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Timothy R. Elliott  
Director and Associate General Counsel  
Legal Department

September 22, 2011

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

**RE: Section 5c(c)(1), Rules 39.4(c)(2), 40.2 and 40.6(a) – Exchange Certification of CME Rule Amendments and Notification of Launch Date for Selected Cash Settlement, Cleared OTC CME WM/Reuters Foreign Exchange (FX) Spot, Forward and Swaps and Non-Deliverable Forward (NDF) Transactions. CME Submission 11-360**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. hereby notifies the Commission that on Tuesday, January 3, 2012, CME will launch certain new Cash Settlement, Cleared Over-the-Counter (OTC) CME WM/Reuters Spot, Forward and Swaps and Non-Deliverable Forward (NDF) Transactions. This submission includes rule amendments supporting the new product offerings, which are summarized as follows.

#### **CLEARED OTC SPOT, FORWARD AND SWAP TRANSACTIONS**

Effective Tuesday, January 3, 2012, Chicago Mercantile Exchange Inc. will begin offering clearing services for 26 new foreign exchange (FX) pairs for over-the-counter (OTC) cash settlement as CME WM/Reuters spot, forward and swap transactions. These FX pairs will include: GBP/USD; USD/CAD; USD/JPY; USD/CHF; AUD/USD; USD/MXN; NZD/USD; USD/ZAR; EUR/USD; USD/NOK; USD/SEK; USD/CZK; USD/HUF; USD/PLN; USD/ILS; USD/TRY; USD/DKK; EUR/GBP; EUR/JPY; EUR/CHF; AUD/JPY; CAD/JPY; EUR/AUD; USD/HKD; USD/SGD; and USD/THB.

Also, at this same time, CME will begin offering clearing services for 11 new FX pairs for traditional OTC cash settlement non-deliverable spot, forward and swap transactions. CME has already offered clearing services for traditional Cleared OTC U.S. Dollar / Chilean Peso (USD/CLP) non-deliverable forward (NDF) transactions, beginning on Monday, April 18, 2011, as the first step of a broad product suite. Like the OTC USD/CLP products that CME is already offering for clearing, the new OTC USD/Brazilian real (BRL), USD/Chinese Renminbi (RMB), USD/Russian ruble (RUB), USD/Colombian peso (COP), USD/Peruvian sol (PEN), USD/Korean won (KRW), USD/Indian rupee (INR), USD/Malaysian ringgit (MYR), USD/Indonesian rupiah (IDR), USD/Taiwan dollar (TWD) and USD/Philippines peso (PHP) products that are included in this submission are cash-settlement NDFs.

Please note that the new 26 FX pairs OTC CME WM/Reuters (branded) spot, forward and swap products that are described in this submission, although capable of being physically deliverable, are also cash settlement in U.S. dollars to the OTC FX benchmark WM/Reuters London FX Closing Spot Rate (4 PM London time). These 26 new offerings constitute two-thirds of the second phase of CME Group plans to introduce clearing services for a wide range of OTC FX spot, forward, swaps; and options on FX spot and forward contracts. OTC FX transactions that are executed bilaterally through brokers, ECNs or other FX trading platforms, when submitted to the CME Clearing House, are novated for purposes of clearing and

application of financial safeguards, bookkeeping, trade processing, and final delivery or cash settlement. These contracts will be carried in the new OTC sequestered account class.

**Contract Summary** – There will be NDF-style transactions for U.S. dollar (USD) versus BRL, RMB, RUB, COP, PEN, KRW, INR, MYR, IDR, TWD and PHP; where original trades can be submitted for clearing that were conducted, for example, in the standard “USD/BRL” or “USD/RMB” interbank terms of Brazilian reais per U.S. dollar or Chinese renminbi per U.S. dollar, respectively. At termination only U.S. dollars are paid from or to the counterparties depending upon the final settlement price and notional amounts of the trade based upon OTC NDF standard rates published oftentimes by the central banks or their designated agents of the country of the counter currency. The CME WM/Reuters contracts are cash settled also in major currencies (mostly USD) at termination based upon the benchmark 4:00 PM London time WM/Reuters Closing Spot Prices on the valid value dates for cash settlement. CME Clearing systems are flexible to accommodate any style of quoted trade with any size notional amounts down to the precision of \$0.01 and any date. Some notable contract details are highlighted as follows.

- **Sequestered Accounts:** The contracts are carried as OTC instruments in the clearing system. These positions will be carried in the OTC sequestered account class.
- **Held as True OTC FX Spot & Forwards in Clearing:** Positions shall remain open until the final cash settlement date, except that participants may request that offsetting positions be compressed prior to contract maturity.
- **Cash Settlement, NDF-Style:** Like the initial CME OTC FX products for USD/CLP, which are currently offered, the USD versus BRL, RMB, RUB, COP, PEN, KRW, INR, MYR, IDR, TWD and PHP products are offered NDF-style contracts financially or cash settled in U.S. dollars with positions held in clearing at the original trade price marked to the applicable standard OTC NDF settlement rate option (many are central bank determined/sanctioned rates). For example, final settlements for USD/BRL spot transactions are concluded based on the difference between (1) the spot exchange rate of Brazilian real per U.S. dollar, “Central Bank of Brazil PTAX offered rate” as reported for the valid value date for cash settlement by Banco Central do Brasil for the formal exchange market, and (2) the original trade price for each transaction, and (3) the result divided by the BRL per USD spot exchange rate to convert notional BRLs to USDs. Cash settlement of cleared only transactions occurs on a net basis at the customer account level.
- **Cash Settlement to WM/Reuters FX Benchmark Rates:** Analogous to the OTC NDF, cash settlement style products discussed above, the cleared OTC WM/Reuters FX spot, forward or swap products are cash settled mostly in U.S. dollars with positions held in clearing at the original trade price, but marked at termination to the applicable WM/Reuters 4:00 PM London Closing Spot Rate for the twenty-six FX pairs, such as, U.S. dollar/Mexican peso rate on the valid value date for cash settlement. Please note that CME will list for clearing FX pairs, where the spot, forward and swaps represent currency pairs where both currencies in the pair are physically deliverable. However, due to customer preferences and operational efficiencies, CME is co-branding a selection of cash settlement OTC spot, forwards and swap products with the WM/Reuters Company, based upon the OTC FX benchmark 4:00 PM London FX Closing Spot Rates.
- **Allowable Maturities:** CME Clearing will accept spot and forward transactions into clearing with delivery or cash settlement dates starting with the next business day for spot and extending outward into the future two years initially for forwards. At a later date, CME Clearing expects to expand maturity dates out an additional three years for a total maturity out five years.
- **Swaps:** Swap transactions accepted into clearing are a combination (spread) of a spot or forward position and another deferred date forward.

- **CME Clearing Set Up Structures for Cleared OTC FX:** CME Clearing operational infrastructure defines FX pair products by the price nomenclature of the trade. For example, USD/MXN OTC transactions, where the normal quotation mechanism is "MXN per USD," will be processed in the clearing structure for transactions quoted in "MXN per USD."
- **Normalization Rule:** CME Rule 856 – NORMALIZATION OF OTC FX SPOT, FORWARD, SWAP AND OPTIONS TRANSACTIONS, enables CME Clearing to accept OTC FX transactions negotiated in notional amounts of either currency. OTC FX conventions imply deals to be struck in notional amounts of a specific currency for a given currency pair. For example, the USD/MXN or "Dollar/Mexican Peso" transaction described above defines price in numbers of MXN per USD with the notional amount given in U.S. dollars. The normalization rule explains CME Clearing procedures for taking non-standard notional amounts in the contra-currency (here MXN) and "normalizing" it into standard amounts of base currency (here USD). See Appendix 1 for the Normalization rule.
- **Definitions:** New DEFINITIONS have been added to the CME Rulebook to support the Cleared OTC FX initiative. Appendix 2 provides the new definitions.
- **Position Accountability & Position Limits:** Individual rule chapters for each FX pair for cleared OTC FX will specify either Position Accountability (PA) or Position Limits (PL) or a combination of both (e.g., PA with spot month PL) depending generally on the liquidity in the underlying OTC instruments and coordinating with existing and similar FX futures and options on futures contracts. Highly liquid underlying FX pair activity enable Position Accountability trigger levels as opposed to finite limits, and less liquid underlying FX pair activity require the more restrictive Position Limits. Since FX futures, options on FX futures, cleared OTC FX spot, forwards and swaps; and OTC FX options on spot and forwards, are essentially extensions of the same market, CME rules will aggregate positions for an account holder across all of these product lines per FX pair. Notional level equivalents for the existing FX pair futures contracts for Position Accountability and/or Position Limits are carried over to the Cleared OTC FX rules. Also carried over to the Cleared OTC FX rules is a new provision for an exemption from finite position limits, where the account holder demonstrates to Market Regulation a bona fide hedging strategy meeting the requirements of Regulation 1.3(z)(1) of the CFTC and other exchange rules. See Appendices 4 to 16 for the CME Rules 300.01.E.8., 257H01.F.5, 270H01.F.6, 260H01.F.7, 271H01.F.6, 273H01.F.6, 277H01.F.6, 279H01.F.6, 280H01.F.6, 281H01.F.6, 282H01.F.6, 283H01.F.6, providing for the exemptions.

Please note, when there is not an underlying FX pair futures or options on futures contract for an FX pair listed for cleared OTC transactions, then notional amounts of cleared OTC FX positions will be translated into contract equivalents and amendments to the Chapter 5 interpretation table will be added. See Appendix 3 for Position Accountability and Position Limits changes for such cases as cleared only U.S. dollar/Chilean peso, U.S. dollar/Hong Kong dollar, U.S. dollar/Singapore dollar, U.S. dollar/Thailand baht, U.S. dollar/Colombian peso, U.S. dollar/Peruvian sol, U.S. dollar/Indian rupee, U.S. dollar/Malaysian ringgit, U.S. dollar/Indonesian rupiah, U.S. dollar/Taiwan dollar and U.S. dollar/Philippines peso. The notional contract equivalent level for these Cleared OTC FX spot, forwards and swaps is 100,000 U.S. dollars for purposes of Position Accountability and Position Limits. Therefore, the position accountability trigger level for these Cleared OTC FX spot, forwards and swaps is 600,000,000 U.S. dollars (6,000 contracts x 100,000 U.S. dollar per contract = 600 million USD).

