



August 18, 2009

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

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OFFICE OF THE SECRETARIAT
C.F.T.C.

**RE: Amendments to CME Chapters 5, 453 and 453A
CME Submission No. 09-149**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of amendments to CME Rulebook Chapters 453 and 453A, which give terms and conditions for One-Month Eurodollar futures and options on One-Month Eurodollar futures, respectively. The amendments will be effective immediately. The purposes of these amendments are:

- (1) to harmonize the wording and content of Chapters 453 and 453A with Chapters 452 and 452A, respectively, which give terms and conditions for Three-Month Eurodollar futures and options on Three-Month Eurodollar futures; and
- (2) to rectify typographical errors, and to expunge references to the underlying cash market that are either outdated or non-essential.

Specific changes are as follows:

Rules 45302.A. and 453A01.A. convey responsibility for determination of trading hours, futures delivery month listings, and option expiry month listings from the "Board of Directors" to the "Exchange."

Similarly, Rule 453A01.E. conveys responsibility for determination of option strike price arrays from the "Board" to the "Exchange."

Rule 45302.C. corrects a typographical error that confounds marks-to-market for short position holders versus long position holders.

Rules 45302.D. and 453A01.F. remove obsolete language concerning the involvement of the Exchange President and the Exchange Business Conduct Committee in the administration of position accountability limits.

Rule 45303.A. removes extraneous references to the composition of the British Bankers' Association US Dollar Libor Panel.

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Throughout Chapters 453 and 453A, "One-Month Eurodollar" replaces "One-month LIBOR" as the futures contract name, for the purpose of clarifying parallels with the Exchange's flagship Three-Month Eurodollar futures and options.

Finally, "One-Month Eurodollar" supersedes "One-month LIBOR" as the futures contract name in those passages of Chapter 5 where this name appears.

Appendix 1, which begins on page 3, presents marked versions of these rule amendments, with additions underlined and deletions overstruck, as follows:

Chapter 453 - One-Month Eurodollar Futures
Chapter 453A - Options on One-Month Eurodollar Futures
Chapter 5, Rule 588.K. – No Bust Ranges
Chapter 5, Interpretation of Rule 580. – GLOBEX Trade Algorithms
Chapter 5, Position Limit and Reportable Level Table

Appendix 2, which begins on page 14, displays clean revised versions of Chapters 453 and 453A.

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 Frederick Sturm at 312-930-1282 or via e-mail at frederick.sturm@cmegroup.com, or contact me at 312-648-5422. Please reference our CME Submission No.09-149 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

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Appendix 1: Texts of Rule Amendments
(Additions are underlined. Deletions are ~~overstruck~~.)

Chapter 453
One-~~m~~Month LIBOR Eurodollar Futures

45300. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in One-Month ~~LIBOR~~ Eurodollars. The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

45301. COMMODITY SPECIFICATIONS

Each futures contract shall be for a Eurodollar Interbank Time Deposit having a principal value of \$3,000,000 with a one-month term to maturity.

45302. FUTURES CALL

45302.A. Trading Schedule ¹

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

45302.B. Trading Unit ²

The size of the unit of trading shall be Eurodollar Interbank Time Deposits in the amount of \$3,000,000 ~~with a one-month maturity~~.

45302.C. Price Increments

Bids and offers shall be quoted in terms of the IMM ~~One-Month LIBOR~~ Index, 100.0000 minus the one-month Eurodollar interbank time deposit rate on an annual basis for a 360-day year. (For example, a ~~deposit~~ rate of 7.20% percent shall be quoted as 92.8000).

Minimum fluctuations of the IMM Index shall be in multiples of .0025 Index points, equal to \$6.25 per contract ~~(\$6.25)~~. For each .0025 increase in the Index, the Clearing House shall credit ~~(\$6.25 per contract)~~ to those clearing members holding open long positions and debit ~~(\$6.25 per contract)~~ from those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit ~~(\$6.25 per contract)~~ from those clearing members holding open long positions and credit

¹ Revised December 2001.

² Revised January 1997; March 1997; August 1998.

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~~(\$6.25 per contract)~~ to those clearing members holding open ~~long~~ short positions.

