

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-216 (2 of 2)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/15/23 Filing Description: Permanent Delisting of CME and CBOT London Inter-bank Offered Rate ("LIBOR")-Based Futures and Options Contracts

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

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

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

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

Rule Numbers: See filing.

June 15, 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. Permanent Delisting of CME and CBOT London Inter-bank Offered Rate (“LIBOR”)-Based Futures and Options Contracts. CBOT Submission No. 23-216 (2 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME”) and The Board of Trade of the City of Chicago, Inc. (“CBOT”) (collectively, the “Exchanges”) certify to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the delisting of certain interest rate futures and options in connection with the upcoming final date of publication of a “representative” USD LIBOR rate as set forth in Table 1. (collectively, the “Contracts”) effective on June 20, 2023 (collectively the “Rule Amendments”).

**Table 1.**

Contract Title	CME Globex / CME ClearPort Code	Rulebook Chapter
<b>CME</b>		
One-Month Eurodollar Futures	GLB/EM	453
Three-Month Eurodollar Futures	GE / ED	452
Options on Three-Month Eurodollar Futures	GE / ED	452A
Options on Three-Month Eurodollar Futures Calendar Spreads	SPO	452D
Three-Month Mid-Curve Eurodollar Options	TE2	452A
Six-Month Mid-Curve Eurodollar Options	TE3	452A
Nine-Month Mid-Curve Eurodollar Options	TE4	452A
One-Year Mid-Curve Eurodollar Options	GE0 / E0	452A
Two-Year Mid-Curve Eurodollar Options	GE2 / E2	452A
Three-Year Mid-Curve Eurodollar Options	GE3 / E3	452A
Four-Year Mid-Curve Eurodollar Options	GE4 / E4	452A
Five-Year Mid-Curve Eurodollar Options	GE5 / E5	452A

Weekly One-Year Mid-Curve Eurodollar Options - Week 1	E01 / 1K	452A
Weekly One-Year Mid-Curve Eurodollar Options - Week 2	E02 / 2K	452A
Weekly One-Year Mid-Curve Eurodollar Options - Week 3	E03 / 3K	452A
Weekly One-Year Mid-Curve Eurodollar Options - Week 4	E04 / 4K	452A
Weekly One-Year Mid-Curve Eurodollar Options - Week 5	E05 / 5K	452A
Weekly Two-Year Mid-Curve Eurodollar Options - Week 1	E21 / EE1	452A
Weekly Two-Year Mid-Curve Eurodollar Options - Week 2	E22 / EE2	452A
Weekly Two-Year Mid-Curve Eurodollar Options - Week 3	E23 / EE3	452A
Weekly Two-Year Mid-Curve Eurodollar Options - Week 4	E24 / EE4	452A
Weekly Two-Year Mid-Curve Eurodollar Options - Week 5	E25 / EE5	452A
Weekly Three-Year Mid-Curve Eurodollar Options - Week 1	E31 / EF1	452A
Weekly Three-Year Mid-Curve Eurodollar Options - Week 2	E32 / EF2	452A
Weekly Three-Year Mid-Curve Eurodollar Options - Week 3	E33 / EF3	452A
Weekly Three-Year Mid-Curve Eurodollar Options - Week 4	E34 / EF4	452A
Weekly Three-Year Mid-Curve Eurodollar Options - Week 5	E35 / EF5	452A
<b>CBOT</b>		
2-Year U.S. Dollar Interest Rate Swap Futures	T1U	51
5-Year U.S. Dollar Interest Rate Swap Futures	F1U	52
7-Year USD Interest Rate Swap Futures	S1U	59
10-Year U.S. Dollar Interest Rate Swap Futures	N1U	53
20-Year USD Interest Rate Swap Futures	E1U	60
30-Year U.S. Dollar Interest Rate Swap Futures	B1U	54

Note, the Exchange previously advised of the permanent delisting of the CBOT Eris US Dollar Swap Futures contracts provided in Table 2. below effective June 26, 2023 via CBOT Submission No. [23-214](#) dated June 1, 2023.

**Table 2.**

<b>Contract Title</b>	<b>CME Globex / CME ClearPort Code</b>	<b>Rulebook Chapter</b>
<b>CBOT</b>		
2-Year Eris US Dollar Swap Futures	LIT	61
3-Year Eris US Dollar Swap Futures	LIC	61
4-Year Eris US Dollar Swap Futures	LID	61
5-Year Eris US Dollar Swap Futures	LIW	61
7-Year Eris US Dollar Swap Futures	LIB	61

10-Year Eris US Dollar Swap Futures	LIY	61
12-Year Eris US Dollar Swap Futures	LII	61
15-Year Eris US Dollar Swap Futures	LIL	61
20-Year Eris US Dollar Swap Futures	LIO	61
30-Year Eris US Dollar Swap Futures	LIE	61

The Contracts are being delisted from the CME Globex electronic trading platform (“CME Globex”) and CME ClearPort, the venues on which they were previously listed.

The Exchange previously notified market participants regarding the Contracts (see Submission [21-082](#) dated February 9, 2021, Submission [21-226](#) dated June 11, 2021, Submission [22-003](#) dated January 6, 2022, Submission [22-040](#) dated March 10, 2022, Submission [22-195](#) dated May 5, 2022, Submission [22-360](#) dated August 24, 2022, Submission [22-381](#) dated October 5, 2022, Submission [22-110](#) dated October 17, 2022, and Submission [22-567](#) dated December 22, 2022). At these times, the Exchanges advised on the last listed contract month for the Contracts.

Exhibit A and Exhibit B provide amendments to CME and CBOT rulebook chapters, respectively in blackline format.

As a result of the delisting, information regarding the Contracts has been deleted from the respective product rulebook chapters, related position limits in the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 (“Trading Qualifications and Practices”) of the CME and CBOT Rulebooks (the “Tables”), the CME Globex non-reviewable ranges located in Rule 588.H. of the CME and CBOT Rulebooks, and the list of block-eligible products located on the CME Group website. The Tables are attached under separate cover, in blackline format, as Exhibit C and D.

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 following Core Principles may be impacted by this initiative as follows:

- **Emergency Authority**: There is no open interest in the Contracts, and therefore there will be no market disruption related to the delisting.
- **Availability of General Information**: The Exchange will make publicly available the details of the delisting by publishing a Special Executive Report (“SER”) to the marketplace. The SER will be available on CME Group’s website.

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

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

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

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - Amendments to CME Rulebook Chapters (blackline format)  
Exhibit B - Amendments to CBOT Rulebook Chapters (blackline format)  
Exhibit C - Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover) (blackline format)  
Exhibit D - Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CBOT Rulebook (attached under separate cover) (blackline format)

## Exhibit A

### CME Rulebook

(deletions struck through)

#### **Chapter 452** **Three-Month Eurodollar Futures**

##### **45200. SCOPE OF CHAPTER**

This chapter is limited in application to Three-Month Eurodollar futures (“futures” or “contract”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall indicate Chicago time.

##### **45201. CONTRACT SPECIFICATIONS**

Each contract is valued at \$2,500 times the contract grade IMM Index (Rule 45202.C.).

##### **45202. TRADING SPECIFICATIONS**

###### *45202.A. Trading Schedule*

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

###### *45202.B. Trading Unit*

For a contract for a given delivery month, the unit of trading shall be interest on an unsecured U.S. dollar-denominated wholesale bank funding transaction, with term to maturity of three months (“three-month term”), for spot settlement on the third Wednesday of such delivery month, expressed as an interest rate per annum for which (i) such interest rate shall accrue on the basis of the actual number of days spanned by such three-month term, divided by a 360-day year, and (ii) each basis point per annum of such interest rate shall be worth \$25 per futures contract.

###### *45202.C. Price Increments*

Contract prices shall be quoted in terms of the IMM Index (“Index”), 100.0000 minus the interest rate per annum corresponding to the three-month unsecured U.S. dollar-denominated wholesale bank funding transaction specified in Rule 45202.B. (For example, an interest rate of 2.055 percent per annum shall be quoted as an Index value of 97.9450.)

###### 1. The Nearest Expiring Contract Month

The minimum price fluctuation shall be 0.0025 Index points, equal to \$6.25 per contract.

###### 2. All Contract Months Excluding the Nearest Expiring Contract Month

The minimum price fluctuation shall be 0.005 Index points, equal to \$12.50 per contract.