CME is continuing its Position Limits and Position Accountability rule structure for these Cleared OTC FX Spot, Forward and Swap Transactions in an analogous manner to the existing Cleared OTC USD/CLP Spot, Forward and Swap Transactions, to enable the exchange's Market Regulation Department to aggregate positions for a given FX pair that settle between the second and third Wednesdays (inclusive) of March, June, September and December and make these positions applicable to a 20,000 contract (USD 100,000 notional per contract) "Spot Position Limit" during this time period only. CME expects business in various cross-currency swaps to be booked on the

exchange in the future, and in particular, Latin American (LATAM) currencies versus other LATAM currencies, including OTC USD/CLP, USD/COP and USD/PEN Spot, Forwards and Swaps. The exchange wants the OTC portion of such cross-currency swaps to roll up into the Spot Position Limit rule, but be restrictive during the week preceding CME FX futures deliveries. Therefore, the exchange's Mexican peso futures contract Spot Position Limit rule is used as the template for the OTC USD/CLP contract Spot Position Limit rule. As the exchange rolls out additional cleared only OTC non-deliverable forward (NDF) products, it will adhere to this template, if applicable. See Appendices 4 to 15 for the amendments to the Position Limits and Position Accountability rules in each contract chapter and the 5.C. Position Limit and Reportable Level Table in the Interpretations section of Chapter 5.

- **Reportable Positions:** As with the USD/CLP product, please note that currently, service bureaus used by clearing firms do not have the capability to aggregate cleared OTC FX positions of clearing firm customers for subsequent reporting of the information by the clearing firms to the CFTC and CME. Therefore, CME has not set reportable level requirements characteristic of FX futures and options contracts at this time for the cleared OTC FX spot, forward and swap products. However, as noted in the section above, CME will aggregate cleared OTC spot, forward and swap positions by account holder for Position Accountability and Position Limits purposes.
- **Rule Chapters:** Appendices 4 through 15 illustrate the format that will be followed for the cleared OTC FX initiative. All CME WM/Reuters branded products will be contained in Chapter 300. Appendix 4 displays the rules for these first 26 such products. Appendices 5 through 15 illustrate the 11 new traditional OTC NDF, cash settlement products (analogous to current OTC USD/CLP NDF contract). A revised "number" and "letter" format for the FX product rulebook chapters was developed to rationalize the growing permutations of the CME Group FX product suite.
- **Cleared Only Transactions:** Note that CME Group does not intend at this time to provide a trading platform for such transactions. Rather, such transactions will be executed on a bi-lateral, privately negotiated basis amongst the two counterparties. These transactions are submitted to the CME Clearing House on a post-trade basis. Once submitted and accepted ("novated") to the CME Clearing House, these transactions are assigned the trade type "OPNT" which acronym stands for Over-the-counter Privately Negotiated Trade.

**Performance Bonds & Daily Mark to Market** – Recent conversations with key customers has resulted in CME moving from a "collateralization" method of valuing open positions in cleared only OTC FX spot, forward and swap transactions, to a daily mark-to-market method. Hence, in the near future, CME plans to implement a revised clearing method for its USD/CLP NDF products (there is no open interest to date). Currently, CME Clearing has deployed the SPAN system to establish performance bond or "margin" requirements for FX spot, forwards and swaps. Initial performance bond requirements are established at levels that are consistent with observed levels of volatility in the particular currency pairing and generally aligned with initial margin levels applied to current CME FX futures and option contracts, where applicable. These components of the clearing system are unchanged. However, the administration of the new margin regime will require a daily mark-to-market (MTM) on a cash basis, similar to traded FX futures. Variation margins may be satisfied with the posting of appropriate amounts of collateral, where CME Clearing collects and pays in cash between the counterparties each day.

CME Clearing will accept as collateral cash or any other instruments currently designated as approved collateral for posting for performance bonds. In order to calculate variation requirements, settlement prices will be established for each contract and for each delivery date referencing data collected from a variety of market sources.

Operationally, the CME clearing system recognizes two types of cash settled, cleared OTC FX spot, forward and swap products, namely, either as a non-deliverable forward (NDF) or cash-settled forward

(CSF). Further, CME Clearing defines the cleared OTC FX products' "valuation method" with two new values:

- **FWDB** – "forward banked" -- cash mark-to-market denominated in the contra currency or minimum fluctuation currency (the normal case)
- **FWDBI** – "forward banked inverse" – cash mark-to-market denominated in the primary currency or clearing unit currency (the inverse case)

The "mark-to-market currency," or "MTMCur," is the currency code in which the mark-to-market is denominated, which is either the contra currency (FWDB) or the primary currency (FWDBI).

So for all the NDF's, the MTM currency is USD. For the CSF's, the MTM currency is primarily USD, with some in EUR, and a couple in JPY. For each pair, CME Clearing picks the convention so that it has the minimum number of currencies in which MTM is denominated.

The mark to market amount is calculated as follows:

For the normal, forward banked pairs:

Express the trade quantity as a positive number for a buy, and a negative number for a sell.  
Subtract the trade price from the settlement price.  
Take the product of this price difference and the trade quantity.  
Round normally to the normal precision of the contra currency.

For the inverse pairs:

Express the trade quantity as a positive number for a buy, and a negative number for a sell.  
Subtract the trade price from the settlement price.  
Take the product of this price difference and the trade quantity.  
Divide by the current day's settlement price.  
Round normally to the normal precision of the primary currency.

In other words, the inverse calculation is the same as the normal calculation, except that it adds the additional factor of dividing by the settlement price.

The cash amount to be banked, then, is determined by subtracting the mark-to-market amount calculated on the prior business date from the MTM amount on the current date. The calculation sign convention reflects that a positive number reflects cash the firm is receiving, and a negative number reflects cash the firm is paying.

The "normal precision" of USD and EUR is two decimal places, and the normal precision of JPY is two decimal places. The clearing system specifies rules to determine the date on which the final marking price is determined. For the current slate of products, this is either "1 day prior" for USD or "2 days prior" for EUR and JPY to the value date. Appendix 16 is a table illustrating the various attributes of the cleared OTC FX clearing system that reflects daily mark to market in cash for open positions.

**ICAP / CME Group Collaboration** – As with the cleared OTC USD/CLP Non-Deliverable Forward (NDF), CME Group may collaborate with ICAP in the introduction of additional cleared only OTC FX NDF transaction services. ICAP has strong institutional and customer relationships especially in Latin America, developed from operating as a multi-service broker. CME Group believes that ICAP may be in a good position to assist with daily valuations of more OTC NDF positions cleared on the books of CME Clearing. As with the current OTC USD/CLP NDF, ICAP may be engaged to coordinate the collection of daily valuation curves from market participants used to perform open position mark to market (or daily settlement valuation). CME may name additional partners in the future that will assist with daily

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valuations of open positions in other Cleared OTC FX products. To remove any doubt, CME will always retain complete control and final authority on the settlement process.

**GDP, FX Turnover & Stock Market Capitalization Statistics for Countries of Listed Currencies –** Appendix 17 provides data on the Gross Domestic Product (GDP), Bank for International Settlements (BIS) average daily foreign exchange turnover and stock market capitalization for the countries for whom CME is listing clearing services for cash settlement, OTC FX spot, forward and swap products on their currencies. Demand for these cleared only services arises from market participants who trade foreign exchange in their normal course of business and desire to limit counterparty credit risk. The BIS estimates in its "Triennial Central Bank Survey for April 2010" that the world foreign exchange market is on average a 4.0 trillion U.S. dollar per day market, of which 37.4% is spot, 11.9% is outright forwards, 44.4% is FX swaps, 1.1% is currency swaps and 5.2% is options and other instruments. CME currently lists 52 FX futures and 31 options contracts covering 40 currency pairs. However, the financial market crisis of 2008, the resulting Dodd-Frank Wall Street Reform and Consumer Protection Act (2009-2010) and recent financial market volatility, has increased our customer interest in cleared OTC FX products, especially, the traditional NDF currency pairs. Proactive CME customers have requested the timely listing of many more currency pairs, both deliverable and non-deliverable as cash settlement, cleared OTC products. These customers wish to be in compliance with the mandated central counterparty clearing requirement for OTC FX NDF transactions. Therefore, CME is listing cash settlement cleared products for ten new currencies, namely, Hong Kong dollar, Singapore dollar, Indian rupee, Denmark kroner, Taiwan dollar, Malaysian ringgit, Indonesian rupiah, Thailand baht, Philippines peso and Peruvian sol versus the U.S. dollar. In the future, CME plans to list for clearing a broad array of physical delivery FX pairs as well.

**Initial Performance Bonds –** CME will provide performance bonds to market participants prior to launch of cleared only OTC FX spot, forwards and swaps.

The Exchange certifies that these rule amendments and procedures comply with the Act and the rules thereunder.

Members/shareholders will be notified of the information contained herein in CME Group Special Executive Report, S-5954, dated Tuesday, September 27, 2011.

If you require any additional information regarding this action, please do not hesitate to contact Steve Youngren, at 312-930-4583 or via e-mail at [Steve.Youngren@cmegroup.com](mailto:Steve.Youngren@cmegroup.com) or me. Please reference our CME Submission #11-360 in any related correspondence.

Sincerely,

/s/ Timothy Elliott  
Director and Associate General Counsel

Enclosure

## Appendix 1

[Current rules for reference purposes only.]

### CME GROUP OTC FX NORMALIZATION RULE

#### 856. NORMALIZATION OF OTC FX SPOT, FORWARD, SWAP AND OPTIONS TRANSACTIONS FOR CLEARING.

For over-the-counter (OTC) foreign exchange (FX) transactions submitted for clearing and any non-standard specification of the transaction as defined by the price format shall be normalized by CME Group Clearing to standard or normal specifications by the following "normalization process."

Instrument: Currency 1/Currency 2 (CCY1/CCY2)

Generically, for spot and forward OTC FX transactions...

*Standard or Normal:* Buy (B)/Sell (S) CCY1 notional amount at CCY2 per CCY1 rate.

*Non-standard or Non-normal:* B/S CCY2 notional amount at CCY2 per CCY1 rate.

