

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-201

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 05/04/23 Filing Description: Amendments to the Options on Bitcoin Futures, Ether Futures, Micro Bitcoin Futures and Micro Ether Futures Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

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

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

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

May 4, 2023

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Amendments to the Options on Bitcoin Futures, Ether Futures, Micro Bitcoin Futures and Micro Ether Futures Contracts.
 CME Submission No. 23-201**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments Options on Bitcoin Futures, Options on Ether Futures, Options on Micro Bitcoin Futures and Options on Micro Ether Futures contracts (collectively, the “Contracts”) effective Sunday, May 21, 2023, for trade date Monday, May 22, 2023.

Specifically, the Exchange will:

- amend the strike price listing schedule of option contracts noted in Table 1. below;
- as a result of the Exchange’s concurrent launch of additional weekly option contracts (see CME Submission No. [23-068](#) also dated May 4, 2023), (a) no weekly options will be listed on a day that falls on both a U.S. and U.K. holiday and (b) the first trade date for all non-monthly options on Bitcoin Futures, Ether Futures, Micro Bitcoin Futures and Micro Ether Futures contracts will be added two (2) business days prior to the expiration date of the nearest related expiring options contract; and
- implement clarification amendments to the options product chapters (collectively, the “Rule Amendments”).

Table 1.

Contract Title	Commodity Code	Current Strike Price Listing Schedule	Amended Strike Price Listing Schedule
Options on Bitcoin Futures	BTC	Prelisted strikes at \$500,000, \$100,000, \$50,000, \$10,000, \$5,000 and \$1,000 bitcoin increment plus dynamic strikes at \$25 bitcoin increment.	Prelisted strikes at \$100,000, \$50,000, \$10,000, \$5,000 and \$1,000 bitcoin increment.
Monday Weekly Options on Micro Bitcoin Futures	W1A-W5A	Strikes listed for 300% above the at-the-money strike and 100% below the at-the-money strike at:	Strikes listed for 300% above the at-the-money strike and 100% below the at-the-money strike at:
Wednesday Weekly Options on Micro Bitcoin Futures	W1C-W5C	• \$100,000 bitcoin increment for underlying settlement above \$500,000	• \$100,000 bitcoin increment for underlying settlement above \$500,000
Friday Weekly Options on Micro Bitcoin Futures	W1E-W4E	• \$50,000 bitcoin increment for underlying settlement above \$500,000	• \$50,000 bitcoin increment for underlying settlement above \$500,000