45302.D. Position Accountability ³

A person owning or controlling more than 5,000 contracts net long or short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on One-Month ~~LIBOR~~ Eurodollar futures, this rule is superseded by the option position accountability rule.

~~In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased.~~

45302.E. Accumulation of Positions

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

45302.F. [Reserved] ⁴

45302.G. Termination of Trading ⁵

Futures trading shall terminate at 11:00 a.m. ~~(London Time)~~* on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.

* This is 5:00 a.m. ~~(Chicago Time)~~ except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

45302.H. Contract Modifications

Specifications shall be fixed as of the first day of trading ~~on~~ of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

³ Revised August 1995.

⁴ Rule 45302.F. eliminated August 1995.

⁵ Revised January 1997.

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45302.I. Price Limits and/or Trading Hours⁶

There shall be no trading of the One-Month ~~LIBOR~~ Eurodollar futures contract during Electronic Trading Hours (ETH) at a price more than 2.0000 IMM Index points above or below Reference RTH Price.

45303. SETTLEMENT PROCEDURES

Delivery ~~under the One Month EURODOLLAR futures contracts~~ shall be by cash settlement.

45303.A. Final Settlement Price

The Final Settlement Price of an expiring contract shall be 100 minus the one-month Eurodollar interbank time deposit rate determined at the British Bankers' Association (BBA) LIBOR fixing Interest Settlement Rate for One Month Eurodollar Interbank Time Deposits, rounded to the nearest 1/10000th of a percentage point, on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery. The value of such one-month Eurodollar interbank time deposit rate shall be rounded to the nearest 1/10,000th of a percentage point per annum. Tie values, ie, any such values ending in a .00005, shall be rounded up. (Decimal fractions ending in a five (5) are rounded up. For example, an average rate of ~~8 21/32%~~ a One-Month BBA LIBOR fixing value of 8.65625% percent would be rounded to 8.6563 percent and then subtracted from 100 to determine a contract final settlement price of 91.3437.) (The 16 reference banks selected by the British Bankers' Association to provide offered rates are major participants in the London Eurodollar Market.)⁷

45303.B. Final Settlement⁸

Clearing members holding open positions in ~~One-Month LIBOR futures~~ a contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

45303.C. - I. [Reserved]

45304.-05. [RESERVED]

45306. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. - ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

⁶ Effective September 1990. Revised March 1993; November 1993.

⁷ Revised February 1991; January 1997.

⁸ Revised June 1992.

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(End Chapter 453)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 453

The Exchange has entered into an agreement with the British Bankers' Association ("BBA") which permits the Exchange to use BBA LIBOR as the basis for settling One-Month ~~LIBOR~~Eurodollar futures contracts and to refer to BBA LIBOR in connection with creating, marketing, trading, clearing, settling and promoting One-Month ~~LIBOR~~Eurodollar futures contracts.

One-Month ~~LIBOR~~Eurodollar futures contracts are not in any way sponsored, endorsed, sold or promoted by the BBA, and the BBA has no obligation or liability in connection with the trading of any such contracts. BBA LIBOR is compiled and calculated solely by the BBA. However, the BBA shall not be liable (whether in negligence or otherwise) to any person for any error in BBA LIBOR, and the BBA shall not be under any obligation to advise any person of any error therein.

THE BBA MAKES NO WARRANTY, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF BBA LIBOR AND/OR THE FIGURE AT WHICH BBA LIBOR STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. THE BBA MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR USE WITH RESPECT TO ONE-MONTH ~~LIBOR~~EURODOLLAR FUTURES CONTRACTS.

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Chapter 453A
Options on One-Month ~~LIBOR~~ Eurodollar Futures

453A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the One-Month ~~LIBOR Eurodollar~~ futures contract ("~~LIBOR~~ options" or "option 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.

453A01. OPTION CHARACTERISTICS

453A01.A. Contract Months, Trading Hours, and Trading Halts ¹

Options ~~contracts~~ shall be listed for such contract months and scheduled for trading during such hours, except as indicated below, as may be determined by the ~~Board of Directors~~ Exchange.

There shall be no trading in any ~~One-Month LIBOR~~ option contract when the primary futures contract for that ~~One-Month LIBOR~~ option contract is limit bid or offered. For the purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule during Electronic Trading Hours (ETH), the GLOBEX Control Center shall have the responsibility for determining whether the primary futures contract is limit bid or offered.