To normalize:

1. Convert B to S, or S to B
2. Convert CCY2 notional to CCY1: CCY2 amount divided by CCY2 per CCY1 rate to obtain CCY1 amount.

For example, for Instrument: EUR/USD ...

*Standard:* EUR/USD- Quote USD per EUR; notional amount in EUR

Trade comes in as SELL €15 million at 1.350000 USD per EUR →BUY \$20,250,000 (€15 million x 1.350000 USD/EUR)

*Non-standard:* EUR/USD- Notional amount in USD, but quote still in USD per EUR.

Trade comes in as buy \$20 million at 1.350000 USD per EUR →SELL €14,814,814.81 (\$20 million / 1.350000 USD/EUR).

To normalize the non-standard EUR/USD transaction, CME Clearing shall:

3. Convert Buy to Sell, or Sell to Buy
4. Convert USD notional to EUR: USD amount divided by USD per EUR rate.

Example: The trade "BUY \$20 million at 1.350000 ⇒SELL €14,814,814.81 (\$20/1.350000) at 1.350000 USD per EUR" shall be normalized and held in CME Clearing as:

The trade "SELL €14,814,814.81 (\$20/1.350000) at 1.350000 USD per EUR⇒ BUY \$20 million at 1.350000."

For swap OTC FX transactions, ...

*Standard or Normal:* Leg 1 B/S CCY1 notional amount at CCY2<sub>t</sub> per CCY1 rate.

Leg 2 S/B CCY1 notional amount at CCY2<sub>t+n</sub> per CCY1 rate.

*Non-standard or Non-normal:*

Leg 1 B/S CCY2 notional amount at CCY2<sub>t</sub> per CCY1 rate.

Leg 2 S/B CCY2 notional amount at CCY2<sub>t+n</sub> per CCY1 rate.

To normalize:

1. Convert B to S, or S to B
2. Convert CCY2 notional to CCY1: CCY2 amount divided by CCY2 per CCY1 rate to obtain CCY1 amount.

For example, for instrument: EUR/USD...

**Standard:** Leg 1 EUR/USD- Quote USD per EUR; notional amount in EUR  
Leg 2 EUR/USD- Quote USD per EUR; notional amount in EUR

Trade comes in as "Leg 1 BUY €20 million at 1.305000 ⇒ SELL \$26,100,000 (\$20 million x 1.305000) at 1.305000 USD per EUR; Leg 2 SELL €20 million at 1.315000 USD per EUR (1.3050 + 0.0100 swap points)"

**Non-Standard:** Leg 1 EUR/USD- Notional amount in USD, but quote still in USD per EUR.  
Leg 2 EUR/USD- Notional amount in USD, but quote still in USD per EUR.

Trade comes in as "Leg 1 SELL \$26.1 million at 1.305000 ⇒ BUY €20 million (\$26.1 million / 1.305000) at 1.305000 USD per EUR; Leg 2 BUY \$26.3 million at 1.315000 USD per EUR (1.3050 + 0.0100 swap points)."  
To normalize the non-standard EUR/USD transaction, CME Clearing shall:

3. Convert Buy to Sell, or Sell to Buy
4. Convert USD notional to EUR: USD amount divided by USD per EUR rate.

**Example:** The trade "Leg 1 SELL \$26.1 million at 1.305000 ⇒ BUY €20 million (\$26.1 million / 1.305000) at 1.305000 USD per EUR; Leg 2 BUY \$26.3 million at 1.315000 USD per EUR (1.3050 + 0.0100 swap points)" shall be normalized and held in CME Clearing as:

The trade "Leg 1 BUY €20 million at 1.305000 ⇒ SELL \$26,100,000 (\$20 million x 1.305000) at 1.305000 USD per EUR; Leg 2 SELL €20 million at 1.315000 USD per EUR (1.3050 + 0.0100 swap points)"

#### **For option OTC FX transactions, ...**

**Standard or Normal:** B/S CCY1/CCY2 CALL (PUT) at STRIKE PRICE in units of CCY2 per CCY1 for a notional amount of CCY1 for a premium in CCY2 (CCY1 amount x premium price in CCY2 per CCY1, that is, CCY2 pips) or % of CCY1 (CCY1 premium / CCY1 notional amount).

**Non-standard or Non-normal:** B/S CCY1/CCY2 CALL (PUT) at STRIKE PRICE in units of CCY2 per CCY1 for a notional amount of CCY2 for a premium in CCY1 (CCY2 amount / premium price in CCY2 per CCY1, that is, CCY1 pips) or % of CCY2 (CCY2 premium / CCY2 notional amount).  
To normalize:

1. Retain B/S direction
2. Convert CCY2 Put to CCY1 Call, CCY2 Call to CCY1 Put
3. Convert CCY2 notional to CCY1: CCY2 amount divided by Strike Price expressed in CCY2 per CCY1.
4. Process original premium amount and currency.
5. Take premium amount and divide by CCY1 notional to express price in CCY1 terms for reference purposes.

For example, for Instrument: EUR/USD ...

**Standard:** EUR/USD- Quote USD per EUR; notional amount in EUR, premium in either % of EUR notional (EUR premium) or USD pips (USD premium)

Trade comes in as BUY EUR/USD PUT at 1.350000 USD per EUR for a notional amount of €20 million with premium of \$100,000 (€20 million x option price of 0.0050 USD per EUR, that is, USD pips) or 1.0% of €20 million (€200,000 premium / €20 million) → SELL EUR/USD PUT at 1.350000 USD per EUR for a notional amount of €20 million with premium of \$100,000 (€20 million x option price of 0.0050 USD per EUR, that is, USD pips) or 1.0% of €20 million (€200,000 premium / €20 million).

**Non-standard:** EUR/USD- Notional amount in USD, but quote still in USD per EUR, premium in either % of USD notional (USD premium) or EUR pips (EUR premium).

Trade comes in as BUY EUR/USD PUT at 1.350000 USD per EUR for a notional amount of \$20 million with premium of €170,100 (\$20 million x option price of 0.008505 EUR per USD, that is, EUR pips) or 1.0% of \$20 million (\$200,000 premium / \$20 million) → SELL EUR/USD PUT at 1.350000 USD per EUR for a notional amount of \$20 million with premium of €170,100 (\$20 million x option price of 0.008505 USD per EUR, that is, EUR pips) or 1.0% of \$20 million (\$200,000 premium / \$20 million).

To normalize the non-standard EUR/USD transaction, CME Clearing shall:

6. Retain B/S direction

7. Convert USD Put to EUR Call, USD Call to EUR Put
8. Convert USD notional to EUR: USD amount divided by Strike Price expressed in USD per EUR.
9. Process original premium amount and currency.
10. Take premium amount and divide by EUR notional to express price in EUR terms for reference purposes.

Example: Trade comes in as BUY EUR/USD PUT at 1.350000 USD per EUR for a notional amount of \$20 million with premium of €170,100 (\$20 million x option price of 0.008505 EUR per USD, that is, EUR pips) or 1.0% of \$20 million (\$200,000 premium / \$20 million) → SELL EUR/USD PUT at 1.350000 USD per EUR for a notional amount of \$20 million with premium of €170,100 (\$20 million x option price of 0.008505 USD per EUR, that is, EUR pips) or 1.0% of \$20 million (\$200,000 premium / \$20 million) shall be normalized and held in CME Clearing as:

BUY EUR/USD CALL at 1.350000 USD per EUR for a notional amount of €14,814,814.81 (\$20 million/1.350000 USD per EUR) with a premium of €170,100 (\$20 million x option price of 0.008505 EUR per USD, that is, EUR pips) or 1.148% of €14,814,814.81 (€170,100 / €14,814,814.81).

## Appendix 2

[Current rules for reference purposes only.]

### ADDITIONS TO "DEFINITIONS" SECTION OF CME RULEBOOK

#### CLASS B STOCKHOLDER

The registered owner of one or more Class B Shares.

#### CLEAR DATE OF THE FX OTC CLEARED TRANSACTION

For purposes of these rules, the "clear date of the foreign exchange (FX) over-the-counter (OTC) cleared transaction" is the date on which an original spot, forward and swap FX OTC transaction clears at CME Clearing as a substituted, cleared transaction.

#### CLEARING HOUSE

The department of the Exchange through which all trades on the Exchange are adjusted and cleared.

...

#### FORMS

All forms referred to herein; *e.g.*, "Buyer Delivery Commitment," shall be forms prescribed by the Exchange.

#### FORWARD FX OTC CLEARED TRANSACTION

For purposes of these rules, a "forward" foreign exchange (FX) over-the-counter (OTC) cleared transaction shall be an agreement between counterparties to exchange ("delivery") of the associated currency pairs at a maturity date greater than one or two business days in the future. A forward FX transaction may be for standard delivery maturities from the original trade date, such as TOM Next (tomorrow next or day after tomorrow), 1-week, 2-weeks, 3-weeks, 1-month, 2-months, 3-months, ..., 6-months, ..., 1-year, 18-months, 2-years, etc. Also, a forward FX transaction may be for broken date maturities, that is, for delivery on any good business day in both the issuing countries of the associated currency pair that is not one of the standard delivery dates.

#### FUTURES CONTRACT

A contract made on the Exchange for the purpose or sale of any commodity which may be satisfied by offset or delivery during such specified months pursuant to these rules.

...

#### ORDERS

(Note that not all order types are eligible to be entered into the GLOBEX System...

#### ORIGINAL TRADE DATE OF AN FX OTC TRANSACTION

For purposes of these rules, an "original trade date of a foreign exchange (FX) over-the-counter (OTC) cleared transaction," is the date on which the two counterparties agreed to the OTC transaction that is being replaced with the FX OTC cleared transaction.

#### PANEL

A subcommittee elected in accordance with committee procedure to adjudicate or make a particular determination. A decision of a panel shall be deemed a decision of the committee.

...

#### SPOT

The actual or physical commodity, also called "cash" commodity.

#### SPOT FX OTC CLEARED TRANSACTION

For purposes of these rules, a "spot" foreign exchange (FX) over-the-counter (OTC) cleared transaction shall be a very short-dated forward transaction with counterparties agreeing to exchange ("delivery") of the associated currency pairs in one or two business days, whichever is the standard OTC market convention for the particular currency pairs.

#### **SPOT MONTH**

The contract month of a futures contract which is also the current calendar month.

...