<p>Monthly Options on Micro Bitcoin Futures</p>	<p>WM</p>	<ul style="list-style-type: none"> • \$50,000 bitcoin increment for underlying settlement at or below \$500,000 • \$10,000 bitcoin increment for underlying settlement at or below \$100,000 • \$5,000 bitcoin increment for underlying settlement at or below \$50,000 • \$1,000 bitcoin increment for underlying settlement at or below \$10,000 • \$500 bitcoin increment for underlying settlement at or below \$5,000 <p>When less than 96 days remain until expiration (DTE), additional strikes listed for 75% above the at-the-money strike and 25% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$10,000 bitcoin increment for underlying settlement above \$500,000 • \$5,000 bitcoin increment for underlying settlement at or below \$500,000 • \$1,000 bitcoin increment for underlying settlement at or below \$100,000 • \$500 bitcoin increment for underlying settlement at or below \$50,000 • \$100 bitcoin increment for underlying settlement at or below \$10,000 • \$50 bitcoin increment for underlying settlement at or below \$5,000 <p>When less than 14 days remain until expiration (DTE), additional strikes listed for 15% above the at-the-money strike and 5% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$5,000 bitcoin increment for underlying settlement above \$500,000 	<p>settlement at or below \$500,000</p> <ul style="list-style-type: none"> • \$10,000 bitcoin increment for underlying settlement at or below \$100,000 • \$5,000 bitcoin increment for underlying settlement at or below \$50,000 • \$1,000 bitcoin increment for underlying settlement at or below \$10,000 • \$500 bitcoin increment for underlying settlement at or below \$5,000 <p>When less than 210 days remain until expiration (DTE), additional strikes listed for 75% above the at-the-money strike and 25% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$10,000 bitcoin increment for underlying settlement above \$500,000 • \$5,000 bitcoin increment for underlying settlement at or below \$500,000 • \$1,000 bitcoin increment for underlying settlement at or below \$100,000 • \$100 bitcoin increment for underlying settlement at or below \$10,000 • \$50 bitcoin increment for underlying settlement at or below \$5,000 <p>When less than 5 days remain until expiration (DTE), additional strikes listed for 15% above the at-the-money strike and 5% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$5,000 bitcoin increment for underlying settlement above \$500,000 • \$2,500 bitcoin increment for underlying settlement at or below \$500,000
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		<ul style="list-style-type: none"> • \$2,500 bitcoin increment for underlying settlement at or below \$500,000 • \$500 bitcoin increment for underlying settlement at or below \$100,000 • \$250 bitcoin increment for underlying settlement at or below \$50,000 • \$50 bitcoin increment for underlying settlement at or below \$10,000 • \$25 bitcoin increment for underlying settlement at or below \$5,000 	<ul style="list-style-type: none"> • \$500 bitcoin increment for underlying settlement at or below \$100,000 • \$250 bitcoin increment for underlying settlement at or below \$50,000 • \$50 bitcoin increment for underlying settlement at or below \$10,000
Options on Ether Futures	ETH	<p>Prelisted strikes at \$50,000, \$10,000, \$5,000, \$1,000, \$500 and \$100 micro ether increment plus dynamic strikes at \$5 micro ether increment. Strikes listed for 300% above the at-the-money strike and 100% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$10,000 micro ether increment for underlying settlement above \$50,000 • \$5,000 micro ether increment for underlying settlement at or below \$50,000 • \$1,000 micro ether increment for underlying settlement at or below \$10,000 • \$500 micro ether increment for underlying settlement at or below \$5,000 • \$100 micro ether increment for underlying settlement at or below \$1,000 • \$50 micro ether increment for underlying settlement at or below \$500 <p>When less than 96 days remain until expiration (DTE), additional strikes listed for 75% above the at-the-money strike and 25% below the at-the-money strike at:</p>	<p>Prelisted strikes at \$10,000, \$5,000, \$1,000, \$500, and \$100 ether increment. Strikes listed for 300% above the at-the-money strike and 100% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$10,000 ether strike increment for underlying settlement above \$50,000 • \$5,000 ether strike increment for underlying settlement at or below \$50,000 • \$1,000 ether strike increment for underlying settlement at or below \$10,000 • \$500 ether strike increment for underlying settlement at or below \$5,000 • \$100 ether strike increment for underlying settlement at or below \$1,000 • \$50 ether strike increment for underlying settlement at or below \$500 <p>When less than 210 days remain until expiration (DTE), additional strikes listed for 75% above the at-the-money strike and 25% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$1,000 ether strike increment for underlying settlement above \$50,000
Monday Weekly Options on Micro Ether Futures	V1A-V5A		
Wednesday Weekly Options on Micro Ether Futures	V1C-V5C		
Friday Weekly Options on Micro Ether Futures	V1E-V4E		
Monthly Options on Micro Ether Futures	VM		

		<ul style="list-style-type: none"> • \$1,000 micro ether increment for underlying settlement above \$50,000 • \$500 micro ether increment for underlying settlement at or below \$50,000 • \$100 micro ether increment for underlying settlement at or below \$10,000 • \$50 micro ether increment for underlying settlement at or below \$5,000 • \$10 micro ether increment for underlying settlement at or below \$1,000 • \$5 micro ether increment for underlying settlement at or below \$500 <p>When less than 14 days remain until expiration (DTE), additional strikes listed for 15% above the at-the-money strike and 5% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$500 micro ether increment for underlying settlement above \$50,000 • \$250 micro ether increment for underlying settlement at or below \$50,000 • \$50 micro ether increment for underlying settlement at or below \$10,000 • \$25 micro ether increment for underlying settlement at or below \$5,000 • \$5 micro ether increment for underlying settlement at or below \$1,000 	<ul style="list-style-type: none"> • \$500 ether strike increment for underlying settlement at or below \$50,000 • \$100 ether strike increment for underlying settlement at or below \$10,000 • \$10 ether strike increment for underlying settlement at or below \$1,000 • \$5 ether strike increment for underlying settlement at or below \$500 <p>When less than 5 days remain until expiration (DTE), additional strikes listed for 15% above the at-the-money strike and 5% below the at-the-money strike at:</p> <ul style="list-style-type: none"> • \$500 ether strike increment for underlying settlement above \$50,000 • \$250 ether strike increment for underlying settlement at or below \$50,000 • \$50 ether strike increment for underlying settlement at or below \$10,000 • \$25 ether strike increment for underlying settlement at or below \$5,000 • \$5 ether strike increment for underlying settlement at or below \$1,000
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Exhibit A provides the Rulebook Chapters in blackline format,

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

Availability of General Information: The Exchange will release a Special Executive Report (“SER”) regarding these amendments. The SER will also be posted on the CME Group website.

Daily Publication of Trading Information: CME will continue to publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.

Prevention of Market Disruption: Trading in the Contracts will continue to be subject to the rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process.

