

**34202.B. [Reserved]**

**34202. PHYSICAL DELIVERY** (Effective for the December 2010 and subsequent contract months.)

**34202.A. Physical Delivery**

1. Procedures

In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.

2. Delivery Days

Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City.

3. Currency Flows at Delivery

A clearing member representing a customer liquidating a net long position shall deliver an amount equal to the net foreign currency value of such customer's positions and receive delivery in U.S. dollars. A clearing member representing a customer liquidating a net short position shall deliver an amount equal to the trading unit in U.S. dollars and receive delivery in foreign currency.

**34202.B. [Reserved]**

## **Rule 742. DELIVERY NETTING**

### **742.A. CLS Delivered Currency Futures Contracts**

Exchange currency futures contracts delivered through the CLS Bank and/or the CME CLS Agent Bank shall be netted according to procedures specified by the Clearing House from time to time.

### **742.B. Non-CLS Delivered Currency Futures Contracts**

To facilitate spread trading between currency products where positions held to termination create offsetting currency payment obligations, the Clearing House may net to the extent possible physical delivery payment obligations by clearing member customer by currency, in accordance with the procedures outlined in the Clearing House Manual of Operations. Clearing members desiring netting of obligations may only net payment obligations that arise from positions belonging to the same beneficial account owner, and shall be required to submit a Delivery Netting Request form, which identifies the final positions and net currency payments of a customer requesting delivery netting, to the Clearing House by 11:00 a.m. on the last day of trading. For U.S. Dollar/ Canadian Dollar, E-micro U.S. Dollar/Canadian dollar, U.S. Dollar/ Turkish Lira or Euro/ Turkish Lira Contracts only, such Delivery Netting Request form shall be submitted to the Clearing House by 10:00 a.m. on the last day of trading.

Clearing members may also net delivery obligations within a given currency following the last day of trading in such eligible currency product, except for U.S. Dollar/ Canadian Dollar, E-micro U.S. Dollar/Canadian Dollar, U.S. Dollar/ Turkish Lira or Euro/ Turkish Lira Contracts. Clearing members may net delivery obligations across all accounts belonging to the same beneficial account owner.

Clearing members are prohibited from netting open positions across customer accounts while a currency contract remains eligible for trading on the Exchange.

Clearing members shall be required to submit a Delivery Netting Request, which identifies the final positions and net currency delivery obligations to the Clearing House by 11:00 a.m. (10:00 a.m. for U.S. Dollar/ Canadian Dollar, E-micro U.S. Dollar/Canadian Dollar, U.S. Dollar/ Turkish Lira or Euro/ Turkish Lira Contracts), on the last day of trading, in accordance with the procedures outlined in the Clearing House Manual of Operations.

**Rule 855. OFFSETTING DIFFERENT SIZED FUTURES POSITIONS**

- A. With the consent of the account controller, a clearing member may offset and liquidate long E-Mini or E-Micro futures positions against short regular futures positions, or short E-Mini or E-Micro futures positions against long regular futures positions, held in the same account in the following ratios of E-Mini or E-Micro to regular futures contracts:

E-Mini S&P 500 to regular S&P 500:	_____	5:1
E-Mini Nasdaq 100 Index to regular Nasdaq 100 Index:	_____	5:1
E-Mini S&P Midcap 400 to regular S&P Midcap 400	_____	5:1
E-Mini Currency to regular Currency:	_____	2:1
E-Micro GBP/USD, EUR/USD, AUD/USD to regular Currency:	_____	10:1

The clearing member shall notify the Clearing House of offsetting positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement price.

The positions being offset shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding account shall be netted, thus reducing the number of open positions in such contract.

- B. With the consent of the account controller, a clearing member may convert Eurodollar and E-Mini Eurodollar futures positions into equivalent E-mini Five-year Eurodollar Bundle positions, or E-mini Five-year Eurodollar Bundle positions into equivalent Eurodollar and E-Mini Eurodollar futures positions, held in the same account in the following ratios of E-Mini to regular futures contracts:

One (1) each of twenty (20) consecutive quarterly expirations of the E-Mini Eurodollar Futures to one (1) E-mini Five-Year Eurodollar Bundle Futures

One (1) each of twenty (20) consecutive quarterly expirations of the Eurodollar Futures to ten (10) E-mini Five-Year Eurodollar Bundle Futures

The positions being converted shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding account shall be netted, thus reducing the number of open positions in such contract. The clearing member shall notify the Clearing House of the offsetting Eurodollar, E-mini Eurodollar and E-mini Five-Year Eurodollar Bundle positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement prices, with any rounding in favor of the CME holding account.

- C. With the consent of the account controller, a clearing member may offset and liquidate 10 long (short) Dow Jones CME FX\$INDEX futures positions against 4 short (long) Euro futures, 2 short (long) British pound sterling futures, 2 short (long) Japanese yen futures, 1 short (long) Swiss franc futures, 1 short (long) Canadian dollar futures and 1 short (long) Australian dollar futures, held in the same account.

The clearing member shall notify the Clearing House of offsetting positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement price.