

September 8, 2013

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: CFTC Regulation 40.6(a) Submission Certification

Modification of the Daily Price Limit and Trading Halt Methodology for

CME's Three Nikkei Stock Average Futures Contracts

CME Submission No. 13-374

Dear Ms. Jurgens:

The Chicago Mercantile Exchange Inc. ("CME") pursuant to Commodity Futures Trading Commission ("Commission") Regulation 40.6(a) hereby self-certifies the modification of the daily price limit and trading halt methodology Rule (Rule XXX02.I.) for CME's three Nikkei Stock Average futures contracts.

The three Nikkei Stock Average futures contracts are:

- 1. Nikkei Stock Average Futures (CME Rulebook Chapter 352)
- Yen Denominated Nikkei Stock Average Futures (CME Rulebook Chapter 352B)
- 3. E-mini Yen Denominated Nikkei Stock Average Futures (CME Rulebook Chapter 370)

These rulebook modifications will be effective for trade date Monday, September 23, 2013.

The purpose of the change in CME's daily Price Limit and Trading Halt methodology for Nikkei Stock Average futures contracts is to align CME's price limit and trading halt methodology more closely to the price limit and trading halt practices employed at the Osaka Securities Exchange ("OSE"). Nikkei 225 futures and Nikkei 225 mini futures are the flagship stock index products at OSE.

The new CME Nikkei Stock Average futures price limit methodology will closely replicate the price limit methodology used at OSE, utilizing a three-tier approach for daily up and down price limit offset levels. These three price limit offset levels are:

- 1. eight percent (8%)
- 2. twelve percent (12%)
- 3. sixteen percent (16%)

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The new CME price limit offset levels will be calculated once every three months during the months of February, May, August and November. The price limit offset levels will be based on a 20-day arithmetic average of the closing value of the OSE Nikkei 225 index calculated prior to the beginning of each three month price limit period. The offset levels will be fixed for a three month price limit period. The offset levels, based on the 20-day arithmetic average, will be rounded down to the closest integer value.

The OSE Nikkei 225 futures fixing price is a Volume Weighted Average Price ("VWAP") calculated from 2:59:30 to 3:00:00 p.m. Tokyo time.

The three month price limit period for CME Nikkei 225 futures will be as follows:

- 1. March 1 through May 31
- 2. June 1 through August 31
- 3. September 1 through November 30
- 4. December 1 through February 28 (or February 29 during a leap year)

In addition, the name of CME Rulebook Chapter 370, E-mini Yen Denominated Nikkei Stock Average Index futures contract is being modified to E-mini Yen Denominated Nikkei Stock Average futures, i.e. the word Index is deleted after the word Average. This change is being made so that this futures contract name is consistent with CME's two other Nikkei 225 based futures contracts.

The Research Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, we have identified that the new product may have some bearing on the following Core Principles:

Availability of general information: The marketplace will be notified of the change to the
daily price limit and trading halt for CME's three Nikkei 225 based stock average futures
contracts via a Special Executive Report ("SER"). The Exchange will also publish
information on the time change associated with the close of trading on the Last Trading
Day on its website. A copy of SER S 6808 is included in Appendix B to this submission.

A blackline and clean copy of the rule changes are included in the Appendix A to this submission. CME Group Special Executive Report S-6808 will notify the marketplace of the proposed amendments and is attached as Appendix B.

The Exchange has discussed these proposed changes with its members and other market participants. There were no substantive opposing views. The Exchange certifies that the proposed amendments comply with the Act and rules thereunder.

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

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If you require any additional information regarding this action, please do not hesitate to contact me at 312-466-7478 or <u>Tim.Elliott@cmegroup.com</u>. Please reference CME Submission No. 13-374 in any related correspondence.