Compliance with Rules: The Exchange will continue its normal practice to establish, monitor, and enforce compliance with the rules of the Contracts, including the expansion of the listing schedule of the Contracts.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

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

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

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A - CME Rulebook Chapters 350A, 349A, 348A and 347A (blackline format)

Exhibit A
CME Rulebook
(additions underscored; deletions ~~struck through~~)

Chapter 350A
Options on Bitcoin Futures

350A00. SCOPE OF CHAPTER

This chapter is limited in application to ~~e~~Options on Bitcoin Futures (“futures”). In addition to the rules of this chapter, [transactions in eOptions on Bitcoin Futures](#) shall be subject to the general rules and regulations of the Exchange, ~~as applicable.~~

~~Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.~~

350A01. OPTIONS CHARACTERISTICS

350A01.A. ~~Contract Months, Trading Hours, and Trading Halts~~ Listing and Trading Schedule

~~Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, provided that (The number of contracts open for trading at a given time, and the hours of trading for options contracts shall be determined by the Exchange. There shall be no trading in options when trading is halted in the underlying Futures Contract Month for Bitcoin Futures (Chapter 350).~~

350A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one Bitcoin Futures contract (Chapter 350). ~~Such Bitcoin Futures contract shall represent 5 bitcoin as valued by the CME CF Bitcoin Reference Rate (“BRR”) in accordance with Rule 35001.~~

350A01.C. Minimum ~~Fluctuations~~ Price Increments

1. Outright

~~Option prices shall be quoted in USD per bitcoin (BRR Index points), each BRR Index point representing \$1.00 per bitcoin or \$5.00 per Bitcoin Futures contract.~~

~~The minimum price fluctuation shall be \$5.00 per bitcoin (equal to \$25.00 per option contract), provided that trades at a premium equal to or less than \$25.00 per bitcoin (\$125.00 per option contract) may occur at price levels that are integer multiples of \$1.00 per bitcoin (equal to \$5.00 per option contract). Option prices shall be quoted in CME CF Bitcoin Reference Rate (“BRR”) Index points (USD per bitcoin).~~

~~The minimum price fluctuation shall be 5 Index points (equal to \$25.00 per option contract), provided that trades at a premium equal to or less than 25 Index points (equal to \$125.00 per option contract) shall be in increments of 1 Index point (equal to \$5.00 per option contract).~~

2. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule, provided that for any option spread or combination that trades at a net premium of \$25.00 Index points (equal to \$125.00 per option contract spread) or ~~fewer~~less, each option contract comprised within such spread or combination may trade in price increments of \$1.00 Index point per bitcoin (equal to \$5.00 per option contract).

350A01.D. Daily Price Limits

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

350A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions~~

[from the specified position limits.](#)

350A01.DF. Underlying Futures Contract

1. Monthly Options

~~For any Monthly option,~~ [The Underlying Futures Contract shall be the nearest to expire Futures Contract for delivery on the last Friday of the same month as such option's named month of expiration, subject to Rule 35003.A.](#)

2. Weekly Options

[The Underlying Futures Contract shall be the nearest to expire Futures contract for delivery on the same day as such option's named day of expiration.](#)

350A01.EG. Exercise Prices

1. ~~4.~~ Regularly Listed Exercise Prices

~~On any Business Day, and subject to Rule 350A01.A.,~~ [The Exchange shall ensure that Monthly put and call options are listed for trading at all eligible exercise prices as set forth in the Strike Price Listing and Exercise Procedures Table.](#)

~~2.—~~

~~3.—~~

~~4.—~~

~~5.2.2.~~ Dynamically Listed Exercise Prices

Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 25 Index points. ~~The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

350A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

350A01.G. Nature of Options

~~Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 350A01.D.) at such option's exercise price (Rule 350A01.E.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

Monthly Options

~~A Monthly option (Rule 350A01.D.1.) will be exercised only at its expiration.~~

350A01.H. Daily Price Limits

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

350A01.IH. Termination of Trading

1. Monthly Options

Trading ~~in any of a~~ Monthly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 350A01.D.1.).

If that day is not a business day in both the U.K and the U.S., trading shall terminate on the preceding day that is a business day in either the U.K or the U.S.

2. Weekly Options

[Trading of a Weekly option shall terminate on its expiration date at 4:00:00 p.m. London time.](#)

Where the named day of the Contract week is not a business day in both the U.K and the U.S., no contract will be listed.