453A01.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 ~~IMM One-Month LIBOR Eurodollar~~ futures contract as specified in Chapter 453.

453A01.C. Minimum Fluctuations ²³

The price of an option shall be quoted in IMM ~~One-Month LIBOR~~ Index points. Each .01 ~~IMM One-Month LIBOR~~ Index point (1 basis point) shall represent \$25. For example, a quote of 0.35 Index points represents an option price of 875 dollars (35 basis points x 25 dollars). The minimum fluctuation shall be .0025 ~~IMM One-Month LIBOR~~ Index Points ~~(also known as one quarter tick)~~, equal to \$6.25 per contract.

¹ Revised December 2001.

² Revised August 1992; November 1992; December 1992; August 1995; January 1997; March 1997; August 1998.

³ Revised August 1992; November 1992; December 1992.

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453A01.D. [Reserved]

453A01.E. Exercise Prices ⁴

Exercise prices shall be stated in terms of the IMM ~~One Month LIBOR~~ Index for the One-Month ~~LIBOR Eurodollar~~ futures contract that is deliverable upon exercise of the option, and shall be at intervals of .125 ~~Index Points for all IMM One Month LIBOR Index levels~~, e.g., 92.125, 92.25, 92.375, 92.50, 92.625, 92.75, etc. ⁵

At the commencement of trading in a contract month, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the underlying futures contract.

~~For option contracts months with terms to expiry of 12 months or less whose expiration date is up to and including 12 months away, the Exchange shall list all eligible exercise prices within a range of 1.50 IMM One Month LIBOR Index points above and below the exercise price that is nearest the underlying futures contract daily settlement price shall be listed for trading.~~ Thereafter, the Exchange shall add for trading all eligible exercise prices within a range of 1.50 IMM ~~One Month LIBOR~~ Index points above and 1.50 IMM ~~One Month LIBOR~~ Index points below the exercise price nearest the previous day's underlying futures contract settlement price.

~~For option contracts months with terms to expiry that are greater than 12 months and that are less than or equal to 15 months whose expiration date is more than 12 months up to and including 15 months away, the Exchange shall list all eligible exercise prices within a range of 1.75 IMM One Month LIBOR Index points above and below the exercise price that is nearest the underlying futures contract daily settlement price shall be listed for trading.~~ Thereafter, the Exchange shall add for trading all eligible exercise prices within a range of 1.75 IMM ~~One Month LIBOR~~ Index points above and 1.75 IMM ~~One Month LIBOR~~ Index points below the exercise price nearest the previous day's underlying futures contract settlement price.

~~For option contracts months with terms to expiry that are greater than 15 months whose expiration date is more than 15 months away, the Exchange shall list all eligible exercise prices within a range of 2.25 IMM One Month LIBOR Index points above and below the exercise price that is nearest the underlying futures contract daily settlement price shall be listed for trading.~~ Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 2.25 IMM ~~One Month LIBOR~~ Index points above and 2.25 IMM ~~One Month LIBOR~~ Index points below the exercise price nearest the previous day's underlying futures contract settlement price.

⁴ Revised December 2001.

⁵ Revised June 1998.

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New options may be listed for trading up to and including the termination of trading.⁶ The ~~Board~~ Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

453A01.F. Position Accountability⁷

A person owning or controlling a combination of more than 5,000 futures-equivalent contracts net on the same side of the market shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

~~In addition, the Exchange President or his designee of the Business Conduct Committee may require, at their discretion, that such positions not be further increased.~~

For the purpose of this rule, the futures equivalent of an option contract ~~is 1 times~~ shall be the previous business day's IOM risk factor for ~~the~~ that option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

453A01.G. [Reserved]

453A01.H. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

453A01.I. [Reserved]⁸

453A01.J. Termination of Trading

~~Options Trading in an expiring option shall terminate at~~ on the same date and at the same time as the underlying futures contract.

453A01.K. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. Government, an agency or duly constituted body thereof issues an order, ruling,

⁶ Revised July 1992.

⁷ Revised August 1995.

⁸ Rule 453A01.I. eliminated August 1995.