#### **STRADDLE**

The assumption of a long and short position on different business days in the same or related commodities for the same account.

#### **SWAP FX OTC CLEARED TRANSACTION**

For purposes of these rules, a "swap" foreign exchange (FX) over-the-counter (OTC) cleared transaction shall be an agreement between counterparties to execute the combination of a spot or forward FX OTC cleared transaction and a subsequent-dated forward FX OTC cleared transaction, where the buyer of the spot or forward currency pair becomes the seller of the subsequent-dated forward currency pair and the seller of the spot or forward currency pair becomes the buyer of the subsequent-dated forward currency pair. In other words, the counterparties are agreeing to the prices on the original trade date to exchange currency pairs for immediate (or nearby forward) delivery, and reverse the same transaction on some mutually agreed to subsequent "forward date," which according to the definition above for a "forward" may be a standard delivery date or a broken delivery date.

#### **TIME**

Except as otherwise specifically provided, any reference to time shall mean local Chicago time.

...

#### **TRADE DATE OF AN FX OTC CLEARED TRANSACTION**

The trade date of a foreign exchange (FX) over-the-counter (OTC) cleared transaction" is the date on which counterparties to the OTC transaction submit the FX OTC transaction to clearing as a cleared contract. Although in most instances counterparties may submit an FX OTC cleared transaction for clearing on the same date as the original trade for the FX OTC spot, forward and swap transaction, there is no requirement that it is submitted on the same date. Therefore, an FX OTC cleared transaction may be submitted on any date for clearing on the exchange.

#### **TRADING SESSION**

A trading session will mean either the pit trading session (the hours designated for open outcry trading for a product) and/or the GLOBEX session (the hours on a particular trading day when a product can be traded on the GLOBEX system).

#### **VALID VALUE DATE FOR DELIVERY OR CASH SETTLEMENT OF AN FX OTC CLEARED TRANSACTION**

"Cleared only" foreign exchange (FX) over-the-counter (OTC) cleared transactions shall be delivered or cash settled for any valid value date mutually agreed to by buyer and seller, including all applicable standard valid value dates for delivery or cash settlement in futures offered for "trading and clearing." In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

#### **VOLATILITY QUOTE**

An alternative means of quoting options, or combinations involving options, by bidding or offering the implied volatility. Any transactions quoted in volatility terms will be translated into price terms for clearing purposes by means of a standard options pricing model maintained and disseminated by the Exchange.

(End Definitions)

Appendix 3

5.C. POSITION LIMIT AND REPORTABLE LEVEL TABLE  
 POSITION LIMIT, POSITION ACCOUNTABILITY AND REPORTABLE LEVEL TABLE

CONTRACT NAME	OPTIONS	FIRST SCALE-DOWN SPOT MONTH	SECOND SCALE-DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORT-ABLE FUT LEVEL	REPORT-ABLE OPT LEVEL
CME Foreign Exchange									
Canadian Dollar/Japanese Yen							6,000	25	
U.S. Dollar/Chilean Peso (Cleared OTC Equivalents)				20,000			6,000	NA	
U.S. Dollar Mexican Peso (Cleared OTC Equivalents)				20,000			6,000	NA	
U.S. Dollar/Brazilian Real (Cleared OTC Equivalents)					24,000	40,000		NA	
U.S. Dollar/Polish Zloty (Cleared OTC Equivalents)				2,000			6,000	NA	
U.S. Dollar /Chinese Renminbi (Cleared OTC Equivalents)				2,000			6,000	NA	
U.S. Dollar/Russian Ruble (Cleared OTC Equivalents)				2,000		10,000		NA	
British Pound/U.S. Dollar (Cleared OTC Equivalents)							10,000	NA	
U.S. Dollar/Canadian Dollar (Cleared OTC Equivalents)							6,000	NA	
U.S. Dollar/Japanese Yen (Cleared OTC Equivalents)							10,000	NA	
U.S. Dollar/Swiss Franc (Cleared OTC Equivalents)							10,000	NA	
Australian Dollar/U.S. Dollar (Cleared OTC Equivalents)							6,000	NA	
New Zealand Dollar/U.S. Dollar (Cleared OTC Equivalents)							6,000	NA	
U.S. Dollar/South African Rand (Cleared OTC Equivalents)				5,000			6,000	NA	
Euro/U.S. Dollar (Cleared OTC Equivalents)							10,000	NA	
U.S. Dollar/Norwegian Krone (Cleared OTC Equivalents)							6,000	NA	
U.S. Dollar/Swedish Krona (Cleared OTC Equivalents)							6,000	NA	
U.S Dollar/Czech Koruna (Cleared OTC Equivalents)				2,000			6,000	NA	

<u>Equivalents)</u>						
<u>U.S Dollar/Hungarian Forint (Cleared OTC Equivalents)</u>		<u>2,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S Dollar/Israeli Shekel (Cleared OTC Equivalents)</u>		<u>2,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S Dollar/Turkish Lira (Cleared OTC Equivalents)</u>		<u>2,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Danish Krone (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>Euro/British Pounds (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>Euro/Japanese Yen (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>Euro/Swiss Franc (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>Canadian Dollar/Japanese Yen (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>Euro/ Australian Dollar (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>Australian Dollar/Japanese Yen (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Hong Kong Dollar (Cleared OTC Equivalents)</u>					<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Singapore Dollar (Cleared OTC Equivalents)</u>		<u>5,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Thailand Baht (Cleared OTC Equivalents)</u>		<u>2,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Colombian Peso (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Peruvian Sol (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Argentine Peso (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Korean Won (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Indian Rupee (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Malaysian Ringgit (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>
<u>U.S. Dollar/Indonesian Rupiah (Cleared OTC Equivalents)</u>		<u>20,000</u>			<u>6,000</u>	<u>NA</u>

<u>U.S. Dollar/Taiwan Dollar (Cleared OTC Equivalents)</u>			<u>20,000</u>			<u>6,000</u>	<u>NA</u>	
<u>U.S. Dollar/Philippines Peso (Cleared OTC Equivalents)</u>			<u>20,000</u>			<u>6,000</u>	<u>NA</u>	
Chinese Renminbi/Euro FX	Y		2,000			6,000	25	25

\*\*\*\*For purposes of Position Accountability and Position Limits, notional value in the cleared only product will be converted to contract units, whereby, notional 100,000 U.S. dollars will equal one contract equivalent. Spot month position limits will be calculated based upon contract equivalents for cleared transactions which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

## Appendix 4

### Chapter 300 CME WM/Reuters OTC Spot, Forward and Swap Contracts

#### 300.00. SCOPE OF CHAPTER

This chapter is limited in application to CME WM/Reuters OTC Spot, Forward, and Swap Contracts ("CME WMR Contracts"), based on specified currency pairs, cash-settled by reference to WM/Reuters Closing Spot Rates ("WMR Rates")<sup>1</sup>. Parties to transactions in CME WMR Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act.

Transactions in CME WMR Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in CME WMR Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing).

#### 300.01. CONTRACT SPECIFICATIONS

##### 300.01.A. Contract Summary

CME WMR Contracts shall be based upon specified currency pairings as cataloged in the Appendix to this Chapter.

The Unit of Trading and Clearing shall be specified in terms of the "clearing-unit currency." CME WMR Contracts shall be based on a Unit of Clearing to a Precision as specified in the Appendix to this Chapter. The minimum price fluctuation shall be specified in terms of the "minimum-fluctuation currency." CME WMR contracts shall be quoted in minimum price fluctuations as specified in the Appendix to this Chapter.

For purposes of Position Accountability and the application of Position Limits, per Rule 300.01.E, each CME WMR Contract shall be deemed to be the notional value contract equivalent as specified in the Appendix to this Chapter. The levels of Position Accountability and Position Limits, as applicable, are further specified in the Appendix to this Chapter.

##### 300.01.B. Hours for Trading and Clearing Entry

The Exchange shall determine the hours during which CME WMR Contracts may be traded and submitted to the Clearing House.

##### 300.01.C. Valid Value Dates for Cash Settlement

CME WMR Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 300.01.D. Delivery Price and Delivery Value

Delivery for CME WMR Contracts assigned pursuant to Chapter 300 shall be by cash settlement according to Rule 300.02.

##### 300.01.E. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,

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<sup>1</sup> The WM/Reuters Closing Spot Rates are provided by The World Markets Company PLC (WM) in conjunction with Reuters and are used for certain currencies (the "Rates") displayed herein. WM and Reuters shall not be liable for any errors in or delays in providing or making available the WM/Reuters Closing Spot Rates, nor for any actions taken in reliance on the same. The Rates can not be used, reproduced, distributed, redistributed, licensed or disclosed in any way without a written agreement with WM.

- E-micro futures,
- spot, forward and swaps (combinations of spot and forwards or two maturity forwards), including but not limited to CME WMR Contracts,
- options on spot and forwards, including but not limited to CME WMR Contracts; and
- in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs, shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH) settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, each CME WMR Contract shall be deemed to be the notional value contract equivalent as specified in the Appendix to this Chapter.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of the number of contracts specified in the Appendix to this Chapter, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than the equivalent of the number of contracts specified in the Appendix to this Chapter which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Single Expiration Position Limit** - A participant shall not own or control more than the equivalent of the number of contracts specified in the Appendix to this Chapter that expire on the same date.

7. **Aggregate Position Limit** - A participant shall not own or control more than the equivalent of the number of contracts specified in the Appendix to this Chapter, net long or net short, in all expiration dates combined.

8. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to [Rule 559](#).

#### **300.01.F. Last Day of Trading**

The last day on which a transaction in a CME WMR Contract may be traded, in respect of a specified cash settlement date, shall be one (1) valid business day prior to the cash settlement date.

#### **300.01.G. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of CME WMR Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 300.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 300.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures shall not apply to positions in CME WMR Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **300.01.H. Contract Modifications**

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

### **300.02. CASH SETTLEMENT**

#### **300.02.A. Day of Cash Settlement**

Each CME WMR Contract, for a valid value date for cash settlement in one business day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be equal to the WM/Reuters Closing Spot Rate for that day for the specific currency pair in question, rounded to the nearest integral multiple of the minimum price increment as identified per the Appendix to this Chapter.

All open positions for that valid value date for cash settlement will be cash settled in the minimum fluctuation currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency.