##### **45202.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

#### ~~45202.E. Special Price Fluctuation Limits~~

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

~~45202.F. [Reserved]~~

#### ~~45202.G. Termination of Trading~~

~~Trading in an expiring contract shall terminate at 11:00 a.m. London time on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.~~

~~45202.H. [Reserved]~~

### ~~45203. SETTLEMENT PROCEDURES~~

~~Delivery shall be by cash settlement.~~

#### ~~45203.A. Final Settlement Price~~

~~Subject to Rule 45236, the final settlement price of an expiring contract shall be 100.0000 minus the three-month U.S. dollar ICE LIBOR wholesale funding rate ("rate") for the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery. Such rate shall be as determined, and as first published, by ICE Benchmark Administration Limited. The value of such rate, so published, shall be rounded to the nearest 0.0001 percentage points per annum. Tie values, i.e., any such values ending in 0.00005, shall be rounded up. (For example, a rate of 8.65625 percent would be rounded up to 8.6563 percent, and then subtracted from 100.0000 to determine a contract final settlement price of 91.3437.)~~

#### ~~45203.B. Final Settlement~~

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

### ~~45204-35. [RESERVED]~~

### ~~45236. REFERENCE RATE FALLBACK EVENT PROCEDURE~~

#### ~~45236.A. Fallback Announcement~~

~~With respect to the rate in Rule 45203.A, on March 5, 2021, the U.K. Financial Conduct Authority, the regulatory supervisor for the administrator of the rate, made a public statement and publication of information to the effect that:~~

- ~~(i) it had determined that immediately following publication on June 30, 2023 (the "Scheduled Final Representative LIBOR Publication Date"), such rate will no longer be representative of the underlying market and economic reality that such rate is intended to measure and that representativeness will not be restored, and~~
- ~~(ii) such public statement and publication of information was made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts,~~

~~(the "USD 3M LIBOR Fallback Announcement").~~

~~Following the USD 3M LIBOR Fallback Announcement the Exchange shall utilize the process in Rule 45236.C.~~

~~45236.B. Eurodollar Fallback Effective Date~~

~~The Exchange shall determine the date on which it will implement the fallback procedure in Rule 45236.C (the “Eurodollar Fallback Effective Date”) in accordance with this Rule 45236.B.~~

~~The Eurodollar Fallback Effective Date shall be April 14, 2023, except:~~

- ~~(i) where the Exchange determines at any time in its sole and absolute discretion that implementation of the fallback procedure on such date could result in an unacceptable level of operational or market disruption or where financial stability issues could threaten the orderly transition of the contract; or~~
- ~~(ii) following a Successor USD 3M LIBOR Fallback Announcement (as defined in Rule 45236.F),~~

~~upon which the Exchange shall determine in its sole and absolute discretion:~~

- ~~(A) an alternative date which shall be the Eurodollar Fallback Effective Date for the purposes of this Rule 45236; and~~
- ~~(B) an alternative date which shall be the Scheduled Final Representative LIBOR Publication Date for the purposes of this Rule 45236,~~

~~having regard to any Successor USD 3M LIBOR Fallback Announcement, as applicable, and the Exchange shall provide notification of such amended Eurodollar Fallback Effective Date to market participants as soon as reasonably practicable following such determination.~~

~~45236.C. Fallback Procedure~~

~~Following close of business on the Eurodollar Fallback Effective Date the Exchange shall convert all open positions in the contract that expire after the Scheduled Final Representative LIBOR Publication Date (each, a “Conversion Position”) as follows:~~

- ~~(i) each open position in the contract that is a Conversion Position shall be terminated at the most recent daily settlement price for the contract on the Eurodollar Fallback Effective Date; and~~
- ~~(ii) such position shall be replaced with a corresponding open position in CME Three-Month SOFR Futures (Chapter 460) (a “Replacement Position”).~~

~~The Replacement Position shall be assigned to a position holder by the Exchange in accordance with the following procedure:~~

- ~~(i) the Replacement Position in CME Three-Month SOFR Futures shall be equal in trading unit size and direction to the position in the contract and with the same delivery month;~~
- ~~(ii) the price at which the Replacement Position is assigned to the position holder (the “Assignment Price”) shall be determined by the Exchange and shall be equal to:~~



~~(A) the most recent daily settlement price for the contract on the Eurodollar Fallback Effective Date,~~

~~plus~~

~~(B) a value adjustment amount which shall be equal to the fixed Spread Adjustment for the rate in Rule 45203.A published by Bloomberg Index Services Limited (0.26161%),~~

~~rounded to four (4) decimal places;~~

~~(iii) to account for the rounding of the Assignment Price to four (4) decimal places, the Exchange shall apply to each Replacement Position a cash adjustment amount which shall be due from or payable to the position holder [at the next end of day settlement cycle following close of business on the Eurodollar Fallback Effective Date] according to the direction of the position and shall be equal to:~~

~~0.00001 x the contract quantity x \$2,500 contract unit multiplier,~~

~~as determined by the Exchange utilizing the methodology published by the Exchange.~~

~~45236.D. Clearing of the Replacement Position~~

~~Clearing of the Replacement Position shall be subject to the Rules for CME Three-Month SOFR Futures (Chapter 460), including for the avoidance of doubt the determination of daily and final settlement prices in respect of each Replacement Position.~~

~~45236.E. Termination of Trading~~

~~(1) On the Eurodollar Fallback Effective Date trading in the contracts expiring after the Scheduled Final Representative LIBOR Publication Date shall be terminated and such contracts shall no longer be available for trading on the Exchange with immediate effect.~~

~~(2) Trading in the contracts expiring before the Scheduled Final Representative LIBOR Publication Date shall continue after the Eurodollar Fallback Effective Date until the date of termination of trading of such contracts under Rule 45202.G.~~

~~45236.F. Successor USD 3M LIBOR Fallback Announcement~~

~~With respect to the rate in Rule 45203.A, in the event of any of:~~

~~(i) a public statement or publication of information by or on behalf of the administrator of the rate announcing that it has ceased or will cease to provide the rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the rate;~~

~~(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the rate, the central bank for the currency of the rate, an insolvency official with jurisdiction over the administrator for the rate, a resolution authority with jurisdiction over the administrator for the rate or a court or an entity with similar insolvency or resolution authority over the administrator for the rate, which states that the administrator of the rate has ceased or will cease to provide the rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the rate; or~~

~~(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the rate announcing that:~~

~~(A) the regulatory supervisor has determined that such rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such rate is intended to measure and that representativeness will not be restored, and~~

~~(B) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts,~~

issued subsequent to the USD 3M LIBOR Fallback Announcement and prior to the Eurodollar Fallback Effective Date (a "Successor USD 3M LIBOR Fallback Announcement"), the Exchange shall utilize the process in Rule 45236.B.

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—(End Chapter 452)

## ~~INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 452~~

~~The Exchange has entered into an agreement with ICE Benchmark Administration Limited which permits the Exchange to use ICE LIBOR as the basis for settling Three-Month Eurodollar futures contracts and to refer to ICE LIBOR in connection with creating, marketing, trading, clearing, settling and promoting Three-Month Eurodollar futures contracts.~~

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

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

### **Chapter 452A**

#### **Options on Three-Month Eurodollar Futures**

##### **452A00. SCOPE OF CHAPTER**

~~This chapter is limited in application to options on Three-Month Eurodollar futures ("options"). In addition to this chapter, options shall be subject to the general rules and regulations of the Exchange insofar as applicable.~~

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

##### **452A01. OPTION CHARACTERISTICS**

###### **452A01.A. Contract Months and Trading Hours**

~~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.

#### **452A01.B. Trading Unit**

The trading unit shall be an option to buy in the case of the call, or to sell in the case of the put, one Three-Month Eurodollar futures contract (Chapter 452).

#### **452A01.C. Minimum Fluctuations**

The price of an option shall be quoted in IMM Index points corresponding to such option's underlying futures contract (Rule 452A01.D.). Pursuant to Rules 45202.C., each 0.01 IMM Index point signifies one (1) basis point per annum of interest rate exposure in such underlying futures contract's Trading Unit (Rule 45202.B.), and is equal to \$25 per option contract. For example, an option contract price of 0.35 IMM Index points represents \$875 (equal to 35 basis points x \$25 per basis point per option contract).

Minimum price fluctuations shall be as follows—

##### **1. Quarterly Standard Options (Rule 452A01.D.1.) Expiring in the Nearest March Quarterly Month**

Where such options are for the next nearest monthly option expiration date, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where such options are not for the next nearest monthly option expiration date, then:

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

##### **2. Quarterly Standard Options (Rule 452A01.D.1.) Expiring in the Second-Nearest March Quarterly Month, Serial Options (Rule 452A01.D.2.), and Three-Month Mid-Curve Options (Rule 452A01.D.8.)**

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

##### **3. All Other Quarterly Standard Options (Rule 452A01.D.1.) and All Other Mid-Curve Options (Rules 452A01.D.3. through 452A01.D.7., 452A01.D.9., and 452A01.D.10.)**

For all Quarterly Standard options other than those that expire in the nearest March Quarterly month or the second-nearest March Quarterly month, and for all Mid-Curve options other than Three-Month Mid-Curve options, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract), provided that trade may occur at a price level of 0.0025 IMM Index point (equal to \$6.25 per option contract), whether or not such trade results in liquidation of positions for both parties to such trade.