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directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such government orders.

453A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of ~~One Month LIBOR~~ options.

453A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day that the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall be exercised automatically, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of expiration by the clearing member representing the option buyer, ~~be exercised automatically.~~⁹

Corrections to option exercises may be accepted by the Clearing House after the 7:00 p.m. deadline and up to the beginning of final option expiration processing provided that such corrections are necessary due to: (1) a bona fide clerical error, (2) an unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to the deadline. The decision whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.¹⁰

453A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned 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 short position if a put

⁹ An option is in the money if the final settlement price of the underlying futures contract lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

¹⁰ Adopted August 1995.

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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.

*453A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER
EMERGENCIES*

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER
EMERGENCIES)

(End Chapter 453A)

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588.K. No Bust Ranges

Futures Contract
Eurodollars, and E-mini Eurodollar ~~and LIBOR~~

No Bust Range
2.5 basis points

INTERPRETATION OF RULE 580.— GLOBEX TRADE ALGORITHMS

Pro Rata Allocation Algorithm

The Exchange has determined to use a Pro Rata Allocation Algorithm to match orders in Eurodollar futures, Euroyen futures and One-Month ~~LIBOR~~Eurodollar futures contracts entered in the Globex Electronic Trading System. Unless specifically referenced in this Interpretation, all other futures and options contracts, including Eurodollar options, will continue to use the default matching algorithm based on price and time priority. Eurodollar futures contracts were chosen to use the Pro Rata Allocation Algorithm because they usually trade in a narrow price range, and each price level is represented by size. The Pro Rata Allocation Algorithm operates as follows...

Implied Order Algorithm

The Exchange has determined to use an Implied Order Algorithm to create orders for selected individual contracts, calendar spreads, and butterfly spreads in Eurodollar futures, Euroyen futures and One-Month ~~LIBOR~~Eurodollar futures contracts, and in selected individual contracts and calendar spreads in agricultural futures contracts, and calendar spreads in CME Eurozone HICP futures contracts, and calendar and inter-commodity spreads in CME Housing futures contracts entered in the Globex Electronic Trading System.

Eurodollar Futures, Euroyen Futures and One-Month ~~LIBOR~~Eurodollar Futures Contracts: For the purpose of this rule interpretation, buying one butterfly spread (butterfly) means simultaneously buying and selling contracts with three different expirations in the following proportion: buying one contract with the most nearby of the three expirations, selling two contracts with the second of the three expirations and buying one contract with the most deferred of the three expirations. Unless specifically referenced in this Interpretation, all other futures and options contracts, will continue to use the Pro Rata Allocation Algorithm. This Implied Order Algorithm for Eurodollar futures, Euroyen futures and One-Month ~~LIBOR~~Eurodollar futures contracts operates as follows...

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POSITION LIMIT AND REPORTABLE LEVEL TABLE

CONTRACT NAME	OPTIONS	SCALE-DOWN SPOT MONTH (1)	SCALE-DOWN SPOT MONTH (2)	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORT-ABLE FUTURES LEVEL	REPORT-ABLE OPTION LEVEL
CME Interest Rate									
13 Week Treasury Bill	Y			15%		*(A) 5,000		100	100
3 Month Eurodollar	Y						*(B) 10,000	850	850
3 Month OIS	Y						*(D) 10,000	25	50
3 Month Eurodollar -- E-Mini							*(C) 100,000	25	
5 Year Eurodollar Bundle -- E-Mini							**1,000	45	
Euroyen	Y					*5,000		25	25
Euroyen Libor	Y					*5,000		25	25
MidCurve Eurodollar	Y						*(B) 10,000		25
One Month Libor Eurodollar	Y						**5,000	100	100

*(A) No more than the specified number of contracts net long or net short in all contract months combined, except that in no event shall own or control more than the numbers of contracts that correspond to fifteen percent of the announced auction amount of the 91-day U.S. Treasury Bill auction to which the contract settles in the lead month on or after the day two days prior to the delivery day.

*(B) Net Futures Equivalent Positions are combined across Eurodollar, Eurodollar E-mini, and Mid-Curve futures and options to determine Position Accountability.