**300.02.B. Procedures if No Cash Settlement Price is Available**

In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by WM/Reuters, and in order to minimize basis risk, the Final Settlement Price shall be determined as the next available WM/Reuters Closing Spot Rate for the specific currency pair in question.

**300.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 300.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**300.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

(End Chapter 300)

**Appendix to Chapter 300: Contract Specifications**

Currency Pairing	Unit of Trading and Clearing	Precision	Minimum Price Fluctuation	Contract Equivalent	Position Accountability	Spot Month Position Limit	Single Month Position Limit	All Months Combined Position Limit
GBP/USD	1 GBP	0.01 GBP	0.000001 USD/GBP	62,500 GBP	10,000	Na	Na	Na
USD/CAD	1 USD	0.01 USD	0.000001 CAD/USD	100,000 USD	6,000	Na	Na	Na
USD/JPY	1 USD	0.01 USD	0.0001 JPY/USD	100,000 USD	10,000	Na	Na	Na
USD/CHF	1 USD	0.01 USD	0.000001 CHF/USD	100,000 USD	10,000	Na	Na	Na
AUD/USD	1 AUD	0.01 AUD	0.000001 USD/AUD	100,000 AUD	6,000	Na	Na	Na
USD/MXN	1 USD	0.01 USD	0.000001 MXN/USD	100,000 USD	6,000	20,000	Na	Na
NZD/USD	1 NZD	0.01 NZD	0.000001 USD/NZD	100,000 NZD	6,000	Na	Na	Na
USD/ZAR	1 USD	0.01 USD	0.000001 ZAR/USD	100,000 USD	6,000	5,000	Na	Na
EUR/USD	1 EUR	0.01 EUR	0.000001 USD/EUR	125,000 EUR	10,000	Na	Na	Na
USD/NOK	1 USD	0.01 USD	0.000001 NOK/USD	100,000 USD	6,000	Na	Na	Na
USD/SEK	1 USD	0.01 USD	0.000001 SEK/USD	100,000 USD	6,000	Na	Na	Na
USD/CZK	1 USD	0.01 USD	0.00001 CZK/USD	100,000 USD	6,000	2,000	Na	Na
USD/HUF	1 USD	0.01 USD	0.0001 HUF/USD	100,000 USD	6,000	2,000	Na	Na
USD/PLN	1 USD	0.01 USD	0.000001 PLN/USD	100,000 USD	6,000	2,000	Na	Na
USD/ILS	1 USD	0.01 USD	0.000001 ILS/USD	100,000 USD	6,000	2,000	Na	Na
USD/TRY	1 USD	0.01 USD	0.000001 TRY/USD	100,000 USD	6,000	2,000	Na	Na
USD/DKK	1 USD	0.01 USD	0.000001 DKK/USD	100,000 USD	6,000	Na	Na	Na

EUR/GBP	1 EUR	0.01 EUR	0.000001 GBP/EUR	125,000 EUR	6,000	Na	Na	Na
EUR/JPY	1 EUR	0.01 EUR	0.0001 JPY/EUR	125,000 EUR	6,000	Na	Na	Na
EUR/CHF	1 EUR	0.01 EUR	0.000001 CHF/EUR	125,000 EUR	6,000	Na	Na	Na
AUD/JPY	1 AUD	0.01 AUD	0.000001 JPY/AUD	100,000 AUD	6,000	Na	Na	Na
CAD/JPY	1 CAD	0.01 CAD	0.00001 JPY/CAD	100,000 CAD	6,000	Na	Na	Na
EUR/AUD	1 EUR	0.01 EUR	0.000001 AUD/EUR	125,000 EUR	6,000	Na	Na	Na
USD/HKD	1 USD	0.01 USD	0.000001 HKD/USD	100,000 USD	6,000	Na	Na	Na
USD/SGD	1 USD	0.01 USD	0.000001 SGD/USD	100,000 USD	6,000	5,000	Na	Na
USD/THB	1 USD	0.01 USD	0.0001 THB/USD	100,000 USD	6,000	2,000	Na	Na

#### NOTES

AUD = Australian dollar  
 CAD = Canadian dollar  
 CHF = Swiss franc  
 CZK = Czech koruna  
 DKK = Danish krone  
 EUR = Euro  
 GBP = British pound  
 HKD = Hong Kong dollar  
 HUF = Hungarian forint  
 ILS = Israeli shekel  
 JPY = Japanese yen  
 MXN = Mexican peso  
 NOK = Norwegian krone  
 NZD = New Zealand dollar  
 PLN = Polish zloty  
 SEK = Swedish krona  
 SGD = Singapore dollar  
 THB = Thailand baht  
 TRY = Turkish lira  
 USD = U.S. dollar  
 ZAR = South African Rand

## Appendix 5

### Chapter 257H Cleared OTC U.S. Dollar/ Brazilian Real (USD/BRL) Spot, Forwards and Swaps

#### 257H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. dollar/ Brazilian real Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuation currency is the Brazilian real and the clearing-unit currency is the U.S. dollar.

#### 257F.01. CONTRACT SPECIFICATIONS

##### 257H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. dollar in any amount to a precision of 0.01 U.S. dollar.

##### 257H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 257H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.000001 Brazilian real per U.S. dollar for transactions in Cleared OTC Contracts.

##### 257H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 257H.01.E. Delivery Price and Delivery Value

Delivery for Cleared OTC Contracts assigned pursuant to Chapter 257H shall be by cash settlement according to Rule 257H.02.

##### 257H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs, shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's

Regular Trading Hours (RTH) settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 Brazilian reals in notional value.

4. **Position Limit** - A participant may not own or control more than the aggregated equivalent across all contract months of 40,000 contracts, or 4 billion Brazilian reals in notional value, or 24,000 contracts in any single contract month or 2.4 billion Brazilian reals, net long or net short.

5. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

6. Reserved

7. Reserved

#### **257H.01.G. Last Day of Clearing**

The last day on which a transaction in a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one (1) valid business day prior to the cash settlement date.

#### **257H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 257H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 257H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **257H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **257H.02. CASH SETTLEMENT**

##### **257H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for a valid value date for cash settlement in one business day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be determined as the reciprocal of the Final Settlement Price determined per the procedures set forth in Rule 25702.B., Cash Settlement, rounded to the nearest integral multiple of the minimum price increment as identified per Rule 257H.01.C., Minimum Price Increments.

All open positions for that valid value date for cash settlement will be cash settled in the minimum fluctuation currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency, and divided by the Final Settlement Price for the valid value date for cash settlement.

##### **257H.02.B. Procedures if No Cash Settlement Price is Available**

In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by CME, and in order to minimize basis risk, the Exchange shall determine a Final Settlement Price as the

reciprocal of the Final Settlement Price determined per procedures set forth in the INTERPRETATION TO CHAPTER 257.

**257H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 257H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**257H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

(End Chapter 257H)

## Appendix 6

### Chapter 270H Cleared OTC U.S. Dollar/ Chinese Renminbi (USD/RMB) Spot, Forwards and Swaps

#### 270H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. dollar/ Chinese renminbi Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuation currency is the Chinese renminbi and the clearing-unit currency is the U.S. dollar.

#### 270F.01. CONTRACT SPECIFICATIONS

##### 270H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. dollar in any amount to a precision of 0.01 U.S. dollar.

##### 270H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 270H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.0001 Chinese renminbi per U.S. dollar for transactions in Cleared OTC Contracts.

##### 270H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 270H.01.E. Delivery Price and Delivery Value

Delivery for Cleared OTC Contracts assigned pursuant to Chapter 270H shall be by cash settlement according to Rule 270H.02.

##### 270H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs, shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's

Regular Trading Hours (RTH) settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 1,000,000 Chinese renminbi in notional value.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 6 billion Chinese renminbi in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than the equivalent of 2,000 contracts, or 2 billion Chinese renminbi, which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

**270H.01.G. Last Day of Clearing**

The last day on which a transaction in a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one (1) valid business day prior to the cash settlement date.

**270H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 270H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 270H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

**270H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

**270H.02. CASH SETTLEMENT**

**270H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for a valid value date for cash settlement in one business day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be determined as the reciprocal of the Final Settlement Price determined per the procedures set forth in Rule 27002.B., Cash Settlement, rounded to the nearest integral multiple of the minimum price increment as identified per Rule 270H.01.C., Minimum Price Increments.

All open positions for that valid value date for cash settlement will be cash settled in the clearing-unit currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency, and divided by the Final Settlement Price for the valid value date for cash settlement.

**270H.02.B. Procedures if No Cash Settlement Price is Available**

In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by CME, and in order to minimize basis risk, the Exchange shall determine a Final Settlement Price as the reciprocal of the Final Settlement Price determined per procedures set forth in the INTERPRETATION TO CHAPTER 270.

**270H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 270H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**270H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

(End Chapter 270H)

## Appendix 7

### Chapter 260H Cleared OTC U.S. Dollar / Russian Ruble (USD/ RUB) Spot, Forwards and Swaps

#### 260H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. dollar / Russian ruble Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuation currency is the Russian ruble and the clearing-unit currency is the U.S. dollar.

#### 260H.01. CONTRACT SPECIFICATIONS

##### 260H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. dollar in any amount to a precision of 0.01 U.S. dollar.

##### 260H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 260H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.000001 Russian ruble per U.S. dollar for transactions in Cleared OTC Contracts.

##### 260H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 260H.01.E. Delivery Price and Delivery Value

Delivery for Cleared OTC Contracts assigned pursuant to Chapter 260H shall be by cash settlement according to Rule 260H.02.

##### 260H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs, shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's

Regular Trading Hours (RTH) settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. Contract Equivalent - For purposes of this Rule, a contract shall be deemed to be the equivalent of 2,500,000 Russian ruble in notional value.

4. Reserved.

5. Aggregate Position Limit- A person shall not own or control more than the equivalent of 10,000 contracts or 25,000,000,000 Russian rubles in notional value, net long or net short, in all expiration dates combined,

6. Spot Position Limit – A participant shall not own or control more than the equivalent of 2,000 contracts, or 5 billion Russian rubles, which are settled in the spot period between the fifteenth calendar day of the month and one week prior (inclusive) during the months of March, June, September and December, and

7. Exemptions - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

#### **260H.01.G. Last Day of Clearing**

The last day on which a transaction in a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one (1) valid business day prior to the cash settlement date.