##### **4. Option Spreads and Combinations**

All option spreads and combinations shall trade in minimum price increments of 0.005 IMM Index points, subject to the following exceptions:

(a) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if (i) such option spread or combination comprises only Quarterly Standard Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.), and (ii) all such options are for the nearest monthly option expiration date.

(b) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if such option spread or combination (i) trades at a net premium not greater than 0.05 IMM Index points and not less than 0.05 IMM Index points and (ii) comprises only such options as are specified in Rule 452A01.C.1. and/or 452A01.C.2.

For the avoidance of doubt, any option spread or combination that comprises one or more options specified in Rule 452A01.C.3. shall trade in minimum price increments of 0.005 IMM Index points.

For the purpose of Rule 813 for Settlement Prices, the minimum price fluctuation for all options shall be 0.0025 IMM Index point (equal to \$6.25 per option contract).

Where the price of an option is quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

## **452A01.D. Underlying Futures Contracts**

### **1. Options in the March Quarterly Cycle (“Quarterly Standard Options”)**

For options that expire in any month in the March quarterly cycle (i.e., March, June, September, and December), except for those Mid-Curve options specified in Paragraphs 3, 4, 5, 6, 7, 8, 9, or 10 of this Rule, the underlying futures contract is for the month in which such options expire. For example, for a given year, the underlying futures contract for an option that expires in March is the March futures contract.

### **2. Options Not in the March Quarterly Cycle (“Serial Options”)**

For options that expire in any month other than those in the March quarterly cycle, (i.e., January, February, April, May, July, August, October, and November), except for those Mid-Curve options specified in Paragraphs 3, 4, 5, 6, 7, 8, 9, or 10 of this Rule, the underlying futures contract is for the next month in the March quarterly cycle that is nearest the expiration of such options. For example, for a given year, the underlying futures contract for such options that expire in January or February is the March futures contract.

### **3. One-Year Mid-Curve Options**

#### One-Year Mid-Curve Options in the March Quarterly Cycle (“Quarterly One-Year Mid-Curve Options”)

For One-Year Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 12 calendar months after the month in which such options expire.

#### One-Year Mid-Curve Options Not in the March Quarterly Cycle (“Serial One-Year Mid-Curve Options”)

For Serial One-Year Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 12 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, the underlying futures contract for the Serial One-Year Mid-Curve options that expire in January or February of a given year is the March futures contract that expires one year hence.

#### Weekly One-Year Mid-Curve Options

For Weekly One-Year Mid-Curve Options, the underlying futures contract is the futures contract that expires 12 calendar months from the next March quarterly month that is nearest to the expiration of such options.

### **4. Two-Year Mid-Curve Options**

#### Two-Year Mid-Curve Options in the March Quarterly Cycle (“Quarterly Two-Year Mid-Curve Options”)

For Two-Year Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 24 calendar months after the month in which such options expire.

#### Two-Year Mid-Curve Options Not in the March Quarterly Cycle (“Serial Two-Year Mid-Curve Options”)

For Serial Two-Year Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 24 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, the underlying futures contract for the Serial Two-Year Mid-Curve options that expire in January or February of a given year is the March futures contract that expires two years hence.

#### Weekly Two-Year Mid-Curve Options

For Weekly Two-Year Mid-Curve Options, the underlying futures contract is the futures contract that expires 24 calendar months from the next March quarterly month that is nearest to the expiration of such options.

### **5. Three-Year Mid-Curve Options**

#### Three-Year Mid-Curve Options in the March Quarterly Cycle (“Quarterly Three-Year Mid-Curve Options”)

For Three-Year Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 36 calendar months after the month in which such options expire.

#### Three-Year Mid-Curve Options Not in the March Quarterly Cycle (“Serial Three-Year Mid-Curve

Options”)

~~For Serial Three-Year Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 36 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, the underlying futures contract for the Serial Three-Year Mid-Curve options that expire in January or February of a given year is the March futures contract that expires three years hence.~~

Weekly Three-Year Mid-Curve Options

~~For Weekly Three-Year Mid-Curve Options, the underlying futures contract is the futures contract that expires 36 calendar months from the next March quarterly month that is nearest to the expiration of such options.~~

**6. Four-Year Mid-Curve Options**

Four-Year Mid-Curve Options in the March Quarterly Cycle (“Quarterly Four-Year Mid-Curve Options”)

~~For Four-Year Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 48 calendar months after the month in which such options expire.~~

Four-Year Mid-Curve Options Not in the March Quarterly Cycle (“Serial Four-Year Mid-Curve Options”)

~~For Serial Four-Year Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 48 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, the underlying futures contract for the Serial Four-Year Mid-Curve options that expire in January or February of a given year is the March futures contract that expires four years hence.~~

Weekly Four-Year Mid-Curve Options

~~For Weekly Four-Year Mid-Curve Options, the underlying futures contract is the futures contract that expires 48 calendar months from the next March quarterly month that is nearest to the expiration of such options.~~

**7. Five-Year Mid-Curve Options**

Five-Year Mid-Curve Options in the March Quarterly Cycle (“Quarterly Five-Year Mid-Curve Options”)

~~For Five-Year Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 60 calendar months after the month in which such options expire.~~

Five-Year Mid-Curve Options Not in the March Quarterly Cycle (“Serial Five-Year Mid-Curve Options”)

~~For Serial Five-Year Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 60 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, the underlying futures contract for the Serial Five-Year Mid-Curve options that expire in January or February of a given year is the March futures contract that expires five years hence.~~

Weekly Five-Year Mid-Curve Options

~~For Weekly Five-Year Mid-Curve Options, the underlying futures contract is the futures contract that expires 60 calendar months from the next March quarterly month that is nearest to the expiration of such options.~~

**8. Three-Month Mid-Curve Options**

Three-Month Mid-Curve Options in the March Quarterly Cycle (“Quarterly Three-Month Mid-Curve Options”)

~~For Three-Month Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 3 calendar months after the month in which such options expire.~~

Three-Month Mid-Curve Options Not in the March Quarterly Cycle (“Serial Three-Month Mid-Curve Options”)

~~For Serial Three-Month Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 3 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, for~~

a given year, the underlying futures contract for the Serial Three-Month Mid-Curve options that expire in January or February is the June futures contract.

#### **9. Six-Month Mid-Curve Options**

##### Six-Month Mid-Curve Options in the March Quarterly Cycle ("Quarterly Six-Month Mid-Curve Options")

For Six-Month Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 6 calendar months after the month in which such options expire.

##### Six-Month Mid-Curve Options Not in the March Quarterly Cycle ("Serial Six-Month Mid-Curve Options")

For Serial Six-Month Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 6 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, for a given year, the underlying futures contract for the Serial Six-Month Mid-Curve options that expire in January or February is the September futures contract.

#### **10. Nine-Month Mid-Curve Options**

##### Nine-Month Mid-Curve Options in the March Quarterly Cycle ("Quarterly Nine-Month Mid-Curve Options")

For Nine-Month Mid-Curve options that expire in any month in the March quarterly cycle, the underlying futures contract is the futures contract that expires 9 calendar months after the month in which such options expire.

##### Nine-Month Mid-Curve Options Not in the March Quarterly Cycle ("Serial Nine-Month Mid-Curve Options")

For Serial Nine-Month Mid-Curve Options that expire in any month other than those in the March quarterly cycle, the underlying futures contract is the futures contract that expires 9 calendar months from the next March quarterly month that is nearest to the expiration of such options. For example, for a given year, the underlying futures contract for the Serial Nine-Month Mid-Curve options that expire in January or February is the December futures contract.

#### **452A01.E. Exercise Prices**

##### **1. Twenty-Five Point Exercise Prices**

For options for a given expiration date that are exercisable into a given underlying futures contract, exercise prices shall be stated in terms of the IMM Index for such underlying futures contract and shall be stated in intervals whose last two digits are 00, 25, 50, or 75 ("twenty five point exercise prices") for all IMM Index levels, e.g., 88.00, 88.25, 88.50, 88.75.

The Exchange shall list put and call options for trading at the exercise price that is nearest the previous day's settlement price of such underlying futures contract ("at-the-money exercise price") and at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below such at-the-money exercise price. Thereafter until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below the at-the-money exercise price for such underlying futures contract. New options may be listed for trading up to and including the termination of trading.

##### **2. Special Listings of 12.5 Point Exercise Prices**

For options for a given expiration date that are exercisable into a given underlying futures contract, with the exception of certain option expiries with 6.25 Point Exercise Prices (Rule 452A01.E.3.), additional exercise prices shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, or 87.5 ("12.5 point exercise prices") for all IMM Index levels, e.g., 93.125, 93.375, 93.625, 93.875.