*(C) 100,000 net long or short but 10,000 net futures equivalents and is combined with ED, E-mini ED, and Midcurves.

*(D) Net Futures Equivalent Positions are combined across OIS futures and options to determine Position Accountability.

*Net futures equivalents (NFE) long or short.

** Position Accountability rule: A person owning or controlling more than the specified number of futures or futures equivalent contracts net long or short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

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Appendix 2: Chapters 453 and 453A as Amended

Chapter 453 One-Month Eurodollar Futures

45300. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in One-Month Eurodollars. The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

45301. COMMODITY SPECIFICATIONS

Each futures contract shall be for a Eurodollar Interbank Time Deposit having a principal value of \$3,000,000 with a one-month term to maturity.

45302. FUTURES CALL

45302.A. Trading Schedule ¹

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

45302.B. Trading Unit ²

The size of the unit of trading shall be Eurodollar Interbank Time Deposits in the amount of \$3,000,000.

45302.C. Price Increments

Bids and offers shall be quoted in terms of the IMM Index, 100.0000 minus the one-month Eurodollar interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 7.20 percent shall be quoted as 92.8000).

Minimum fluctuations of the IMM Index shall be in multiples of .0025 Index points, equal to \$6.25 per contract. For each .0025 increase in the Index, the Clearing House shall credit \$6.25 per contract to those clearing members holding open long positions and debit \$6.25 per contract from those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit \$6.25 per contract from those clearing members holding open long positions and credit \$6.25 per contract to those clearing members holding open short positions.

¹ Revised December 2001.

² Revised January 1997; March 1997; August 1998.

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45302.D. Position Accountability ³

A person owning or controlling more than 5,000 contracts net long or short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on One-Month Eurodollar futures, this rule is superseded by the option position accountability rule.

45302.E. Accumulation of Positions

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

45302.F. [Reserved] ⁴

45302.G. Termination of Trading ⁵

Futures trading shall terminate at 11:00 a.m. London Time* on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.

* This is 5:00 a.m. Chicago Time except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

45302.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

45302.I. Price Limits and/or Trading Hours ⁶

There shall be no trading of the One-Month Eurodollar futures contract during Electronic Trading Hours (ETH) at a price more than 2.0000 IMM Index points above or below Reference RTH Price.

45303. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

³ Revised August 1995.

⁴ Rule 45302.F. eliminated August 1995.

⁵ Revised January 1997.

⁶ Effective September 1990. Revised March 1993; November 1993.

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45303.A. Final Settlement Price

The Final Settlement Price of an expiring contract shall be 100 minus the one-month Eurodollar interbank time deposit rate determined at the British Bankers' Association (BBA) LIBOR fixing on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery. The value of such one-month Eurodollar interbank time deposit rate shall be rounded to the nearest 1/10,000th of a percentage point per annum. Tie values, ie, any such values ending in a .00005, shall be rounded up. For example, a One-Month BBA LIBOR fixing value of 8.65625 percent would be rounded to 8.6563 percent and then subtracted from 100 to determine a contract final settlement price of 91.3437.⁷

45303.B. Final Settlement⁸

Clearing members holding open positions in a contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

45303.C. - I. [Reserved]

45304.-05. [RESERVED]

45306. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 453)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 453

The Exchange has entered into an agreement with the British Bankers' Association ("BBA") which permits the Exchange to use BBA LIBOR as the basis for settling One-Month Eurodollar futures contracts and to refer to BBA LIBOR in connection with creating, marketing, trading, clearing, settling and promoting One-Month Eurodollar futures contracts.

One-Month Eurodollar futures contracts are not in any way sponsored, endorsed, sold or promoted by the BBA, and the BBA has no obligation or liability in connection with the trading of any such contracts. BBA LIBOR is compiled and calculated solely by the BBA. However, the BBA shall not be liable (whether in negligence or otherwise) to any

⁷ Revised February 1991; January 1997.

⁸ Revised June 1992.

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person for any error in BBA LIBOR, and the BBA shall not be under any obligation to advise any person of any error therein.

THE BBA MAKES NO WARRANTY, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF BBA LIBOR AND/OR THE FIGURE AT WHICH BBA LIBOR STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. THE BBA MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR USE WITH RESPECT TO ONE-MONTH EURODOLLAR FUTURES CONTRACTS.