#### **260H.01.H. Liquidation and Delivery Standards**

(1) At Maturity. After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 260H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 260H.02 and in a manner prescribed by the Clearing House.

(2) Prior to Maturity. Standard offsets of futures and options on futures shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **260H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **260H.02. CASH SETTLEMENT**

##### **260H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for a valid value date for cash settlement in one business day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be determined as the reciprocal of the Final Settlement Price per the procedures set forth in Rule 26002.B., Cash Settlement, rounded to the nearest integral multiple of the minimum price increment as identified per Rule 260H.01.C., Minimum Price Increments.

All open positions for that valid value date for cash settlement will be cash settled in the clearing-unit currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency and divided by the Final Settlement Price for the valid value date for cash settlement.

##### **260H.02.B. Procedures if No Cash Settlement Price is Available**

In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by CME, and in order to minimize basis risk, the Exchange shall determine a Final Settlement Price per procedures set forth in the INTERPRETATION TO CHAPTER 260.

**260H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications deliveries, and transfers under this Rule 260H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**260H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

(End Chapter 260H)

## Appendix 8

### Chapter 271H Cleared OTC U.S. Dollar/Korean Won (USD/ KRW) Spot, Forwards and Swaps

#### 271H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. dollar/Korean won Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuation currency is the Korean won and the clearing-unit currency is the U.S. dollar.

#### 271H.01. CONTRACT SPECIFICATIONS

##### 271H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. dollar in any amount to a precision of 0.01 U.S. dollar.

##### 271H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 271H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of ~~0.0004~~0.01 Korean won per U.S. dollar for transactions in Cleared OTC Contracts.

##### 271H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 271H.01.E. Delivery Price and Delivery Value

Delivery for Cleared OTC Contracts assigned pursuant to Chapter 271H shall be by cash settlement according to Rule 271H.02.

##### 271H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs, shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's

Regular Trading Hours (RTH) settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 125,000,000 Korean won in notional value.

4. **Position Accountability** - A person owning or controlling more than the aggregated equivalent of 6,000 contracts, or 750,000,000,000 Korean won in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than the equivalent of 2,000 contracts, or 250 billion Korean won, which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

#### **271H.01.G. Last Day of Clearing**

The last day on which a transaction in a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one (1) valid business day prior to the cash settlement date.

#### **271H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 271H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 271H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **271H.01.I. Contract Modifications**

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

#### **271H.02. CASH SETTLEMENT**

##### **271H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for a valid value date for cash settlement in one business day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be determined as the reciprocal of the Final Settlement Price per the procedures set forth in Rule 27102.B., Cash Settlement, rounded to the nearest integral multiple of the minimum price increment as identified per Rule 271H.01.C., Minimum Price Increments.

All open positions for that valid value date for cash settlement will be cash settled in the clearing-unit currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency and divided by the Final Settlement Price for the valid value date for cash settlement.

##### **271H.02.B. Procedures if No Cash Settlement Price is Available**

In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by CME, and in order to minimize basis risk, the Exchange shall determine a Final Settlement Price per procedures set forth in the INTERPRETATION TO CHAPTER 271.

##### **271H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications deliveries, and transfers under this Rule 271H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**271H.03.           DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

(End Chapter 271H)

## Appendix 9

### Chapter 273H Cleared OTC U.S. Dollar/ Colombian Peso (USD/COP) Spot, Forwards and Swaps

#### 273H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Colombian Peso Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Colombian peso and the clearing-unit currency is the U.S. dollar.

#### 273H.01. CONTRACT SPECIFICATIONS

##### 273H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 273H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 273H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.01 Colombian Peso per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 273H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 273H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 273H shall be by cash settlement according to Rule 273H.02.

##### 273H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** – A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

#### **273H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **273H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 273H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 273H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **273H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **273H.02. CASH SETTLEMENT**

##### **273H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the Colombian official exchange rate – the Tasa Representativa del Mercado or TRM (also known as the Colombian Peso index) as published by Superintendencia Financiera de Colombia on the Central bank of Colombia's Web site (see [http://www.banrep.gov.co/statistics/sta\\_exchange\\_d.htm](http://www.banrep.gov.co/statistics/sta_exchange_d.htm) for the daily TRM) on the valid value date for cash settlement, rounded to two decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Colombian peso versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is

negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the TRM for the valid value date for cash settlement in two business days, is as follows: "Market Exchange Rate for MMTMM, DD - YYYY is 1887.80 COP per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 1801.44 COP per USD for a notional amount of 100,000 USD, then the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing members account for the buyer with US\$4,574.64 (*i.e.*, 1,887.80 COP per USD – 1,801.44 COP per USD = (+86.36 COP per USD x 100,000 USD) / 1,887.80 COP per USD) = \$4,574.64.). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall debit the clearing member account for the seller with US\$4,574.64.

~~[In the event that the TRM of Colombia Pesos per U.S. Dollar is not published on the last trading day by the Central Bank of Colombia, and in order to minimize basis risk between the Colombian peso / U.S. dollar futures contracts and the non-deliverable forward ("NDF") market, the Exchange shall determine a Final Settlement Price based on the EMTA COP Indicative Survey Rate, when available. The EMTA COP Indicative Survey Rate Methodology follows this chapter in an Interpretation.]~~

In the event that the "Tasa Representativa del Mercado or TRM" Colombian peso per U.S. dollar rate is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**273H.02.B.** Reserved.

**273H.02.C.** Amendments to Timings

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 273H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**273H.03.** DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.

## Appendix 10

### Chapter 277H Cleared OTC U.S. Dollar/ Peruvian Sol (USD/PEN) Spot, Forwards and Swaps

#### 277H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Peruvian Sol Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Peruvian sol and the clearing-unit currency is the U.S. dollar.

#### 277H.01. CONTRACT SPECIFICATIONS

##### 277H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 277H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 277H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.000001 Peruvian sol per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 277H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 277H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 277H shall be by cash settlement according to Rule 277H.02.

##### 277H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.

2. Aggregation - For purposes of this Rule, where applicable:

- futures,
- options on futures,
- E-mini futures,
- E-micro futures,
- cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
- cleared only options on spot and forwards; and
- in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,

shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

#### **277H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **277H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 277H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 277H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **277H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **277H.02. CASH SETTLEMENT**

##### **277H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "PEN INTERBANK AVE (PEN05)," which is the "Peruvian Sol per U.S. dollar" average exchange rate published by the Banco Central de Reserva del Peru (BCRP) as the "Tipo de Cambio Interbancario Promedio" at approximately 2:00 p.m. Lima time on Reuters "PEBCR05" page, rounded to four decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Peruvian sol versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "PEN INTERBANK AVE (PEN05)," for the valid value date for cash settlement in two business days, is as follows: MMMMM, DD - YYYY is 2.739600 PEN per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 2.728156 PEN per USD for a notional amount of 100,000 USD, then the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing members account for the buyer with US\$417.73 (i.e.,  $2.739600 \text{ PEN per USD} - 2.728156 \text{ PEN per USD} = (+0.011444 \text{ PEN per USD} \times 100,000 \text{ USD}) / 2.739600 \text{ PEN per USD} = \$417.73$ ). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall debit the clearing member account for the seller with US\$417.73.

In the event that the "PEN INTERBANK AVE (PEN05)" Peruvian sol per U.S. dollar rate is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**277H.02.B.** Reserved.

**277H.02.C.** Amendments to Timings

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 277H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**277H.03.** DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.

## Appendix 11

### Chapter 279H Cleared OTC U.S. Dollar/ Indian Rupee (USD/INR) Spot, Forwards and Swaps

#### 279H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Indian Rupee Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Indian rupee and the clearing-unit currency is the U.S. dollar.

#### 279H.01. CONTRACT SPECIFICATIONS

##### 279H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 279H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 279H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.0001 Indian Rupee per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 279H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 279H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 279H shall be by cash settlement according to Rule 279H.02.

##### 279H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. Contract Equivalent - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. Position Accountability - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. Spot Position Limit - A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. Exemptions - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. Reserved

#### **279H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **279H.01.H. Liquidation and Delivery Standards**

(1) At Maturity. After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 279H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 279H.02 and in a manner prescribed by the Clearing House.

(2) Prior to Maturity. Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **279H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **279H.02. CASH SETTLEMENT**

##### **279H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "INR RBIB (INR01)," which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 p.m. Mumbai time (about 1:00 a.m. Central Time in the winter and 2:00 a.m. Central Time in the summer). This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. Reuters quotes this RBI USD/INR spot rate on its page RBIB. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "INR RBIB (INR01)," for the valid value date for cash settlement in two business days, is as follows: MMMMM, DD - YYYY is 47.2143 INR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 47.7152 INR per USD for a notional amount of 100,000 USD, then the Clearing House on the business day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$1,060.91 (i.e., 47.2143 INR per USD - 47.7152 INR per USD = -0.5009 INR

per USD x 100,000 USD) / 47.2143 INR per USD) = -\$1,060.91.). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$1,060.91.

In the event that the "INR RBIB (INR01) Indian rupee per U.S. dollar rate," is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**279H.02.B. Reserved**

**279H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 279H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**279H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

## Appendix 12

### Chapter 280H Cleared OTC U.S. Dollar/ Malaysian Ringgit (USD/MYR) Spot, Forwards and Swaps

#### 280H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Malaysian Ringgit Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Malaysian ringgit and the clearing-unit currency is the U.S. dollar.

#### 280H.01. CONTRACT SPECIFICATIONS

##### 280H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 280H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 280H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.000001 Malaysian Ringgit per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 280H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 280H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 280H shall be by cash settlement according to Rule 280H.02.