The Exchange shall ensure that put and call options are listed for trading on each day at all such 12.5 point exercise prices in a range from 1.50 IMM Index points above to 1.50 IMM Index points below the at-the-money exercise price for such underlying futures contract.

##### **3. Special Listings of 6.25 Point Exercise Prices**

From time to time as determined by the Exchange, additional exercise prices for selected expiries will be made available in intervals whose last four digits are 06.25, 12.50, 18.75, 31.25, 37.50, 43.75, 56.25, 62.50, 68.75, 81.25, 87.50, or 93.75 ("6.25 point exercise prices") for all IMM Index levels, e.g.,

~~93.0625, 93.1250, 93.1875, 93.3125, 93.3750, 93.4375, 93.5625, 93.6250, 93.6875, 93.8125, 93.8750, 93.9375.~~

~~Until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all such 6.25 point exercise prices in a range from 1.50 IMM Index points above to 1.50 IMM Index points below the at-the-money exercise price for such underlying futures contract.~~

#### **4. Dynamically-Listed Exercise Prices**

~~Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current-range exercise price may be added, on an as-soon-as-possible basis, *provided that* the last two digits of the exercise price of such newly added option contract must be 00, 25, 50, or 75 (e.g., 88.00, 88.25, 88.50, 88.75).~~

~~The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

#### **452A01.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.~~

#### **452A01.G. Special Price Fluctuation Limits**

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

#### **452A01.H.-I. [Reserved]**

#### **452A01.J. Termination of Trading**

##### **1. Quarterly Standard Options**

~~Trading in any Quarterly Standard Option shall terminate at the same date and time as the underlying futures contract for such Quarterly Standard Option.~~

##### **2. Serial Options**

~~Trading in any Serial Option shall terminate at the close of trading on the Friday preceding the third Wednesday of the month in which such option expires. If such Friday is a scheduled Exchange holiday, then trading shall terminate on the immediately preceding Business Day. In the event that the underlying futures market for such Serial Option does not open on the day scheduled for termination of trading in such option, then trading in such option shall be extended to the next day on which the underlying futures market is open for trading.~~

##### **3. Mid-Curve Options**

~~Trading in any Quarterly Mid-Curve Option or any Serial Mid-Curve option shall terminate at the close of trading on the Friday preceding the third Wednesday of the calendar month in which such option expires. If such Friday is a scheduled Exchange holiday, then trading shall terminate on the immediately preceding Business Day. In the event that the underlying futures market for such Mid-Curve option does not open on the day scheduled for termination of trading in such option, then trading in such option shall be extended to the next day on which the underlying futures market is open for trading.~~

~~Trading in Weekly Mid-Curve options shall terminate at the close of trading on those Fridays that are not also scheduled for termination of trading in Quarterly Mid-Curve Options or Serial Mid-Curve Options. If such Friday is a scheduled Exchange holiday, then trading in Weekly Mid-Curve options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market for any such Weekly Mid-Curve option does not open on the day scheduled for termination of trading in such option, then trading in such option shall be extended to the next day on which the underlying futures market is open for trading.~~

~~452A01.K. [Reserved]~~

~~452A02. EXERCISE AND ASSIGNMENT~~

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

~~452A02.A. Exercise of Option by Buyer~~

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 5:30 p.m. on the day of exercise.~~

~~An option that is in the money and has not been liquidated or exercised prior to the termination of trading in such option shall be exercised automatically, in the absence of contrary instructions delivered to the Clearing House no later than 5:30 p.m. on the last day of trading by the clearing member representing the option buyer. An option is in the money if the settlement price of the underlying futures contract at the termination of trading lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.~~

~~452A02.B. Assignment~~

~~Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.~~

~~The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.~~

~~All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.~~

~~452A03. [RESERVED]~~

~~452A04. FALLBACK EVENT WITH RESPECT TO THREE-MONTH EURODOLLAR FUTURES~~

~~452A04.A. Fallback Event with Respect to Three-Month Eurodollar Futures~~

~~In the event of a fallback event with respect to Three-Month Eurodollar futures contracts where the Exchange implements the Fallback Procedure in Rule 45236.C, on the Eurodollar Fallback Effective Date (as defined in Rule 45236) trading in Three-Month Eurodollar futures contracts expiring after the Scheduled Final Representative LIBOR Publication Date (as defined in Rule 45236.) ("Conversion Futures") will terminate in accordance with Rule 45236.E and trading in the option contracts referencing such Conversion Futures shall accordingly also terminate with immediate effect notwithstanding any other provision of this Chapter 452A. Any option contract referencing such Conversion Futures that has not been liquidated or exercised prior to the termination of trading shall be subject to the rules in Rule 452A04.B from the Eurodollar Fallback Effective Date.~~

~~452A04.B. Fallback Procedure~~

~~On the Eurodollar Fallback Effective Date, the Exchange shall convert open positions in the option referencing such Conversion Futures into corresponding open positions in CME Options on Three-Month SOFR Futures (Chapter 460A) (a "Replacement Position") in accordance with the following procedure:~~

- ~~(i) the open position in the option shall be terminated by the Exchange;~~
- ~~(ii) the Exchange shall assign to the position holder a Replacement Position in standardized strikes and like contract months in CME Options on Three-Month SOFR Futures according to a methodology which will employ, among other things, standard options valuation models, and this methodology shall be determined by the Exchange in its absolute discretion and shall be published by the Exchange; and~~



(iii) ~~the Exchange shall apply a Premium Differential to each Replacement Position (as defined in Rule 45236.) to reflect the difference in option premium between the corresponding terminated position and the Replacement Position, which shall be determined by the Exchange in its absolute discretion utilizing the methodology in the preceding paragraph, and such Premium Differential shall be due to or payable by the position holder (as applicable) at the next end of day settlement cycle following close of business on the Eurodollar Fallback Effective Date.~~

#### **452A04.C. Clearing of the Replacement Position**

~~Clearing of the Replacement Position shall be subject to the Rules for CME Options on Three-Month SOFR Futures (Chapter 460A) from the Eurodollar Fallback Effective Date.~~

#### **452A04.D Termination of Trading**

~~Trading in the options contracts referencing Three-Month Eurodollar Futures that are not Conversion Futures shall continue after the Eurodollar Fallback Effective Date until the date of termination of trading of such contracts under 452A01.J. Termination of Trading.~~

~~(End Chapter 452A)~~

## **Chapter 452D**

### **Options on Three-Month Eurodollar Futures Calendar Spreads**

#### **452D00. SCOPE OF CHAPTER**

~~This chapter is limited in application to options on Three-Month Eurodollar futures calendar spreads ("Eurodollar Calendar Spread options"). In addition to this chapter, Eurodollar Calendar Spread options shall be subject to the general rules and regulations of the Exchange insofar as applicable.~~

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

#### **452D01. OPTIONS CHARACTERISTICS**

##### *452D01.A. Contract Months and Trading Hours*

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

##### *452D01.B. Trading Unit*

~~For the purpose of this chapter, a calendar spread of Eurodollar futures contract shall consist of opposing positions in a nearby futures contract month and a deferred futures contract month in Eurodollar futures. Buying a calendar spread shall mean simultaneously establishing a long position in the nearby contract month and a short position in the deferred contract month. Selling a calendar spread shall mean simultaneously establishing a short position in the nearby contract month and a long position in the deferred contract month.~~

~~The trading unit shall be an option to buy, in the case of the call, or to sell, in case of the put, a calendar spread of Eurodollar futures contracts.~~

##### *452D01.C. Minimum Fluctuations*

~~The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point (1 basis point) shall represent \$25. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25).~~

~~The minimum fluctuation shall be 0.005 IMM Index point (also known as one-half tick). Trades may also occur in increments of 0.0025 IMM Index point (\$6.25, also known as one-quarter tick) up to a price of 0.05 IMM Index point.~~

~~For the purpose of Rule 812, the minimum fluctuation shall be 0.0025 IMM Index point.~~

When the nearest contract month of the underlying Eurodollar futures calendar spread is the nearest expiring futures contract month, the minimum fluctuation shall be 0.0025 IMM Index point (also known as one-quarter tick.)