Sincerely,

/s/ Tim Elliott
Executive Director and Associate General Counsel

cc: Mr. Thomas M. Leahy and Mr. Philip Colling
CFTC Division of Market Oversight, Product Review & Analysis Section

Attachment: Appendix A – Rule Amendments

Appendix B – CME Group Special Executive Report S-6808

APPENDIX Rule Amendments

(Additions are <u>underlined</u>, deletions are [bracketed and struck-through])

Chapter 352 Nikkei Stock Average Futures

35202.I. Price Limits[,] and Trading Halts[, and/or Trading Hours]

[There shall be no trading at a price more that the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of the lead month futures contract on the last Business Day of the preceding month:

[Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000]

The primary Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

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8% Offset (= 8% x 20-day Average, rounded down to the closest 10 point increment)
12% Offset (= 12% x 20-day Average, rounded down to the closest 10 point increment)
16% Offset (= 16% x 20-day Average, rounded down to the closest 10 point increment)
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The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Nikkei Stock Average futures shall be calculated as follows:

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1st Price LimitsequalsRounded Reference Price (P) ± 8% Offset level2nd Price LimitsequalsRounded Reference Price (P) ± 12% Offset level3rd Price LimitsequalsRounded Reference Price (P) ± 16% Offset level
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If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 352B Yen Denominated Nikkei Stock Average Futures

352B02.I. Price Limits[,] and Trading Halts[, and/or Trading Hours]

[There shall be no trading at a price more that the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of the lead month futures contract on the last Business Day of the preceding month:

[Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000]

The primary Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8% x 20-day Average, rounded down to the closest 10 point increment)
12% Offset (= 12% x 20-day Average, rounded down to the closest 10 point increment)
16% Offset (= 16% x 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

```
1^{st} Price LimitsequalsRounded Reference Price (P) ± 8% Offset level2^{nd} Price LimitsequalsRounded Reference Price (P) ± 12% Offset level3^{rd} Price LimitsequalsRounded Reference Price (P) ± 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 370 E-mini Yen Denominated Nikkei Stock Average [Index] Futures

37000. SCOPE OF CHAPTER

This chapter is limited in application to E-mini Yen Denominated Nikkei Stock Average[Index] ("E-mini Yen Nikkei") futures. In addition to this chapter, E-mini Yen Nikkei futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

37001. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥100 times the Nikkei Stock Average. The Nikkei Stock Average [Index] is a broadly based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

37002. TRADING SPECIFICATIONS

37002.A. Trading Schedule

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

37002.B. Trading Unit

The unit of trading shall be ¥100 times the Nikkei Stock Average Index.

37002.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average [Index]. The minimum fluctuation of the futures contract shall be 10 points, equivalent to ¥1000 per contract.

37002.D. 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.

37002.E. [Reserved]

37002.F. [Reserved]

37002.G. Termination of Trading

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

37002.H. [Reserved]

37002.I. Price Limits[,] and Trading Halts[, and/or Trading Hours]

[There shall be no trading at a price more that the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of the lead month futures contract on the last Business Day of the preceding month:]

[Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000]

The primary E-mini Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in E-mini Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

8% Offset (= 8% × 20-day Average, rounded down to the closest 10 point increment)
12% Offset (= 12% × 20-day Average, rounded down to the closest 10 point increment)
16% Offset (= 16% × 20-day Average, rounded down to the closest 10 point increment)

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for E-mini Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

1st Price LimitsequalsRounded Reference Price (P) ± 8% Offset level2nd Price LimitsequalsRounded Reference Price (P) ± 12% Offset level3rd Price LimitsequalsRounded Reference Price (P) ± 16% Offset level

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits - Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

37003. SETTLEMENT PROCEDURES

Final settlement of the E-mini Yen Nikkei futures contract shall be by cash settlement.

37003.A. Final Settlement Price

The final settlement price shall be the special opening quotation of the Nikkei Stock Average

[Index] which is used to settle the Nikkei Stock Average [Index] Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

37003.B. Final Settlement

Clearing members holding open positions in an E-mini Yen Nikkei futures 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.

37004. [RESERVED]

37005-06 [RESERVED]

(End Chapter 370)

CLEAN COPY OF AMENDED RULES

Chapter 352 Nikkei Stock Average Futures

35202.I. Price Limits and Trading Halts

The primary Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8\% \times 20-day Average, rounded down to the closest 10 point increment) 12% Offset (= 12\% \times 20-day Average, rounded down to the closest 10 point increment) 16% Offset (= 16\% \times 20-day Average, rounded down to the closest 10 point increment)
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The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31 June 1 through August 31 September 1 through November 30 December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Nikkei Stock Average futures shall be calculated as follows:

```
1^{st} Price Limits equals Rounded Reference Price (P) \pm 8% Offset level 2^{nd} Price Limits equals Rounded Reference Price (P) \pm 12% Offset level 3^{rd} Price Limits equals Rounded Reference Price (P) \pm 16% Offset level
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If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits - Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 352B Yen Denominated Nikkei Stock Average Futures