##### 280H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

#### **280H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **280H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity**. After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 280H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 280H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity**. Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **280H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **280H.02. CASH SETTLEMENT**

##### **280H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "MYR ABS (MYR01)," which is the "Malaysian ringgit per U.S. dollar" spot exchange rate spot rate at 11:30 a.m. Singapore time (9:30 p.m. CT on the preceding evening), expressed as the amount of Malaysian ringgit per one U.S. dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore which appears on the Reuters/Telerate Page 50157 to the right of the caption "Spot" under the column "MYR" at approximately 11:30 a.m., Singapore time (9:30 p.m. CT on the preceding evening), rounded to four (4) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Malaysian ringgit versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "MYR ABS (MYR01)," for the valid value date for cash settlement in two business days, is as follows: MMMMM, DD - YYYY is 3.012300 MYR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 3.030801 MYR per USD for a notional amount of 100,000 USD, then the

Clearing House on the business day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$614.18 (i.e.,  $3.012300 \text{ MYR per USD} - 3.030801 \text{ MYR per USD} = (-0.018501 \text{ MYR per USD} \times 100,000 \text{ USD}) / 3.012300 \text{ MYR per USD} = -\$614.18$ ). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$614.18.

In the event that the "MYR ABS (MYR01)" Malaysian ringgit per U.S. dollar rate is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**280H.02.B. Reserved**

**280H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 280H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**280H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

## Appendix 13

### Chapter 281H Cleared OTC U.S. Dollar/ Indonesian Rupiah (USD/IDR) Spot, Forwards and Swaps

#### 281H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Indonesian Rupiah Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Indonesian rupiah and the clearing-unit currency is the U.S. dollar.

#### 281H.01. CONTRACT SPECIFICATIONS

##### 281H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 281H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 281H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.01 Indonesian Rupiah per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 281H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 281H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 281H shall be by cash settlement according to Rule 281H.02.

##### 281H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.
2. Aggregation - For purposes of this Rule, where applicable:
  - futures,
  - options on futures,
  - E-mini futures,
  - E-micro futures,
  - cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
  - cleared only options on spot and forwards; and
  - in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

#### **281H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **281H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 281H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 281H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **281H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **281H.02. CASH SETTLEMENT**

##### **281H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "IDR ABS (IDR01)" which is the "Indonesian rupiah per U.S. dollar" spot exchange rate spot rate at 11:30 a.m. Singapore time (9:30 p.m. CT on the preceding evening), expressed as the amount of Indonesian rupiah per one U.S. dollar, for settlement in two business days, reported by the Association of Banks in Singapore which appears on the Reuters/Telerate Page 50157 to the right of the caption "Spot" under the column "IDR" at approximately 11:30 a.m., Singapore time (9:30 p.m. CT on the preceding evening), rounded to two (2) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indonesian rupiah versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "IDR ABS (IDR01)," for the valid value date for cash settlement in two business days, is as follows: MMMMM, DD - YYYY is 8612.00 IDR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 8682.45 IDR per USD for a notional amount of 100,000 USD, then the Clearing House on

the business day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$818.04 (*i.e.*, 8612.00 IDR per USD – 8682.45 IDR per USD = (-70.45 IDR per USD x 100,000 USD) / 8612.00 IDR per USD) = -\$818.04.). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$818.04.

In the event that the "IDR ABS (IDR01)" Indonesian rupiah per U.S. dollar rate is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**281H.02.B. Reserved**

**281H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 281H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**281H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

## Appendix 14

### Chapter 282H Cleared OTC U.S. Dollar/ Taiwan Dollar (USD/TWD) Spot, Forwards and Swaps

#### 282H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Taiwan Dollar Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Taiwan dollar and the clearing-unit currency is the U.S. dollar.

#### 282H.01. CONTRACT SPECIFICATIONS

##### 282H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 282H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 282H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.001 Taiwan Dollar per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 282H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 282H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 282H shall be by cash settlement according to Rule 282H.02.

##### 282H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.

2. Aggregation - For purposes of this Rule, where applicable:

- futures,
- options on futures,
- E-mini futures,
- E-micro futures,
- cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
- cleared only options on spot and forwards; and
- in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,

shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. Contract Equivalent - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. Position Accountability - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. Spot Position Limit - A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. Exemptions - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. Reserved

#### **282H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **282H.01.H. Liquidation and Delivery Standards**

(1) At Maturity. After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 282H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 282H.02 and in a manner prescribed by the Clearing House.

(2) Prior to Maturity. Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **282H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **282H.02. CASH SETTLEMENT**

##### **282H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "TWD TAIFX1 (TWD03)" which is the "Taiwan dollar per U.S. dollar" spot exchange rate at 11:00 a.m. Taipei time (9:00 p.m. CT in winter or 10:00 p.m. CT in summer on the preceding evening), expressed as the amount of Taiwan dollar per one U.S. dollar, for settlement in two business days, reported by Taipei Forex Inc., which appears on the Reuters screen TAIFX1 page under the heading "Spot" as of 11:00 a.m. Taipei time, rounded to three (3) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Taiwan dollar versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "TWD TAIFX1 (TWD03)," for the valid value date for cash settlement in two business days, is as follows: MMMMM, DD - YYYY is 29.195 TWD per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 29.275 TWD per USD for a notional amount of 100,000 USD, then the Clearing House on the business day following the valid value date for cash settlement shall debit the clearing

members account for the buyer with US\$274.02 (*i.e.*, 29.195 TWD per USD – 29.275 TWD per USD =(-0.080 TWD per USD x 100,000 USD) / 29.195 TWD per USD) = -\$274.02.). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$274.02.

In the event that the "TWD TAIFX1 (TWD03)" Taiwan dollar per U.S. dollar rate is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**282H.02.B. Reserved**

**282H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 282H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**282H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

## Appendix 15

### Chapter 283H Cleared OTC U.S. Dollar/ Philippines Peso (USD/PHP) Spot, Forwards and Swaps

#### 283H.00. SCOPE OF CHAPTER

This chapter is limited in application to U.S. Dollar/Philippines Peso Spot, Forwards, and Swaps that are executed between two counterparties on an Over-the-Counter ("OTC") basis and subsequently novated to the CME Clearing House for purposes of clearance ("Cleared OTC Contracts"). Parties to transactions in Cleared OTC Contracts shall be limited to "eligible contract participants" as defined in Section 1a(12) of the Commodity Exchange Act. Cleared OTC Contracts are listed by CME for clearing-only. Transactions in Cleared OTC Contracts shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Cleared OTC Contracts shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing). For purposes of these Rules, the minimum-fluctuations currency is the Philippines peso and the clearing-unit currency is the U.S. dollar.

#### 283H.01. CONTRACT SPECIFICATIONS

##### 283H.01.A. Unit of Clearing

The unit of clearing shall be 1 U.S. Dollar in any amount down to a precision of 0.01 U.S. Dollar.

##### 283H.01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Cleared OTC Contracts may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

##### 283H.01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of 0.001 Philippines Peso per U.S. Dollar for transactions in Cleared OTC Contracts.

##### 283H.01.D. Valid Value Dates for Cash Settlement

Cleared OTC Contracts shall be cash settled for any valid value date(s) mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.

##### 283H.01.E. Delivery Price and Delivery Value

Delivery for the Cleared OTC Contracts assigned pursuant to Chapter 283H shall be by cash settlement according to Rule 283H.02.

##### 283H.01.F. Position Limits and Position Accountability

1. Authority - Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following.

2. Aggregation - For purposes of this Rule, where applicable:

- futures,
- options on futures,
- E-mini futures,
- E-micro futures,
- cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),
- cleared only options on spot and forwards; and
- in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,

shall be aggregated with all products utilizing that foreign exchange (FX) pair regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying full-size CME futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products) to the CME base currency using the prior day's Regular Trading Hours (RTH)

settlement, and dividing the result by the contract size or notional of the full-size CME futures contract.

3. **Contract Equivalent** - For purposes of this Rule, a contract shall be deemed to be the equivalent of 100,000 U.S. dollars in notional value.

4. **Position Accountability** - A participant owning or controlling more than the aggregated equivalent of 6,000 contracts, or 600,000,000 U.S. dollars in notional value, net long or net short, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.

5. **Spot Position Limit** - A participant shall not own or control more than 20,000 net contract equivalents (USD 100,000 notional per synthetic contract) which are settled in the spot period between the second and third Wednesdays (inclusive) during the months of March, June, September and December.

6. **Exemptions** - The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

7. **Reserved**

#### **283H.01.G. Last Day of Clearing**

The last day on which a Cleared OTC Contract may be submitted for clearing in respect of a specified cash settlement date shall be one valid business day prior to the cash settlement date.

#### **283H.01.H. Liquidation and Delivery Standards**

(1) **At Maturity.** After clearing of Cleared OTC Contracts in respect of a specified cash settlement date has ceased, in accordance with Rule 283H.01.G. of this chapter, outstanding contracts for such cash settlement date shall be liquidated by cash settlement through procedures as prescribed in Rule 283H.02 and in a manner prescribed by the Clearing House.

(2) **Prior to Maturity.** Standard offsets of futures and options on futures, if applicable, shall not apply to positions in Cleared OTC Contracts. Prior to the Cash Settlement Date, positions may be closed out upon the request of the clearing firm to the Clearing House, and in the manner prescribed by the Clearing House.

#### **283H.01.I. Contract Modifications**

Specifications shall be fixed as of the first day of clearing of a contract, except that all final settlements via cash settlement must conform to government regulations in force at the time of final settlement. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

#### **283H.02. CASH SETTLEMENT**

##### **283H.02.A. Day of Cash Settlement**

Each Cleared OTC Contract, for the valid value date for cash settlement in two business days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "PHP PDSPEO (PHP06)" which is the "Philippines peso per U.S. dollar" spot exchange rate at 11:30 a.m. Manila time (9:30 p.m. CT in winter or 10:30 p.m. CT in summer on the preceding evening), expressed as the amount of Philippine pesos per one U.S. dollar, for settlement in two business days, reported as the weighted average of all foreign exchange transactions done through the electronic Philippine Dealing System (PDS) during the preceding business day pursuant to Circular Letter dated July 30, 1992 of the Bangko Sentral ng Pilipinas. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Philippine peso versus U.S. dollars. Reuters quotes this spot rate on its page PDSPEO (PHP06) to the right of the caption "AM WT AVE." All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "PHP PDSPEO (PHP06)," for the valid value date for cash settlement in two business days, is as follows: MMMMM, DD - YYYY is 42.673 PHP per USD," and the original trade price submitted for clearing by

clearing firms of the buyer and seller was 42.619 PHP per USD for a notional amount of 100,000 USD, then the Clearing House on the business day following the valid value date for cash settlement shall credit the clearing members account for the buyer with US\$126.54 (*i.e.*, 42.673 PHP per USD – 42.619 PHP per USD = (+0.054 PHP per USD x 100,000 USD) / 42.673 PHP per USD) = +\$126.54.). Similarly, the Clearing House on the business day following the valid value date for cash settlement shall debit the clearing member account for the seller with US\$126.54.