350A01.J. [Reserved]

350A02. EXERCISE AND ASSIGNMENT

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

350A02.A. Exercise

Monthly Options

~~Any Monthly option (Rule 350A01.D.1.) may be exercised only at, and not before, the expiration of such option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.~~

~~An expiring call option shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 35003.A) is at or above such option's exercise price, and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.~~

~~An expiring put option shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 35003.A) is strictly below such option's exercise price, and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.~~

~~Options may not be exercised prior to their termination of trading. They may be exercised only at, and not before, its expiration. Following the termination of trading any option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.~~

1. Monthly Options

An expiring Monthly call option (Rule 350A01.F.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 35003.A.) is at or above such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.

An expiring Monthly put option (Rule 350A01.F.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 35003.A.) is strictly below such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.

2. Weekly Options

For Options other than Monthly Options, whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option, as follows:

Such Fixing Price shall be based on the notionally-adjusted volume-weighted average price of transactions in Bitcoin Futures and Micro Bitcoin Futures on the CME Globex electronic trading platform during the last thirty (30) minutes of trading on expiration day (3:30:00 p.m. – 3:59:59 p.m. London time).

In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.

An expiring Weekly call option (Rule 350A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is at or above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.

An expiring Weekly put option (Rule 350A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.

350A02.B. Assignment

Monthly Options

~~For a given option contract, an exercise by the Clearing House in accordance with Rules 350A02.A. shall be assigned by the Clearing House to clearing members carrying open short positions in such option~~

~~contract.~~

~~The clearing member representing the short holder of such option shall be assigned a short position in such option's Underlying Futures Contract (Rule 350A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put.~~

~~The clearing member representing the long holder of such option shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.~~

Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 350A01.F.) at such option's exercise price (Rule 350A01.G.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

All such futures positions shall be assigned at a price equal to the exercise price of such option ~~contract,~~ and contract and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House automatically exercises such.

(End Chapter 350A)

Chapter 349A Options on Ether Futures

349A00. SCOPE OF CHAPTER

This chapter is limited in application to ~~e~~Options on Ether Futures (“futures”). In addition to [the rules of this chapter, transactions in e](#)Options on [Ether](#) Futures shall be subject to the general rules and regulations of the Exchange, ~~as applicable.~~

~~Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.~~

349A01. OPTIONS CHARACTERISTICS

349A01.A. ~~Contract Months, Trading Hours, and Trading Halts~~ Listing and Trading Schedule

~~Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, provided that~~ [The number of contracts open for trading at a given time, and the hours of trading for options contracts shall be determined by the Exchange.](#) There shall be no trading in options when trading is halted in the underlying Futures Contract Month for Ether Futures (Chapter 349).

349A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one Ether Futures contract (Chapter 349). ~~Such Ether Futures contract shall represent 50 ether as valued by the CME CF Ether Dollar Reference Rate (“ETHUSD_RR”) in accordance with Rule 34901.~~

349A01.C. Minimum ~~Fluctuations~~ Price Increments

1. ~~Outright~~

~~Option prices shall be quoted in USD per ether (ETHUSD_RR Index points), each Index point representing \$0.50 per ether \$25.00 per Ether Futures contract. Option prices shall be quoted in CME CF Ether-Dollar Reference Rate (“ETHUSD_RR”) Index points (USD per ether). The minimum price fluctuation shall be 0.50 Index points, equal to \$25.00 per option contract.~~

~~1.2.~~ Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule. The minimum price fluctuation shall be 0.50 Index points, ~~(equal to \$25.00 per option contract).~~

349A01.D. Daily Price Limits

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

349A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

349A01.~~DE~~. Underlying Futures Contract

1. Monthly Options

~~For any Monthly option,~~ [The Underlying Futures Contract shall be the nearest to expire Futures Contract for delivery on the last Friday of the same month as such option’s named month of expiration, subject to Rule 34903.A.](#)

2. Weekly Options

[The Underlying Futures Contract shall be the nearest to expire Futures contract for delivery on the same](#)

[day as such option's named day of expiration.](#)

349A01.EG. Exercise Prices

1. Regularly Listed Exercise Prices

~~On any Business Day, and subject to Rule 349A01.A., t~~The Exchange shall ensure that ~~Monthly~~ put and call options are listed for trading at all eligible exercise prices ~~as~~ set forth in the [Strike Price Listing and Exercise Procedures Table](#).