352B02.I. Price Limits and Trading Halts

The primary Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8\% \times 20-day Average, rounded down to the closest 10 point increment) 12% Offset (= 12\% \times 20-day Average, rounded down to the closest 10 point increment) 16% Offset (= 16\% \times 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31 June 1 through August 31 September 1 through November 30

December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

```
1^{st} Price Limits equals Rounded Reference Price (P) \pm 8% Offset level 2^{nd} Price Limits equals Rounded Reference Price (P) \pm 12% Offset level 3^{rd} Price Limits equals Rounded Reference Price (P) \pm 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits - Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 370 E-mini Yen Denominated Nikkei Stock Average Futures

37000. SCOPE OF CHAPTER

This chapter is limited in application to E-mini Yen Denominated Nikkei Stock Average ("E-mini Yen Nikkei") futures. In addition to this chapter, E-mini Yen Nikkei futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

37001. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥100 times the Nikkei Stock Average. The Nikkei Stock Average is a broadly based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

37002. TRADING SPECIFICATIONS

37002.A. Trading Schedule

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

37002.B. Trading Unit

The unit of trading shall be ¥100 times the Nikkei Stock Average Index.

37002.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average. The minimum fluctuation of the futures contract shall be 10 points, equivalent to ¥1000 per contract.

37002.D. 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.

37002.E. [Reserved]

37002.F. [Reserved]

37002.G. Termination of Trading

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

37002.H. [Reserved]

37002.I. Price Limits and Trading Halts

The primary E-mini Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in E-mini Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8\% \times 20-day Average, rounded down to the closest 10 point increment) 12% Offset (= 12\% \times 20-day Average, rounded down to the closest 10 point increment) 16% Offset (= 16\% \times 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for E-mini Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

```
1^{\text{st}} Price Limits equals Rounded Reference Price (P) \pm 8% Offset level 2^{\text{nd}} Price Limits equals Rounded Reference Price (P) \pm 12% Offset level 3^{\text{rd}} Price Limits equals Rounded Reference Price (P) \pm 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

37003. SETTLEMENT PROCEDURES

Final settlement of the E-mini Yen Nikkei futures contract shall be by cash settlement.

37003.A. Final Settlement Price

The final settlement price shall be the special opening quotation of the Nikkei Stock Average

which is used to settle the Nikkei Stock Average Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

37003.B. Final Settlement

Clearing members holding open positions in an E-mini Yen Nikkei futures 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.

37004. [RESERVED]

37005-06 [RESERVED]

(End Chapter 370)

APPENDIX B



Special Executive Report

S-6808 xxx, 2013

CME Group announces a change to the Price Limit and Trading Halt Methodology for CME Nikkei 225 Stock Average Futures Contracts

CME Group announces a modification to the Price Limit and Trading Halt methodology for CME's three Nikkei 225 Stock Average Futures Contracts.

The three Nikkei 225 Stock Average futures contracts are:

- 1. Nikkei Stock Average Futures (CME Rulebook Chapter 352)
- 2. Yen Denominated Nikkei Stock Average Futures (CME Rulebook Chapter 352B)
- 3. E-mini Yen Denominated Nikkei Stock Average Futures (CME Rulebook Chapter 370)

These rulebook modifications will be effective for trade date Monday, September 23, 2013, pending regulatory review.

The new CME Nikkei 225 price limit methodology will nearly replicate the price limit methodology used at OSE, utilizing a three-tier approach for daily up and down price limit offset levels. These three price limit offset levels are:

- 4. eight percent (8%)
- 5. twelve percent (12%)
- 6. sixteen percent (16%)

The new CME price limit offset levels will be calculated once every three months during the months of February, May, August and November. The price limit offset levels will be based on a 20-day arithmetic average of the closing value of the OSE Nikkei 225 index calculated prior to the beginning of each three month price limit period. The offset levels will be fixed for a three month price limit period. The offset levels, based on the 20-day arithmetic average, will be rounded down to the closest integer value.

The 8%, 12% and 16% offset levels will be added to and subtracted from the an OSE Nikkei 225 futures fixing price to determine the daily CME Nikkei 225 Stock Average futures price limits. The OSE Nikkei 225 futures fixing price is based on a Volume Weighted Average Price ("VWAP") calculated from 2:59:30 to 3:00:00 p.m. Tokyo time.