#### ~~452D01.D. — Underlying Futures Contracts~~

##### ~~1. — One-Year Calendar Spread Options in the March Quarterly Cycle (“Quarterly Options”)~~

~~For One-Year Calendar Spread options that expire in the March quarterly cycle (i.e. March, June, September, and December), the underlying futures contract calendar spread shall be the spread of the futures contract for the month in which the option expires, versus the futures contract expiring on the same calendar month one year following the options expiry. For example, the underlying futures contract calendar spread for an option that expires in March 2008 is the March 2008 / March 2009 calendar spread of Eurodollar futures.~~

##### ~~2. — One-Year Calendar Spread Options Not in the March Quarterly Cycle (“Serial Options”)~~

~~For One-Year Calendar Spread options that expire in months other than those in the March quarterly cycle (i.e. January, February, April, May, July, August, October and November), the underlying futures contract calendar spread shall be the spread of the next futures contract in the March Quarterly cycle that is nearest the expiration of the option, versus the futures contract expiring on the same calendar month one year later than the preceding futures contract. For example, the underlying futures contract calendar spread for an option that expires in January and February 2008 is the March 2008 / March 2009 calendar spread of Eurodollar futures.~~

#### ~~452D01.E. — Exercise Prices~~

~~Exercise prices shall be stated in terms of the IMM Index for the Eurodollar futures contract that is deliverable upon exercise of the option and shall be a positive or negative integer multiple of 0.05 IMM Index points, e.g., -0.10, -0.05, 0, 0.05, 0.10, etc.~~

~~At the initial listing of One-Year Calendar Spread options contract month, all eligible exercise prices in the range of -1.00 to 1.00 IMM Index points from the exercise price closest to the previous day's daily settlement price of the underlying calendar spread of Eurodollar futures shall be listed for trading.~~

~~Therefore, at the beginning of a new trading session, all eligible exercise prices in the range of -1.00 to 1.00 IMM Index points from the exercise price closest to the previous day's daily settlement price of the underlying Eurodollar futures calendar spread shall be added for trading, if they are not already listed for trading.~~

~~Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current range exercise price may be added, on an as-soon-as-possible basis, provided that the exercise price of such newly added option contract must be a positive or negative integer multiple of 0.05 IMM Index points (e.g., -0.10, -0.05, 0, 0.05, 0.10). New options may be listed for trading up to and including the termination of trading. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.~~

#### ~~452D01.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.~~

#### ~~452D01.G. — Special Price Fluctuation Limits~~

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

#### ~~452D01.H. I. — [Reserved]~~

#### ~~452D01.J. — Termination of Trading~~

~~For One-Year Calendar Spread options in the March quarterly cycle and One-Year Calendar Spread options not in the March quarterly cycle, trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the contract month. If the foregoing date for termination is not a~~

Business Day, options trading shall terminate on the immediately preceding Business Day.

~~452D01.K. [Reserved]~~

#### **452D02. EXERCISE AND ASSIGNMENT**

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

##### ~~452D02.A. Exercise of Option by Buyer~~

~~An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 5:30 p.m. on the day of exercise.~~

~~An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 5:30 p.m. on the day of expiration by the clearing member representing the option buyer, be exercised automatically.~~

##### ~~452D02.B. Assignment~~

~~Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following Business Day.~~

~~In case of a call option, the clearing member assigned an exercise notice shall be assigned a short position in the nearby futures contract month, and a long position in the deferred futures contract month, of the underlying futures calendar spread. In case of a put option, the clearing member assigned an exercise notice shall be assigned a long position in the nearby futures contract month, and a short position in the deferred futures contract month, of the underlying futures calendar spread.~~

~~The nearby futures position shall be assigned at a price equal to the current daily settlement price of the futures contract. The deferred futures position shall be assigned at a price equal to the current daily settlement price of the nearby futures contract less the exercise price of the option. For example, for an option with an exercise price of 1.00, and the current daily settlement price of the nearby futures contract at 97.56, the nearby futures contract shall be assigned a price of 97.56, while the deferred contract shall be assigned a price of 96.56 (= 97.56 - 1.00). For an option with an exercise price of -1.00, and the current daily settlement price of the nearby futures contract at 97.56, the nearby futures contract shall be assigned a price of 97.56, while the deferred contract shall be assigned a price of 98.56 (= 97.56 - (-1.00)). In the event the deferred contract is assigned a price over 100.00 under this convention, the clearing house may adjust the futures prices for both contract months down while preserving the assigned prices at a differential defined by the exercise price of the option.~~

~~The futures positions shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.~~

#### **452D03. [RESERVED]**

~~(End Chapter 452D)~~

## **Chapter 453 One-Month Eurodollar Futures**

#### **45300. SCOPE OF CHAPTER**

This chapter is limited in application to One-Month Eurodollar futures ("futures" or "contract"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall indicate Chicago time.

#### **45301. CONTRACT SPECIFICATIONS**

Each contract is valued at \$2,500 times the contract-grade IMM Index (Rule 45302.C.).

## **45302.—— TRADING SPECIFICATIONS**

### *45302.A.—— Trading Schedule*

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

### *45302.B.—— Trading Unit*

For a contract for a given delivery month, the unit of trading shall be interest on an unsecured U.S. dollar-denominated wholesale bank funding transaction, with term to maturity of one month (“one-month term”), for spot settlement on the third Wednesday of such delivery month, expressed as an interest rate per annum for which (i) such interest rate shall accrue on the basis of the actual number of days spanned by such one-month term, divided by a 360-day year, and (ii) each basis point per annum of such interest rate shall be worth \$25 per futures contract.

### *45302.C.—— Price Increments*

Contract prices shall be quoted in terms of the IMM Index (“Index”), 100.0000 minus the interest rate per annum corresponding to the one-month unsecured U.S. dollar-denominated wholesale bank funding transaction specified in Rule 45302.B. (For example, an interest rate of 2.055 percent per annum shall be quoted as an Index value of 97.9450.)

The minimum price fluctuation shall be 0.0025 Index points, equal to \$6.25 per contract.

### **45302.D.—— Position Limits, Exemptions, Position Accountability and Reportable Levels**

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

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

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

### **45302.E.—— Special Price Fluctuation Limits**

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

### *45302.F.—— [Reserved]*

### *45302.G.—— Termination of Trading*

Trading in an expiring contract shall terminate at 11:00 a.m. London time on the second London bank business day immediately preceding the third Wednesday of the contract’s named month of delivery.

### *45302.H.—— [Reserved]*

## **45303.—— SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

~~45303.A. — Final Settlement Price~~

~~The final settlement price of an expiring contract shall be 100.0000 minus the one-month U.S. dollar ICE LIBOR wholesale funding rate (“rate”) for the second London bank business day immediately preceding the third Wednesday of the contract’s named month of delivery. Such rate shall be as determined, and as first published, by ICE Benchmark Administration Limited. The value of such rate, so published, shall be rounded to the nearest 0.0001 percentage points per annum. Tie values, i.e., any such values ending in 0.00005, shall be rounded up. (For example, a rate of 8.65625 percent would be rounded up to 8.6563 percent, and then subtracted from 100.0000 to determine a contract final settlement price of 91.3437.)~~

~~45303.B. — Final Settlement~~

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

~~45303.C. 1. — [Reserved]~~

~~45304.-05. [RESERVED]~~

~~45306. — [RESERVED]~~

~~(End Chapter 453)~~

~~INTERPRETATIONS AND SPECIAL NOTICES  
RELATING TO CHAPTER 453~~

~~The Exchange has entered into an agreement with ICE Benchmark Administration Limited which permits the Exchange to use ICE LIBOR as the basis for settling One-Month Eurodollar futures contracts and to refer to ICE LIBOR in connection with creating, marketing, trading, clearing, settling and promoting One-Month Eurodollar futures contracts.~~

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

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

**Exhibit B**  
**CBOT Rulebook**  
(deletions struck through)

**Chapter 51**

**2-Year US Dollar Interest Rate Swap Futures**

**51100. SCOPE OF CHAPTER**

This chapter is limited in application to trading of 2-Year US Dollar Interest Rate Swap (“USD IRS”) futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange (“Rules”).

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange (“CME”) Rule 90002.N.).

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

**51101. CONTRACT SPECIFICATIONS**

**51101.A. Contract Grade**

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract (“IRS Contract” per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: \_\_\_\_\_ Subject to CBOT Rules 51104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
  
2. Floating Rate Payer: \_\_\_\_\_ Subject to CBOT Rules 51104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
  
3. IRS Effective Date: \_\_\_\_\_ Third (3<sup>rd</sup>) Wednesday of futures contract delivery month  
\_\_\_\_\_ (CBOT Rules 51102. and 51103.A.). \_\_\_\_\_
  
4. Currency: \_\_\_\_\_ US dollars (CME Rule 90102.B.).
5. Notional Amount: \_\_\_\_\_ \$100,000.
6. Business Day(s): \_\_\_\_\_ New York and London.
7. Business Day Convention: \_\_\_\_\_ Modified Following.