2. Dynamically Listed Exercise Prices

~~Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 25 Index points. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

~~349A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels~~

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

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

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

~~349A01.G. Nature of Options~~

~~Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 349A01.D.) at such option's exercise price (Rule 349A01.E.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

~~Monthly Options~~

~~A Monthly option (Rule 349A01.D.) will be exercised only at its expiration.~~

~~349A01.H. Daily Price Limits~~

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

~~349A01.IH. Termination of Trading~~

~~1. Monthly Options~~

~~Trading in any of a Monthly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 349A01.D.1).~~

~~If that day is not a business day in both the U.K and the U.S., trading shall terminate on the preceding day that is a business day in either the U.K or the U.S.~~

~~2. Weekly Options~~

~~Trading of a Weekly option shall terminate on its expiration date at 4:00:00 p.m. London time.~~

~~Where the named day of the Contract week is not a business day in both the U.K and the U.S., no contract will be listed.~~

~~349A01.J. [Reserved]~~

349A02. EXERCISE AND ASSIGNMENT

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

349A02.A. Exercise

Monthly Options

~~Any Monthly option (Rule 349A01.D.) may be exercised only at, and not before, the expiration of such~~

~~option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.~~

~~An expiring call option shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34903.A) is at or above such option's exercise price, and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.~~

~~An expiring put option shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34903.A) is strictly below such option's exercise price, and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.~~

~~Options may not be exercised prior to their termination of trading. They may be exercised only at, and not before, its expiration. Following the termination of trading any option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.~~

1. Monthly Options

An expiring Monthly call option (Rule 349A01.F.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34903.A.) is at or above such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.

An expiring Monthly put option (Rule 349A01.F.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34903.A.) is strictly below such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.

2. Weekly Options

For Options other than Monthly Options, whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option, as follows:

Such Fixing Price shall be based on the notionally-adjusted volume-weighted average price of transactions in Ether Futures and Micro Ether Futures on the CME Globex electronic trading platform during the last thirty (30) minutes of trading on expiration day (3:30:00 p.m. – 3:59:59 p.m. London time).

In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.

An expiring Weekly call option (Rule 349A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is at or above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.

An expiring Weekly put option (Rule 349A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.

349A02.B. Assignment

Monthly Options

~~For a given option contract, an exercise by the Clearing House in accordance with Rules 349A02.A. shall be assigned by the Clearing House to clearing members carrying open short positions in such option contract.~~

~~The clearing member representing the short holder of such option shall be assigned a short position in such option's Underlying Futures Contract (Rule 349A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put.~~

~~The clearing member representing the long holder of such option shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.~~

Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 349A01.F.) at such option's exercise price (Rule 349A01.G.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

All such futures positions shall be assigned at a price equal to the exercise price of such option ~~contract,~~ and contract and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House automatically exercises such.

(End Chapter 349A)

Chapter 348A Options on Micro Bitcoin Futures

348A00. SCOPE OF CHAPTER

This chapter is limited in application to ~~e~~Options on Micro Bitcoin Futures (“futures”). In addition to [the rules of this chapter](#), [transactions in eOptions on Micro Bitcoin Futures](#) shall be subject to the general rules and regulations of the Exchange, ~~as applicable.~~

~~Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.~~

348A01. OPTIONS CHARACTERISTICS

348A01.A. ~~Contract Months, Trading Hours, and Trading Halts~~ [Listing and Trading Schedule](#)

~~Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, provided that~~ [The number of contracts open for trading at a given time, and the hours of trading for options contracts shall be determined by the Exchange.](#) There shall be no trading in options when trading is halted in the underlying Futures Contract Month for Micro Bitcoin Futures (Chapter 348).

348A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one Micro Bitcoin Futures contract (Chapter 348). ~~Such Micro Bitcoin Futures contract shall represent one tenth (1/10) bitcoin as valued by the CME CF Bitcoin Reference Rate (“BRR”) in accordance with Rule 34801.~~

348A01.C. Minimum ~~Fluctuations~~ [Price Increments](#)

1. Outright

~~Option prices shall be quoted in BRR Index points (USD per bitcoin).~~

[Option prices shall be quoted in CME CF Bitcoin Reference Rate \(“BRR”\) Index points \(USD per bitcoin\).](#)

The minimum price fluctuation shall be 5 Index points (equal to \$0.50 per option contract), provided that trades at a premium equal to or less than 25 Index points (equal to \$2.50 per option contract) ~~may shall be in increments occur at price levels that are integer multiples~~ of 1 Index point (equal to \$0.10 per option contract).

2. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule, provided that for any option spread or combination that trades at a net premium of 25 Index points (equal to \$2.50 per option contract spread) or less than, each option contract comprised within such spread or combination may trade in price increments of 1 Index point (equal to \$0.10 per option contract).

348A01.D. [Daily Price Limits](#)

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

348A01.E. [Position Limits, Exemptions, Position Accountability and Reportable Levels](#)

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

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

[Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.](#)

348A01.~~DF~~. [Underlying Futures Contract](#)

1. Monthly Options

~~For any Monthly option,~~ [The Underlying Futures Contract shall be the nearest to expire Futures Contract for delivery on the last Friday of the same month as such option’s named month of expiration, subject to](#)

Rule 34803.A.