The three month price limit periods for CME Nikkei 225 futures will be as follows:

- 5. March 1 through May 31
- 6. June 1 through August 31

- 7. September 1 through November 30
- 8. December 1 through February 28 (or February 29 during a leap year)

The purpose of the change in CME's daily Price Limit and Trading Halt methodology for Nikkei 225 based futures contracts is to align CME's price limit and trading halt methodology more closely to the price limit and trading halt practices employed at the Osaka Securities Exchange ("OSE"). Nikkei 225 futures and Nikkei 225 mini futures are the flagship stock index products at OSE.

A black-line and clean copy of the Price Limit and Trading Halt rule changes are also included in the Appendix to this SER.

In addition, the name of the CME Rulebook Chapter 370, E-mini Yen Denominated Nikkei Stock Average Index futures contract is being modified to E-mini Yen Denominated Nikkei Stock Average futures, i.e. the word Index is deleted after the word Average. This change is being made so that this futures contract name is consistent with CME's two other Nikkei 225 based futures contracts.

Please contact Mr. John Nyhoff, Research & Product Development at 312-930-2310; or Ms. Lucy Wang, Director, Financial Research & Product Development at (312)648-5478 if you have any inquiries regarding this matter.

(Additions are underlined, deletions are [bracketed and struck-through])

Chapter 352: Nikkei Stock Average Futures

35202.I. Price Limits[,] and Trading Halts[, and/or Trading Hours]

[There shall be no trading at a price more that the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of the lead month futures contract on the last Business Day of the preceding month:

[Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000]

The primary Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- <u>Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures</u>
 <u>trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.</u>
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8% × 20-day Average, rounded down to the closest 10 point increment)
12% Offset (= 12% × 20-day Average, rounded down to the closest 10 point increment)
16% Offset (= 16% × 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Nikkei Stock Average futures shall be calculated as follows:

```
1st Price LimitsequalsRounded Reference Price (P) ± 8% Offset level2nd Price LimitsequalsRounded Reference Price (P) ± 12% Offset level3rd Price LimitsequalsRounded Reference Price (P) ± 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits – Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 352B Yen Denominated Nikkei Stock Average Futures

352B02.I. Price Limits[-] and Trading Halts[-, and/or Trading Hours]

[There shall be no trading at a price more that the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of the lead month futures contract on the last Business Day of the preceding month:

[Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000]

The primary Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- <u>Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures</u> trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8\% \times 20-day Average, rounded down to the closest 10 point increment)

12% Offset (= 12\% \times 20-day Average, rounded down to the closest 10 point increment)

16% Offset (= 16\% \times 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

```
1st Price LimitsequalsRounded Reference Price (P) ± 8% Offset level2nd Price LimitsequalsRounded Reference Price (P) ± 12% Offset level3rd Price LimitsequalsRounded Reference Price (P) ± 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 370 E-mini Yen Denominated Nikkei Stock Average [Index] Futures

37000. SCOPE OF CHAPTER

This chapter is limited in application to E-mini Yen Denominated Nikkei Stock Average[Index] ("E-mini Yen Nikkei") futures. In addition to this chapter, E-mini Yen Nikkei futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

37001. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥100 times the Nikkei Stock Average. The Nikkei Stock Average [Index] is a broadly based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

37002. TRADING SPECIFICATIONS

37002.A. Trading Schedule

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

37002.B. Trading Unit

The unit of trading shall be ¥100 times the Nikkei Stock Average Index.

37002.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average [Index]. The minimum fluctuation of the futures contract shall be 10 points, equivalent to ¥1000 per contract.

37002.D. 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.

37002.E. [Reserved]

37002.F. [Reserved]

37002.G. Termination of Trading

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

37002.H. [Reserved]

37002.I. Price Limits[,] and Trading Halts[, and/or Trading Hours]

[There shall be no trading at a price more that the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of the lead month futures contract on the last Business Day of the preceding month:

[Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000]

The primary E-mini Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in E-mini Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P. and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

8% Offset (= 8% x 20-day Average, rounded down to the closest 10 point increment)
12% Offset (= 12% x 20-day Average, rounded down to the closest 10 point increment)
16% Offset (= 16% x 20-day Average, rounded down to the closest 10 point increment)

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31
June 1 through August 31
September 1 through November 30
December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for E-mini Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

1st Price LimitsequalsRounded Reference Price (P) ± 8% Offset level2nd Price LimitsequalsRounded Reference Price (P) ± 12% Offset level3rd Price LimitsequalsRounded Reference Price (P) ± 16% Offset level

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits - Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

37003. SETTLEMENT PROCEDURES

Final settlement of the E-mini Yen Nikkei futures contract shall be by cash settlement.