8. Termination Date: ~~Second (2<sup>nd</sup>) anniversary of IRS Effective Date.~~  
~~(CBOT Rule 51101.A.3.).~~

9. Initial Payment Amount: ~~See CBOT Rule 51101.B.~~

10. Initial Amount Payer: ~~See CBOT Rule 51101.B.~~

11. Fixed Rate Payment Dates: ~~Semiannually from IRS Effective Date (CBOT Rule 51101.A.3.) subject to CBOT Rules 51101.A.6. and 51101.A.7.~~

12. Fixed Rate: ~~Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 51102.).~~

13. Fixed Rate Day Count: ~~30/360.~~

14. Floating Rate Payment Dates: ~~Quarterly from IRS Effective Date (CBOT Rule 51101.A.3.) subject to CBOT Rules 51101.A.6. and 51101.A.7.~~

15. Floating Rate Option: ~~USD-LIBOR-BBA (CME Rule 90102.E.1.).~~

16. Designated Maturity: ~~Three (3) months.~~

17. Floating Rate Day Count: ~~Actual/360.~~

18. Spread: ~~None.~~

19. Compounding: ~~None.~~

#### **51101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 51101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 51104.), the IRS Initial Payment Amount (CBOT Rule 51101.A.9. due upon delivery (CBOT Rule 51103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 51101.A.10.), shall be determined as follows:~~

~~Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 51102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 51102.C.).~~

1. ~~If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~$(\$1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$~~

2. ~~Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~$(\$1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$~~

3. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half cents rounded up to the nearest cent.

~~Example:~~ For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-205 (ie, 100 and 20.5/32<sup>nds</sup> or 100.640625 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$640.63 per contract, equal to  $(\$1,000 \text{ per point}) \times (100.640625 \text{ points} - 100 \text{ points})$ , or \$640.625 (CBOT Rule 51101.B.1.) rounded up to the nearest penny (CBOT Rule 51101.B.3.). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$640.63 per contract.

## **51102. TRADING SPECIFICATIONS**

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 51101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.

### **51102.A. Trading Schedule**

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 51102.F.), the close of the expiring contract shall begin at 1:59 pm, and trading shall be permitted thereafter for a period not to exceed one minute.

### **51102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 51101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

### **51102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one quarter of one thirty second (1/4 of 1/32<sup>nd</sup>) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.

### **51102.D. Special Price Fluctuation Limits**

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

### **51102.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.

### **51102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 2:00 pm (CBOT Rule 51102.A.) on the second London business day before the third Wednesday of the contract delivery month.



### **51103. DATE OF DELIVERY**

~~Subject to CBOT Rules 51104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 51102.).~~

#### **51103.A. IRS Effective Date**

~~Such Date of Delivery shall be the Effective Date (CBOT Rule 51101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

#### **51103.B. Acceptance Date and Clearing Effective Date**

~~The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

### **51104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

#### **51104.A. Requirements for Participation in Delivery**

~~For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:~~

- ~~1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and~~
- ~~2. either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).~~

~~Subject to these requirements and to CBOT Rules 51104.B. and 51104.C., upon Termination of Trading in such expiring futures (CBOT Rule 51102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 51101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.~~

#### **51104.B. IRS Product Account Registration**

~~Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).~~

#### **51104.C. Clearing Member Obligations in Delivery**

~~Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 51102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:~~

- ~~1. ensure that the requirements set forth in CBOT Rule 51104.A. are met.~~
- ~~2. in accord with the requirements set forth in CBOT Rule 51104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).~~

3. ~~ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 51104.C.2. has been notified of such designation.~~
4. ~~obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 51104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 51104.E.).~~

~~Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 51104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.~~

#### **51104.D. Clearing Member Reporting Obligations Prior to Delivery**

~~Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

1. ~~declaration of the number of expiring futures contracts held long, and the number of~~  
~~expiring futures contracts held short, in such account;~~
2. ~~confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 51104.A.;~~
3. ~~where such account meets the requirements set forth in CBOT Rule 51104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 51104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 51104.C.3., and has made such acknowledgements as are required by CBOT Rule 51104.C.4.~~

#### **51104.E. Notification of IRS Clearing Members in Delivery**

~~Following the termination of trading in an expiring futures contract (CBOT Rule 51102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 51104.C. For each such IRS Clearing Member, such Clearing House notification shall include:~~

1. ~~identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and /or~~
2. ~~identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.~~

#### **51104.F. IRS Clearing Member Obligations in Delivery**

In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 51104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 51103.B.);

As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 51104.A., 51104.B., 51104.C., 51104.D. and 51104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.

#### **51104.G. Clearing House Financial Safeguards**

A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.);

An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.);

**51105. [RESERVED]**

**51106. [RESERVED]**

**51107. PAYMENT**

Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 51101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 51103.) at such time as the Clearing House may designate.

If such Initial Payment Amount is equal to or greater than \$100,000,000, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 51103.B. and CME Rule 90102.C.)

## **Chapter 52**

### **5-Year US Dollar Interest Rate Swap Futures**

**52100. SCOPE OF CHAPTER**

This chapter is limited in application to trading of 5-Year US Dollar Interest Rate Swap ("USD IRS") futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange ("Rules").

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange ("CME") Rule 90002.N.).

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

**52101. CONTRACT SPECIFICATIONS**

**52101.A. Contract Grade**

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract ("IRS Contract" per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

- ~~1. Fixed Rate Payer: Subject to CBOT Rules 52104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.~~
- ~~2. Floating Rate Payer: Subject to CBOT Rules 52104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.~~
- ~~3. IRS Effective Date: Third (3<sup>rd</sup>) Wednesday of futures contract delivery month  
(CBOT Rules 52102. and 52103.A.).~~
- ~~4. Currency: US dollars (CME Rule 90102.B.).~~
- ~~5. Notional Amount: \$100,000.~~
- ~~6. Business Day(s): New York and London.~~
- ~~7. Business Day Convention: Modified Following.~~
- ~~8. Termination Date: Fifth (5<sup>th</sup>) anniversary of IRS Effective Date.  
(CBOT Rule 52101.A.3.).~~
- ~~9. Initial Payment Amount: See CBOT Rule 52101.B.~~
- ~~10. Initial Amount Payer: See CBOT Rule 52101.B.~~
- ~~11. Fixed Rate Payment Dates: Semiannually from IRS Effective Date (CBOT Rule 52101.A.3.) subject to CBOT Rules 52101.A.6. and 52101.A.7.~~
- ~~12. Fixed Rate: Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 52102.).~~
- ~~13. Fixed Rate Day Count: 30/360.~~
- ~~14. Floating Rate Payment Dates: Quarterly from IRS Effective Date (CBOT Rule 52101.A.3.) subject to CBOT Rules 21101.A.6. and 52101.A.7.~~
- ~~15. Floating Rate Option: USD-LIBOR-BBA (CME Rule 90102.E.1.).~~
- ~~16. Designated Maturity: Three (3) months.~~
- ~~17. Floating Rate Day Count: Actual/360.~~
- ~~18. Spread: None.~~
- ~~19. Compounding: None.~~

**52101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 52101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 52104.), the IRS Initial Payment Amount (CBOT Rule 52101.A.9.) due upon delivery (CBOT Rule 52103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 52101.A.10.), shall be determined as follows:~~

~~Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 52102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 52102.C.).~~

- ~~4. If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~—  $(\$1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$~~

5. Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

—  $(\$1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$

6. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.

~~Example: For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-205 (ie, 100 and 20.5/32<sup>nds</sup> or 100.640625 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$640.63 per contract, equal to  $(\$1,000 \text{ per point}) \times (100.640625 \text{ points minus } 100 \text{ points})$ , or \$640.625 (CBOT Rule 52101.B.1.) rounded up to the nearest penny (CBOT Rule 52101.B.3.). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$640.63 per contract.~~

## **52102. TRADING SPECIFICATIONS**

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 52101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.

### **52102.A. Trading Schedule**

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 52102.F.), the close of the expiring contract shall begin at 1:59 pm, and trading shall be permitted thereafter for a period not to exceed one minute.

### **52102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 52101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

### **52102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one-quarter of one thirty-second ( $1/4$  of  $1/32^{\text{nd}}$ ) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.

### **52102.D. Special Price Fluctuation Limits**

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

### **52102.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.

### **52102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 2:00 pm (CBOT Rule 52102.A.) on the second London business day before the third Wednesday of the contract delivery month.