~~2. Weekly Monday Options~~

~~For any Weekly Monday option, the Underlying Futures Contract shall be the next expiring Futures Contract after such option's expiration, subject to Rule 34803.A.~~

~~3. Weekly Wednesday Options~~

~~For any Weekly Wednesday option, the Underlying Futures Contract shall be the next expiring Futures Contract after such option's expiration, subject to Rule 34803.A.~~

~~4. Weekly Friday Options~~

~~For any Weekly Friday option, the Underlying Futures Contract shall be the next expiring Futures Contract after such option's expiration, subject to Rule 34803.A.~~

2. Weekly Options

The Underlying Futures Contract shall be the nearest to expire Futures contract for delivery on the same day as such option's named day of expiration.

348A01.EG. Exercise Prices

1. ~~4. Regularly Listed Exercise Prices~~

~~On any Business Day, and subject to Rule 348A01.A.,~~ †The Exchange shall ensure that Monthly, Weekly put and call options are listed for trading at all eligible exercise prices as set forth in the Strike Price Listing and Exercise Procedures Table.

~~2. Dynamically Listed Exercise Prices~~

~~Upon demand and at the discretion of the Exchange, an option with an out-of-current range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 25 Index points (\$25 per bitcoin). The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

~~348A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels~~

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

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

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

~~348A01.G. Nature of Options~~

~~Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 348A01.D.) at such option's exercise price (Rule 348A01.E.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

~~Any Monthly, Weekly Monday, Weekly Wednesday or Weekly Friday option will be exercised only at its expiration.~~

~~348A01.H. Daily Price Limits~~

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

~~348A01.IH. Termination of Trading~~

~~Any Monthly option (Rule 348A01.D.1.), Weekly Monday option (Rule 348A01.D.2.), Weekly Wednesday option (Rule 348A01.D.3.) or Weekly Friday option (Rule 348A01.D.4.) may be exercised only at, and not before, the expiration of such option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be~~

~~exercised.~~

1. Monthly Options

~~Trading of a in any~~ Monthly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 348A01.D.1.).

~~If that day is not a business day in both the U.K and the U.S., trading shall terminate on the preceding day that is a business day in either the U.K or the U.S.~~

~~2. Weekly Monday, Weekly Wednesday and Weekly Friday Options~~

~~Trading in any Weekly Monday, Weekly Wednesday and Weekly Friday option shall terminate on its expiration date at 4:00:00 p.m. London time.~~

~~If such Monday is not a scheduled Business Day in both the US and the UK, then trading in expiring options shall be scheduled to terminate on the Business Day, in either the US or the UK, that next following such Monday.~~

~~If such Wednesday is not a scheduled Business Day in both the US and the UK, then trading in expiring options shall be scheduled to terminate on the Business Day, in either the US or the UK, that first precedes such Wednesday.~~

~~If such Friday is not a scheduled Business Day in both the US and the UK, then trading in expiring options shall be scheduled to terminate on the Business Day, in either the US or the UK, that first precedes such Friday.~~

~~If the market in the Underlying Futures Contract for any such Weekly Monday, Weekly Wednesday or Weekly Friday option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.~~

~~Trading of a Weekly option shall terminate on its expiration date at 4:00:00 p.m. London time.~~

~~Where the named day of the Contract week is not a business day in both the U.K and the U.S., no contract will be listed.~~

~~348A01.J. [Reserved]~~

348A02. EXERCISE AND ASSIGNMENT

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

~~Options which are in the money on the last day of trading are automatically exercised.~~

348A02.A. Exercise

~~Any Monthly option (Rule 348A01.D.1.), Weekly Monday option (Rule 348A01.D.2.), Weekly Wednesday option (Rule 348A01.D.3.) or Weekly Friday option (Rule 348A01.D.4.) may be exercised only at, and not before, the expiration of such option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised. Options may not be exercised prior to their termination of trading. They may be exercised only at, and not before, its expiration. Following the termination of trading any option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.~~

1. Monthly Options

An expiring Monthly call option (Rule 348A01.D.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34803.A.) is at or above such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.

An expiring Monthly put option (Rule 348A01.D.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34803.A.) is strictly below such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.