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Chapter 453A
Options on One-Month Eurodollar Futures

453A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the One-Month Eurodollar futures contract ("options" or "option 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.

453A01. OPTION CHARACTERISTICS

453A01.A. Contract Months, Trading Hours, and Trading Halts ¹

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

There shall be no trading in any option contract when the primary futures contract for that option contract is limit bid or offered. For the purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule during Electronic Trading Hours (ETH), the GLOBEX Control Center shall have the responsibility for determining whether the primary futures contract is limit bid or offered.

453A01.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 One-Month Eurodollar futures contract as specified in Chapter 453.

453A01.C. Minimum Fluctuations ²³

The price of an option shall be quoted in IMM Index points. Each .01 Index point (1 basis point) shall represent \$25. For example, a quote of 0.35 Index points represents an option price of 875 dollars (35 basis points x 25 dollars). The minimum fluctuation shall be .0025 Index Points, equal to \$6.25 per contract.

453A01.D. [Reserved]

453A01.E. Exercise Prices ⁴

Exercise prices shall be stated in terms of the IMM Index for the One-Month Eurodollar futures contract that is deliverable upon exercise of the option, and shall be at intervals

¹ Revised December 2001.

² Revised August 1992; November 1992; December 1992; August 1995; January 1997; March 1997; August 1998.

³ Revised August 1992; November 1992; December 1992.

⁴ Revised December 2001.

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of .125 Index Points, e.g., 92.125, 92.25, 92.375, 92.50, 92.625, 92.75, etc.⁵

At the commencement of trading in a contract month, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the underlying futures contract.

For option contracts with terms to expiry of 12 months or less, the Exchange shall list all eligible exercise prices within a range of 1.50 IMM Index points above and below the exercise price that is nearest the underlying futures contract daily settlement price. Thereafter, the Exchange shall add for trading all eligible exercise prices within a range of 1.50 IMM Index points above and 1.50 IMM Index points below the exercise price nearest the previous day's underlying futures contract settlement price.

For option contracts with terms to expiry that are greater than 12 months and that are less than or equal to 15 months, the Exchange shall list all eligible exercise prices within a range of 1.75 IMM Index points above and below the exercise price that is nearest the underlying futures contract daily settlement price. Thereafter, the Exchange shall add for trading all eligible exercise prices within a range of 1.75 IMM Index points above and 1.75 IMM Index points below the exercise price nearest the previous day's underlying futures contract settlement price.

For option contracts with terms to expiry that are greater than 15 months, the Exchange shall list all eligible exercise prices within a range of 2.25 IMM Index points above and below the exercise price that is nearest the underlying futures contract daily settlement price. Thereafter, the Exchange shall add for trading all eligible exercise prices in a range of 2.25 IMM Index points above and 2.25 IMM Index points below the exercise price nearest the previous day's underlying futures contract settlement price.

New options may be listed for trading up to and including the termination of trading.⁶ The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

453A01.F. Position Accountability⁷

A person owning or controlling a combination of more than 5,000 futures-equivalent contracts net on the same side of the market shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

For the purpose of this rule, the futures equivalent of an option contract shall be the previous business day's IOM risk factor for that option series. Also for purposes of this

⁵ Revised June 1998.

⁶ Revised July 1992.

⁷ Revised August 1995.

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rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

453A01.G. [Reserved]

453A01.H. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

453A01.I. [Reserved]⁸

453A01.J. Termination of Trading

Trading in an expiring option shall terminate on the same date and at the same time as the underlying futures contract.

453A01.K. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. Government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such government orders.

453A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options.

453A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day that the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall be exercised automatically, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of expiration by the

⁸ Rule 453A01.I. eliminated August 1995.

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clearing member representing the option buyer.⁹

Corrections to option exercises may be accepted by the Clearing House after the 7:00 p.m. deadline and up to the beginning of final option expiration processing provided that such corrections are necessary due to (1) a bona fide clerical error, (2) an unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to the deadline. The decision whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.¹⁰

453A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned 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 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.

453A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 453A)

⁹ An option is in the money if the final settlement price of the underlying futures contract lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

¹⁰ Adopted August 1995.