## **52103. DATE OF DELIVERY**

~~Subject to CBOT Rules 52104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 52102.).~~

**~~52103.A. IRS Effective Date~~**

~~Such Date of Delivery shall be the Effective Date (CBOT Rule 52101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

**~~52103.B. Acceptance Date and Clearing Effective Date~~**

~~The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

**~~52104. DELIVERIES ON EXPIRING FUTURES CONTRACTS~~**

**~~52104.A. Requirements for Participation in Delivery~~**

~~For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:~~

- ~~1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and~~
- ~~2. either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).~~

~~Subject to these requirements and to CBOT Rules 52104.B. and 52104.C., upon Termination of Trading in such expiring futures (CBOT Rule 52102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 52101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.~~

**~~52104.B. IRS Product Account Registration~~**

~~Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).~~

**~~52104.C. Clearing Member Obligations in Delivery~~**

~~Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 52102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:~~

- ~~1. ensure that the requirements set forth in CBOT Rule 52104.A. are met.~~
- ~~2. in accord with the requirements set forth in CBOT Rule 52104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).~~
- ~~3. ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 52104.C.2. has been notified of such designation.~~
- ~~4. obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 52104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 52104.E.).~~

~~Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 52104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.~~

**~~52104.D. Clearing Member Reporting Obligations Prior to Delivery~~**

~~Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate~~

~~inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

- ~~1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;~~
- ~~2. confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 52104.A.;~~
- ~~3. where such account meets the requirements set forth in CBOT Rule 52104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 52104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 52104.C.3., and has made such acknowledgements as are required by CBOT Rule 52104.C.4.~~

#### **52104.E. Notification of IRS Clearing Members in Delivery**

~~Following the termination of trading in an expiring futures contract (CBOT Rule 52102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 52104.C. For each such IRS Clearing Member, such Clearing House notification shall include:~~

- ~~1. identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and/or~~
- ~~2. identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.~~

#### **52104.F. IRS Clearing Member Obligations in Delivery**

~~In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 52104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 52103.B.);~~

~~As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 52104.A, 52104.B., 52104.C., 52104.D. and 52104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.~~

#### **52104.G. Clearing House Financial Safeguards**

~~A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.);~~

~~An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.);~~

#### **52105. (RESERVED)**

#### **52106. (RESERVED)**

#### **52107. PAYMENT**

~~Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 52101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 52103.) at such time as the Clearing House may designate.~~

~~If such Initial Payment Amount is equal to or greater than \$100,000,000, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 52103.B. and CME Rule 90102.C.)~~

## Chapter 53

### 10-Year US Dollar Interest Rate Swap Futures

#### 53100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 10-Year US Dollar Interest Rate Swap ("USD IRS") futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange ("Rules").

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange ("CME") Rule 90002.N.).

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

#### 53101. CONTRACT SPECIFICATIONS

##### 53101.A. Contract Grade

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract ("IRS Contract" per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: Subject to CBOT Rules 53104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
2. Floating Rate Payer: Subject to CBOT Rules 53104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
3. IRS Effective Date: Third (3<sup>rd</sup>) Wednesday of futures contract delivery month  
(CBOT Rules 53102. and 53103.A.).
4. Currency: US dollars (CME Rule 90102.B.).
5. Notional Amount: \$100,000.
6. Business Day(s): New York and London.
7. Business Day Convention: Modified Following.
8. Termination Date: Tenth (10th) anniversary of IRS Effective Date.  
(CBOT Rule 53101.A.3.).
9. Initial Payment Amount: See CBOT Rule 53101.B.



10. ~~Initial Amount Payer: See CBOT Rule 53101.B.~~
11. ~~Fixed Rate Payment Dates: Semiannually from IRS Effective Date (CBOT Rule 53101.A.3.) subject to CBOT Rules 53101.A.6. and 53101.A.7.~~
12. ~~Fixed Rate: Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 53102.).~~
13. ~~Fixed Rate Day Count: 30/360.~~
14. ~~Floating Rate Payment Dates: Quarterly from IRS Effective Date (CBOT Rule 53101.A.3.) subject to CBOT Rules 53101.A.6. and 53101.A.7.~~
15. ~~Floating Rate Option: USD-LIBOR-BBA (CME Rule 90102.E.1.).~~
16. ~~Designated Maturity: Three (3) months.~~
17. ~~Floating Rate Day Count: Actual/360.~~
18. ~~Spread: None.~~
19. ~~Compounding: None.~~

#### **53101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 53101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 53104.), the IRS Initial Payment Amount (CBOT Rule 53101.A.9.) due upon delivery (CBOT Rule 53103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 53101.A.10.), shall be determined as follows:~~

~~Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 53102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 53102.C.).~~

7. ~~If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~$(\$1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$~~

8. ~~Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~$(\$1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$~~

9. ~~For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.~~

~~Example: For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-205 (ie, 100 and 20.5/32<sup>nds</sup> or 100.640625 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$640.63 per contract, equal to  $(\$1,000 \text{ per point}) \times (100.640625 \text{ points} - 100 \text{ points})$ , or \$640.625 (CBOT Rule 53101.B.1.) rounded up to the nearest penny (CBOT Rule 53101.B.3.). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$640.63 per contract.~~

## **53102. TRADING SPECIFICATIONS**

~~The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.~~

~~For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 53101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.~~

### **53102.A. Trading Schedule**

~~The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 53102.F.), the close of the expiring contract shall begin at 1:59 pm, and trading shall be permitted thereafter for a period not to exceed one minute.~~

### **53102.B. Trading Unit**

~~The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 53101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.~~

### **53102.C. Price Increments**

~~Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one half of one thirty second (1/2 of 1/32<sup>nd</sup>) of one point (equal to \$15.625 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one quarter of one thirty second (1/4 of 1/32<sup>nd</sup>) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.~~

### **53102.D. Special Price Fluctuation Limits**

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

### **53102.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.~~

### **53102.F. Termination of Trading**

~~Trading in an expiring futures contract shall terminate no later than 2:00 pm (CBOT Rule 53102.A.) on the second London business day before the third Wednesday of the contract delivery month.~~

### **53103. DATE OF DELIVERY**

~~Subject to CBOT Rules 53104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 53102.).~~

#### **53103.A. IRS Effective Date**

~~Such Date of Delivery shall be the Effective Date (CBOT Rule 53101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

#### **53103.B. Acceptance Date and Clearing Effective Date**

~~The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

### **53104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

#### **53104.A. Requirements for Participation in Delivery**

~~For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:~~

- ~~1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and~~
- ~~2. either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).~~

~~Subject to these requirements and to CBOT Rules 53104.B. and 53104.C., upon Termination of Trading in such expiring futures (CBOT Rule 53102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 53101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.~~

#### **53104.B. IRS Product Account Registration**

~~Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).~~

#### **53104.C. Clearing Member Obligations in Delivery**

~~Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 53102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:~~

- ~~1. ensure that the requirements set forth in CBOT Rule 53104.A. are met.~~
- ~~2. in accord with the requirements set forth in CBOT Rule 53104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall~~

~~\_\_\_\_\_ make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).~~

~~3. \_\_\_\_\_ ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 53104.C.2. has been notified of such designation.~~

~~4. \_\_\_\_\_ obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 53104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 53104.E.).~~

~~Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 53104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.~~

#### **53104.D. Clearing Member Reporting Obligations Prior to Delivery**

~~Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

~~1. \_\_\_\_\_ declaration of the number of expiring futures contracts held long, and the number of \_\_\_\_\_ expiring futures contracts held short, in such account;~~

~~2. \_\_\_\_\_ confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 53104.A.;~~

~~3. \_\_\_\_\_ where such account meets the requirements set forth in CBOT Rule 53104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 53104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 53104.C.3., and has made such acknowledgements as are required by CBOT Rule 53104.C.4.~~

#### **53104.E. Notification of IRS Clearing Members in Delivery**

~~Following the termination of trading in an expiring futures contract (CBOT Rule 53102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 53104.C. For each such IRS Clearing Member, such Clearing House notification shall include:~~

~~1. \_\_\_\_\_ identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and/or~~

2. ~~identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.~~

#### **53104.F. IRS Clearing Member Obligations in Delivery**

~~In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 53104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 53103.B.);~~

~~As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 53104.A, 53104.B., 53104.C., 53104.D. and 53104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.~~

#### **53104.G. Clearing House Financial Safeguards**

~~A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.);~~

~~An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.);~~

**53105. [RESERVED]**

**53106. [RESERVED]**

**53107. PAYMENT**

~~Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 53101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 53103.) at such time as the Clearing House may designate.~~

~~If such Initial Payment Amount is equal to or greater than \$100,000,000, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 53103.B. and CME Rule 90102.C.)~~

## **Chapter 54**

### **30-Year US Dollar Interest Rate Swap Futures**

**54100. SCOPE OF CHAPTER**

~~This chapter is limited in application to trading of 30-Year US Dollar Interest Rate Swap (“USD IRS”) futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange (“Rules”).~~

~~Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange (“CME”) Rule 90002.N.).~~

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

## **54101. CONTRACT SPECIFICATIONS**

### **54101.A. Contract Grade**

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract ("IRS Contract" per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: Subject to CBOT Rules 54104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
2. Floating Rate Payer: Subject to CBOT Rules 54104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
3. IRS Effective Date: Third (3<sup>rd</sup>) Wednesday of futures contract delivery month  
(CBOT Rules 54102. and 54103.A.).
4. Currency: US dollars (CME Rule 90102.B.).
5. Notional Amount: \$100,000.
6. Business Day(s): New York and London.
7. Business Day Convention: Modified Following.
8. Termination Date: Thirtieth (30<sup>th</sup>) anniversary of IRS Effective Date.  
(CBOT Rule 54101.A.3.).
9. Initial Payment Amount: See CBOT Rule 54101.B.
10. Initial Amount Payer: See CBOT Rule 54101.B.
11. Fixed Rate Payment Dates: Semiannually from IRS Effective Date (CBOT Rule 54101.A.3.) subject to CBOT Rules 54101.A.6. and 54101.A.7.
12. Fixed Rate: Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (i.e., one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 54102.).
13. Fixed Rate Day Count: 30/360.
14. Floating Rate Payment Dates: Quarterly from IRS Effective Date (CBOT Rule 54101.A.3.) subject to CBOT Rules 54101.A.6. and 54101.A.7.