2. Weekly Monday, Weekly Wednesday and Weekly Friday Options

~~Whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option, as follows:~~

~~Such Fixing Price shall be based on the notionally-adjusted volume-weighted average price of transactions in Bitcoin futures and Micro Bitcoin futures on the CME Globex electronic trading platform during the last thirty (30) minutes of trading on expiration day (3:30:00 p.m. – 3:59:59 p.m. London time)~~

~~In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.~~

~~An expiring Weekly Monday call option (Rule 348A01.D.2.), Weekly Wednesday call option (Rule 348A01.D.3.) or Weekly Friday call option (Rule 348A01.D.4.) shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract (Rule 34803.A.) is at or above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.~~

~~An expiring Weekly Monday put option (Rule 348A01.D.2.), Weekly Wednesday put option (Rule 348A01.D.3.) or Weekly Friday put option (Rule 348A01.D.4.) shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract (Rule 34803.A.) is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price. For Options other than Monthly Options, whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option, as follows:~~

~~Such Fixing Price shall be based on the notionally-adjusted volume-weighted average price of transactions in Bitcoin Futures and Micro Bitcoin Futures on the CME Globex electronic trading platform during the last thirty (30) minutes of trading on expiration day (3:30:00 p.m. – 3:59:59 p.m. London time).~~

~~In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.~~

~~An expiring Weekly call option (Rule 348A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is at or above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.~~

~~An expiring Weekly put option (Rule 348A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.~~

348A02.B. Assignment

~~For a given option contract, an exercise by the Clearing House in accordance with Rules 348A02.A. shall be assigned by the Clearing House to clearing members carrying open short positions in such option contract.~~

~~The clearing member representing the short holder of such option shall be assigned a short position in such option's Underlying Futures Contract (Rule 348A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put.~~

~~The clearing member representing the long holder of such option shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.~~

~~Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 348A01.F.) at such option's exercise price (Rule 348A01.G.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

~~All such futures positions shall be assigned at a price equal to the exercise price of such option ~~contract,~~ ~~and~~ ~~contract~~ and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House automatically exercises such.~~

[\(End Chapter 348A\)](#)

Chapter 347A Options on Micro Ether Futures

347A00. SCOPE OF CHAPTER

This chapter is limited in application to ~~e~~Options on Micro Ether Futures (“futures”). In addition to [the rules of this chapter](#), [transactions in eOptions on Micro Ether Futures](#) shall be subject to the general rules and regulations of the Exchange, ~~as applicable.~~

~~Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.~~

347A01. OPTIONS CHARACTERISTICS

347A01.A. ~~Contract Months, Trading Hours, and Trading Halts~~ [Listing and Trading Schedule](#)

~~Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, provided that~~ [The number of contracts open for trading at a given time, and the hours of trading for options contracts shall be determined by the Exchange.](#) There shall be no trading in options when trading is halted in the underlying Futures Contract Month for Micro Ether Futures (Chapter 347).

347A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one Micro Ether Futures contract (Chapter 347). ~~Such Micro Ether Futures contract shall represent one tenth (1/10) ether as valued by the CME CF Ether Dollar Reference Rate (“ETHUSD_RR”) in accordance with Rule 34704.~~

347A01.C. Minimum ~~Fluctuations~~ [Price Increments](#)

1. Outright

~~Option prices shall be quoted in ETHUSD_RR Index points (USD per ether).~~ [Option prices shall be quoted in CME CF Ether-Dollar Reference Rate \(“ETHUSD_RR”\) Index points \(USD per ether\).](#)

The minimum price fluctuation shall be 0.50 Index Points, ~~(equal to \$0.05 per option contract).~~

2. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule. The minimum price fluctuation shall be 0.50 Index Points, ~~(equal to \$0.05 per option contract).~~

347A01.D. Daily Price Limits

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

347A01.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

[Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.](#)

347A01.D.F. Underlying Futures Contract

1. Monthly Options

~~For any Monthly option,~~ [The Underlying Futures Contract shall be the nearest to expire Futures Contract for delivery on the last Friday of the same month as such option’s named month of expiration, subject to Rule 34703.A.](#)

2. ~~Weekly Monday Options~~

~~For any Weekly Monday option, the Underlying Futures Contract shall be the next expiring Futures Contract after such option’s expiration, subject to Rule 34703.A.~~

3.—Weekly Wednesday Options

~~For any Weekly Wednesday option, the Underlying Futures Contract shall be the next expiring Futures Contract after such option's expiration, subject to Rule 34703.A.~~

4.—Weekly Friday Options

~~For any Weekly Friday option, the Underlying Futures Contract shall be the next expiring Futures Contract after such option's expiration, subject to Rule 34703.A.~~

2. Weekly Options

~~The Underlying Futures Contract shall be the nearest to expire Futures contract for delivery on the same day as such option's named day of expiration.~~

347A01.EG. Exercise Prices

1. Regularly Listed Exercise Prices

~~On any Business Day, and subject to Rule 347A01.A., the Exchange shall ensure that Monthly, Weekly put and call options are listed for trading at all eligible exercise prices as set forth in the Strike Price Listing and Exercise Procedures Table.~~

2. Dynamically Listed Exercise Prices

~~Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 25 Index points (\$25 per ether). The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