37003.A. Final Settlement Price

The final settlement price shall be the special opening quotation of the Nikkei Stock Average

[Index] which is used to settle the Nikkei Stock Average [Index] Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

37003.B. Final Settlement

Clearing members holding open positions in an E-mini Yen Nikkei futures 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.

37004. [RESERVED]

37005-06 [RESERVED]

(End Chapter 370)

Chapter 352 Nikkei Stock Average Futures

35202.I. Price Limits and Trading Halts

The primary Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8\% \times 20-day Average, rounded down to the closest 10 point increment) 12% Offset (= 12\% \times 20-day Average, rounded down to the closest 10 point increment) 16% Offset (= 16\% \times 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31 June 1 through August 31 September 1 through November 30 December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Nikkei Stock Average futures shall be calculated as follows:

```
1^{st} Price Limits equals Rounded Reference Price (P) \pm 8% Offset level 2^{nd} Price Limits equals Rounded Reference Price (P) \pm 12% Offset level 3^{rd} Price Limits equals Rounded Reference Price (P) \pm 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits – Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 352B Yen Denominated Nikkei Stock Average Futures

352B02.I. Price Limits and Trading Halts

The primary Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8% × 20-day Average, rounded down to the closest 10 point increment)
12% Offset (= 12% × 20-day Average, rounded down to the closest 10 point increment)
16% Offset (= 16% × 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31 June 1 through August 31 September 1 through November 30 December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

```
1^{\text{st}} Price Limits equals Rounded Reference Price (P) \pm 8% Offset level 2^{\text{nd}} Price Limits equals Rounded Reference Price (P) \pm 12% Offset level 3^{\text{rd}} Price Limits equals Rounded Reference Price (P) \pm 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

Chapter 370 E-mini Yen Denominated Nikkei Stock Average Futures

37000. SCOPE OF CHAPTER

This chapter is limited in application to E-mini Yen Denominated Nikkei Stock Average ("E-mini Yen Nikkei") futures. In addition to this chapter, E-mini Yen Nikkei futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

37001. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥100 times the Nikkei Stock Average. The Nikkei Stock Average is a broadly based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

37002. TRADING SPECIFICATIONS

37002.A. Trading Schedule

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

37002.B. Trading Unit

The unit of trading shall be ¥100 times the Nikkei Stock Average Index.

37002.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average. The minimum fluctuation of the futures contract shall be 10 points, equivalent to ¥1000 per contract.

37002.D. 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.

37002.E. [Reserved]

37002.F. [Reserved]

37002.G. Termination of Trading

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

37002.H. [Reserved]

37002.I. Price Limits and Trading Halts

The primary E-mini Yen Denominated Nikkei Stock Average futures contract expiration month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in E-mini Yen Denominated Nikkei Stock Average futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

- Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from 2:59:30 to 3:00:00 p.m. Tokyo time.
- Tier 2 If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.
- Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

```
8% Offset (= 8\% \times 20-day Average, rounded down to the closest 10 point increment) 12% Offset (= 12\% \times 20-day Average, rounded down to the closest 10 point increment) 16% Offset (= 16\% \times 20-day Average, rounded down to the closest 10 point increment)
```

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March1 through May 31 June 1 through August 31 September 1 through November 30 December 1, through February 28 (or February 29 during a leap year) The Daily Price Limits for E-mini Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

```
1^{st} Price Limits equals Rounded Reference Price (P) \pm 8% Offset level 2^{nd} Price Limits equals Rounded Reference Price (P) \pm 12% Offset level 3^{rd} Price Limits equals Rounded Reference Price (P) \pm 16% Offset level
```

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits - Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits - Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit bid at the end of the 10-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

37003. SETTLEMENT PROCEDURES

Final settlement of the E-mini Yen Nikkei futures contract shall be by cash settlement.

37003.A. Final Settlement Price

The final settlement price shall be the special opening quotation of the Nikkei Stock Average

which is used to settle the Nikkei Stock Average Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

37003.B. Final Settlement

Clearing members holding open positions in an E-mini Yen Nikkei futures 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.

37004. [RESERVED]

37005-06 [RESERVED]

(End Chapter 370)