In the event that the "PHP PDSPEO (PHP06)" Philippines per U.S. dollar rate is not published on a valid date for cash settlement, then Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES shall be in effect.

**283H.02.B. Reserved**

**283H.02.C. Amendments to Timings**

The Exchange may amend the timings of notifications, deliveries, and transfers under this Rule 283H.02 to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

**283H.03. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

**Appendix 16. Attributes of the Daily Mark to Market Clearing System for Cleared OTC FX Products**

Code	Primary	Contra	Settle	Value	MTMCur	Type	Name	Tick	Decl- mals	Sample Price	Days prior	Fixing
USDBRL	USD	BRL	CASH	FWDBI	USD	NDF	Brazilian Real	0.000001	6	1.712356	1	PTAX
USDCLP	USD	CLP	CASH	FWDBI	USD	NDF	Chilean Peso	0.0001	4	478.2356	1	CLP10
USDCNY	USD	CNY	CASH	FWDBI	USD	NDF	Chinese Yuan	0.0001	4	6.3905	1	SAEC
USDCOP	USD	COP	CASH	FWDBI	USD	NDF	Colombian Peso	0.01	2	1823.45	1	TRM
USDIDR	USD	IDR	CASH	FWDBI	USD	NDF	Indonesia Rupiah	0.01	2	8760.23	1	IDR01
USDINR	USD	INR	CASH	FWDBI	USD	NDF	Indian Rupee	0.0001	4	47.5551	1	INR01
USDKRW	USD	KRW	CASH	FWDBI	USD	NDF	Korean Won	0.0001	4	1113.2568	1	KFTC18
USDMYR	USD	MYR	CASH	FWDBI	USD	NDF	Malaysia Ringgit	0.000001	6	3.089256	1	MYR01
USDPEN	USD	PEN	CASH	FWDBI	USD	NDF	Peruvian Sol	0.000001	6	2.732088	1	PEN05
USDPHP	USD	PHP	CASH	FWDBI	USD	NDF	Philippine Peso	0.001	3	43.295	1	PHP06
USD RUB	USD	RUB	CASH	FWDBI	USD	NDF	Russian Ruble	0.000001	6	30.497527	1	CME/EMTA
USDTWD	USD	TWD	CASH	FWDBI	USD	NDF	Taiwan Dollar	0.001	3	29.622	1	TWD03
AUDJPY	AUD	JPY	CASH	FWDB	JPY	CSF	Aussie/Yen	0.000001	6	78.816157	2	WM Reuters
AUDUSD	AUD	USD	CASH	FWDB	USD	CSF	Australian Dollar	0.000001	6	1.030956	1	WM Reuters
CADJPY	CAD	JPY	CASH	FWDB	JPY	CSF	Canadian/Yen	0.00001	5	77.66865	2	WM Reuters
EURAUD	EUR	AUD	CASH	FWDBI	EUR	CSF	Euro/Aussie	0.000001	6	1.346128	1	WM Reuters
EURCHF	EUR	CHF	CASH	FWDBI	EUR	CSF	Euro/Swiss	0.0000001	7	1.2051456	1	WM Reuters
EURGBP	EUR	GBP	CASH	FWDBI	EUR	CSF	Euro/Pound	0.0000001	7	0.8763629	1	WM Reuters
EURJPY	EUR	JPY	CASH	FWDBI	EUR	CSF	Euro/Yen	0.0001	4	106.2159	1	WM Reuters
EURUSD	EUR	USD	CASH	FWDB	USD	CSF	Euro	0.000001	6	1.385194	1	WM Reuters
GBPUSD	GBP	USD	CASH	FWDB	USD	CSF	British Pound	0.000001	6	1.580543	1	WM Reuters
NZDUSD	NZD	USD	CASH	FWDB	USD	CSF	New Zealand \$	0.000001	6	0.823979	1	WM Reuters
USDCAD	USD	CAD	CASH	FWDBI	USD	CSF	Canadian Dollar	0.000001	6	0.987458	1	WM Reuters
USDCZK	USD	CZK	CASH	FWDBI	USD	CSF	Czech Koruna	0.00001	5	17.73312	1	WM Reuters
USDCHF	USD	CHF	CASH	FWDBI	USD	CSF	Swiss Franc	0.000001	6	0.870156	1	WM Reuters
USDDKK	USD	DKK	CASH	FWDBI	USD	CSF	Danish Krone	0.000001	6	5.377842	1	WM Reuters
USDHKD	USD	HKD	CASH	FWDBI	USD	CSF	Hong Kong \$	0.000001	6	7.791657	1	WM Reuters
USDHUF	USD	HUF	CASH	FWDBI	USD	CSF	Hungarian Forint	0.0001	4	205.9383	1	WM Reuters
USDILS	USD	ILS	CASH	FWDBI	USD	CSF	Israeli Shekel	0.000001	6	3.669047	1	WM Reuters
USDJPY	USD	JPY	CASH	FWDBI	USD	CSF	Japanese Yen	0.0001	4	76.7192	1	WM Reuters
USDMXN	USD	MXN	CASH	FWDBI	USD	CSF	Mexican Peso	0.000001	6	12.909847	1	WM Reuters
USDNOK	USD	NOK	CASH	FWDBI	USD	CSF	Norway Krone	0.000001	6	5.593688	1	WM Reuters
USDPLN	USD	PLN	CASH	FWDBI	USD	CSF	Polish Zloty	0.000001	6	3.125932	1	WM Reuters
USDSEK	USD	SEK	CASH	FWDBI	USD	CSF	Swedish Krona	0.000001	6	6.616378	1	WM Reuters
USDSGD	USD	SGD	CASH	FWDBI	USD	CSF	Singapore Dollar	0.000001	6	1.244456	1	WM Reuters
USDTHB	USD	THB	CASH	FWDBI	USD	CSF	Thailand Baht	0.0001	4	30.3547	1	WM Reuters
USDTRY	USD	TRY	CASH	FWDBI	USD	CSF	Turkish Lira	0.000001	6	1.783092	1	WM Reuters
USDZAR	USD	ZAR	CASH	FWDBI	USD	CSF	S. African Rand	0.000001	6	7.395692	1	WM Reuters

## Countries' GDP, FX Turnover & Stock Market Capitalization Statistics

	Country	Currency	Ticker	2010 GDP (Bil USD)	2008 Stock Market Cap (Bil USD)	4/10 FX Market Turnover (Bil USD) (2)	4/10 FX Turnover Market Share (3)
1	United States	Dollars	USD	\$14,720.00	\$11,740.00	\$1,689.9	21.23%
2	European Union (1)	Euros	EUR	\$14,900.00	\$7,644.00	\$778.3	9.78%
3	Japan	Yen	JPY	\$4,338.00	\$3,290.00	\$378.2	4.75%
4	United Kingdom	Pounds	GBP	\$2,189.00	\$1,852.00	\$256.8	3.23%
5	Australia	Dollars	AUD	\$889.60	\$675.60	\$151.3	1.90%
6	Switzerland	Francs	CHF	\$326.50	\$862.70	\$127.4	1.60%
7	Canada	Dollars	CAD	\$1,335.00	\$1,002.00	\$105.5	1.33%
8	Hong Kong	Dollars	HKD	\$323.30	\$1,320.00	\$47.8	0.60%
9	Sweden	Kronor	SEK	\$354.00	\$252.50	\$43.8	0.55%
10	New Zealand	Dollars	NZD	\$119.20	\$24.17	\$31.8	0.40%
11	Korea	Won	KRW	\$1,467.00	\$494.60	\$29.9	0.38%
12	Singapore	Dollars	SGD	\$292.40	\$474.30	\$27.9	0.35%
13	Mexico	Pesos	MXN	\$1,560.00	\$232.60	\$25.9	0.33%
14	Norway	Krone	NOK	\$276.40	\$125.90	\$25.9	0.33%
15	India	Rupee	INR	\$4,046.00	\$645.50	\$17.9	0.23%
16	Russia	Rubles	RUB	\$2,229.00	\$1,322.00	\$17.9	0.23%
17	Poland	Zlotych	PLN	\$725.20	\$90.23	\$15.9	0.20%
18	Brazil	Real	BRL	\$2,194.00	\$589.40	\$13.9	0.18%
19	Turkey	New Lira	TRY	\$958.30	\$117.90	\$13.9	0.18%
20	South Africa	Rand	ZAR	\$527.50	\$491.30	\$13.9	0.18%
21	Denmark	Kroner	DKK	\$201.40	\$131.50	\$11.9	0.15%
22	Taiwan	Dollars	TWD	\$823.60	\$657.30	\$10.0	0.13%
23	Hungary	Forint	HUF	\$190.00	\$30.20	\$8.0	0.10%
24	China	Yuan	CNY	\$9,872.00	\$2,794.00	\$6.0	0.08%
25	Malaysia	Ringgits	MYR	\$416.70	\$187.10	\$6.0	0.08%
26	Indonesia	Rupiah	IDR	\$1,033.00	\$178.20	\$4.0	0.05%
27	Thailand	Baht	THB	\$580.30	\$102.60	\$4.0	0.05%
28	Philippines	Pesos	PHP	\$353.20	\$130.50	\$4.0	0.05%
29	Czech Republic	Krona	CZK	\$262.80	\$70.26	\$4.0	0.05%
30	Chile	Pesos	CLP	\$260.00	\$132.40	\$4.0	0.05%
31	Israel	Shekels	ILS	\$217.10	\$134.50	\$4.0	0.05%
32	Colombia	Pesos	COP	\$431.90	\$133.30	\$2.0	0.03%
33	Peru	Neuvo Soles	PEN	\$274.70	\$55.63		

### NOTES

- Where CME Group already lists futures on the currency, the line item is shaded in green. If information unknown, cell is left blank.
- (1) European Union includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain
- (2) Includes spot, outright forward and FX swap transactions
- (3) Includes outright forwards, foreign exchange swaps, currency swaps, options and other derivative products
- (4) Pink shading denotes non-CME traded currencies.