347A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

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

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

347A01.G. Nature of Options

~~Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 347A01.D.) at such option's exercise price (Rule 347A01.E.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

~~Any Monthly, Weekly Monday, Weekly Wednesday or Weekly Friday option will be exercised only at its expiration.~~

347A01.H. Daily Price Limits

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

347A01.IH. Termination of Trading

1. Monthly Options

~~Trading in any Monthly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 347A01.D.1.).~~

~~If that day is not a business day in both the U.K and the U.S., trading shall terminate on the preceding day that is a business day in either the U.K or the U.S.~~

2.—Weekly Monday, Weekly Wednesday and Weekly Friday Options

~~Trading in any Weekly Monday, Weekly Wednesday and Weekly Friday option shall terminate on its expiration date at 4:00:00 p.m. London time.~~

~~If such Monday is not a scheduled Business Day in both the US and the UK, then trading in expiring options shall be scheduled to terminate on the Business Day, in either the US or the UK, that next following such Monday.~~

~~If such Wednesday is not a scheduled Business Day in both the US and the UK, then trading in expiring options shall be scheduled to terminate on the Business Day, in either the US or the UK, that first precedes such Wednesday.~~

~~If such Friday is not a scheduled Business Day in both the US and the UK, then trading in expiring options shall be scheduled to terminate on the Business Day, in either the US or the UK, that first precedes such Friday.~~

~~If the market in the Underlying Futures Contract for any such Weekly Monday, Weekly Wednesday or Weekly Friday option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.~~

2. Weekly Options

Trading of a Weekly option shall terminate on its expiration date at 4:00:00 p.m. London time.

Where the named day of the Contract week is not a business day in both the U.K London and the U.S., no contract will be listed.~~347A01.J. [Reserved]~~

347A02. EXERCISE AND ASSIGNMENT

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

~~Options which are in the money on the last day of trading are automatically exercised.~~

347A02.A. Exercise

~~Any Monthly option (Rule 347A01.D.1.), Weekly Monday option (Rule 347A01.D.2.), Weekly Wednesday option (Rule 347A01.D.3.) or Weekly Friday option (Rule 347A01.D.4.) may be exercised only at, and not before, the expiration of such option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised. Options may not be exercised prior to their termination of trading. They may be exercised only at, and not before, its expiration. Following the termination of trading any option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.~~

1. Monthly Options

An expiring Monthly call option (Rule 347A01.D.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34703.A.) is at or above such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.

An expiring Monthly put option (Rule 347A01.D.1.) shall be in the money if the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 34703.A.) is strictly below such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.

2. Weekly Monday, Weekly Wednesday and Weekly Friday Options

~~Whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option, as follows:~~

~~Such Fixing Price shall be based on the notionally-adjusted volume-weighted average price of transactions in Ether futures and Micro Ether futures on the CME Globex electronic trading platform during the last thirty (30) minutes of trading on expiration day (3:30:00 p.m. — 3:59:59 p.m. London time)~~

~~In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.~~

~~An expiring Weekly Monday call option (Rule 347A01.D.2.), Weekly Wednesday call option (Rule 347A01.D.3) or Weekly Friday call option (Rule 347A01.D.4.) shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract (Rule 34703.A.) is at or above such option's exercise~~

~~price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.~~

~~An expiring Weekly Monday put option (Rule 347A01.D.2.), Weekly Wednesday put option (Rule 347A01.D.3.) or Weekly Friday put option (Rule 347A01.D.4.) shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract (Rule 34703.A.) is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price. For Options other than Monthly Options, whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price of such option, as follows:~~

~~Such Fixing Price shall be based on the notionally-adjusted volume-weighted average price of transactions in Ether Futures and Micro Ether Futures on the CME Globex electronic trading platform during the last thirty (30) minutes of trading on expiration day (3:30:00 p.m. – 3:59:59 p.m. London time).~~

~~In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.~~

~~An expiring Weekly call option (Rule 347A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is at or above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.~~

~~An expiring Weekly put option (Rule 347A01.F.2.), shall be in the money if the corresponding Fixing Price for the Underlying Futures Contract is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.~~

347A02.B. Assignment

~~For a given option contract, an exercise by the Clearing House in accordance with Rules 347A02.A. shall be assigned by the Clearing House to clearing members carrying open short positions in such option contract.~~

~~The clearing member representing the short holder of such option shall be assigned a short position in such option's Underlying Futures Contract (Rule 347A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put.~~

~~The clearing member representing the long holder of such option shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put. Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 347A01.F.) at such option's exercise price (Rule 347A01.G.). Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.~~

~~All such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House automatically exercises such.~~

[\(End Chapter 347A\)](#)