15. Floating Rate Option: ~~\_\_\_\_\_ USD-LIBOR-BBA (CME Rule 90102.E.1.).~~
16. Designated Maturity: ~~\_\_\_\_\_ Three (3) months.~~
17. Floating Rate Day Count: ~~\_\_\_\_\_ Actual/360.~~
18. Spread: ~~\_\_\_\_\_ None.~~
19. Compounding: ~~\_\_\_\_\_ None.~~

#### **54101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 54101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 54104.), the IRS Initial Payment Amount (CBOT Rule 54101.A.9.) due upon delivery (CBOT Rule 54103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 54101.A.10.), shall be determined as follows:~~

~~Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 54102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 54102.C.).~~

10. ~~If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~\_\_\_\_\_  $(\$1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$~~

11. ~~Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~\_\_\_\_\_  $(\$1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$~~

12. ~~For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.~~

~~*Example:* For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-23 (ie, 100 and  $23/32^{\text{nds}}$  or 100.71875 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$718.75 per contract, equal to  $(\$1,000 \text{ per point}) \times (100.71875 \text{ points minus } 100 \text{ points})$ , or \$718.75 (CBOT Rule 54101.B.1.). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$718.75 per contract.~~

#### **54102. TRADING SPECIFICATIONS**

~~The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.~~

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 54101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.

**54102.A. Trading Schedule**

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 54102.F.), the close of the expiring contract shall begin at 1:59 pm, and trading shall be permitted thereafter for a period not to exceed one minute.

**54102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 54101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

**54102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one thirty-second ( $1/32^{\text{nd}}$ ) of one point (equal to \$31.25 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one-quarter of one thirty-second ( $1/4$  of  $1/32^{\text{nd}}$ ) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.

**54102.D. Special Price Fluctuation Limits**

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

**54102.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.

**54102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 2:00 pm (CBOT Rule 54102.A.) on the second London business day before the third Wednesday of the contract delivery month.

**54103. DATE OF DELIVERY**

Subject to CBOT Rules 54104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 54102.).

**54103.A. IRS Effective Date**

Such Date of Delivery shall be the Effective Date (CBOT Rule 54101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.

**54103.B. Acceptance Date and Clearing Effective Date**

The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.

**54104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

**54104.A. Requirements for Participation in Delivery**



For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. ~~an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and~~
2. ~~either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009, and CME Rule 90005.B.).~~

~~Subject to these requirements and to CBOT Rules 54104.B. and 54104.C., upon Termination of Trading in such expiring futures (CBOT Rule 54102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 54101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.~~

#### **54104.B. IRS Product Account Registration**

~~Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009, and CME Rule 90005.B.).~~

#### **54104.C. Clearing Member Obligations in Delivery**

~~Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 54102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:~~

1. ~~ensure that the requirements set forth in CBOT Rule 54104.A. are met.~~
2. ~~in accord with the requirements set forth in CBOT Rule 54104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).~~
3. ~~ensure that any IRS Clearing Member carrying such IRS Product account(s) as may be designated pursuant to CBOT Rule 54104.C.2. has been notified of such designation.~~
4. ~~obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 54104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 54104.E.).~~

~~Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 54104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest~~

#### **54104.D. Clearing Member Reporting Obligations Prior to Delivery**

~~Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

1. ~~declaration of the number of expiring futures contracts held long, and the number of~~  
~~— expiring futures contracts held short, in such account;~~

~~2. confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 54104.A.;~~

~~3. where such account meets the requirements set forth in CBOT Rule 54104.A., (a) the IRS~~

~~Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 54104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 54104.C.3., and has made such acknowledgements as are required by CBOT Rule 54104.C.4.~~

#### **54104.E. Notification of IRS Clearing Members in Delivery**

~~Following the termination of trading in an expiring futures contract (CBOT Rule 54102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 54104.C. For each such IRS Clearing Member, such Clearing House notification shall include:~~

- ~~1. identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and/or~~
- ~~2. identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.~~

#### **54104.F. IRS Clearing Member Obligations in Delivery**

~~In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 54104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 54103.B.);~~

~~As of 12:30 p.m. Chicago time on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 54104.A., 54104.B., 54104.C., 54104.D. and 54104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.~~

#### **54104.G. Clearing House Financial Safeguards**

~~A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.);~~

~~An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.);~~

**54105. [RESERVED]**

**54106. [RESERVED]**

**54107. PAYMENT**

~~Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 54101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 54103.) at such time as the Clearing House may designate.~~

~~If such Initial Payment Amount is equal to or greater than \$100,000,000, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no~~

later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 54103.B. and CME Rule 90102.C.)

## Chapter 59

### 7-Year US Dollar Interest Rate Swap Futures

#### 59100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 7-Year US Dollar Interest Rate Swap (“USD-IRS”) futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange (“Rules”).

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange (“CME”) Rule 90002.N.).

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

#### 59101. CONTRACT SPECIFICATIONS

##### 59101.A. Contract Grade

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract (“IRS Contract” per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: Subject to CBOT Rules 59104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
2. Floating Rate Payer: Subject to CBOT Rules 59104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
3. IRS Effective Date: Third (3rd) Wednesday of futures contract delivery month (CBOT Rules 59102. and 59103.A.).
4. Currency: US dollars (CME Rule 90102.B.).
5. Notional Amount: \$100,000.
6. Business Day(s): New York and London.
7. Business Day Convention: Modified Following.
8. Termination Date: Seventh (7th) anniversary of IRS Effective Date. (CBOT Rule 59101.A.3.).
9. Initial Payment Amount: See CBOT Rule 59101.B.
10. Initial Amount Payer: See CBOT Rule 59101.B.
11. Fixed Rate Payment Dates: Semiannually from IRS Effective Date (CBOT Rule 59101.A.3.) subject to CBOT Rules 59101.A.6. and 59101.A.7.
12. Fixed Rate: Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 59102.).

13. Fixed Rate Day Count: ~~30/360.~~
14. Floating Rate Payment Dates: ~~Quarterly from IRS Effective Date (CBOT Rule 59101.A.3.)~~  
~~subject to CBOT Rules 59101.A.6. and 59101.A.7.~~
15. Floating Rate Option: ~~USD LIBOR BBA (CME Rule 90102.E.1.).~~
16. Designated Maturity: ~~Three (3) months.~~
17. Floating Rate Day Count: ~~Actual/360.~~
18. Spread: ~~None.~~
19. Compounding: ~~None.~~

**59101.B. Physical Delivery**

Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 59101.A.).

For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 59104.), the IRS Initial Payment Amount (CBOT Rule 59101.A.9.) due upon delivery (CBOT Rule 59103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 59101.A.10.), shall be determined as follows:

Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 59102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 59102.C.).

1. If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

~~— (\$1,000 per point) x ( $P$  points minus 100 points) per contract.~~

2. Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

~~— (\$1,000 per point) x (100 points minus  $P$  points) per contract.~~

3. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half cents rounded up to the nearest cent.

*Example:* For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-205 (ie, 100 and 20.5/32nds or 100.640625 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$640.63 per contract, equal to (\$1,000 per point) x (100.640625 points minus 100 points), or \$640.625 (CBOT Rule 59101.B.1.) rounded up to the nearest penny (CBOT Rule 59101.B.3.). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$640.63 per contract.

**59102. TRADING SPECIFICATIONS**

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 59101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s).

for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.

**59102.A. Trading Schedule**

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 59102.F.), the close of the expiring contract shall begin at 1:59 p.m., and trading shall be permitted thereafter for a period not to exceed one minute.

**59102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 59101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

**59102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one-half of one thirty-second ( $1/2$  of  $1/32$ nd) of one point (equal to \$15.625 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one-quarter of one thirty-second ( $1/4$  of  $1/32$ nd) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.

**59102.D. Special Price Fluctuation Limits**

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

**59102.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.

**59102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 2:00 p.m. (CBOT Rule 59102.A.) on the second London business day before the third Wednesday of the contract delivery month.

**59103. DATE OF DELIVERY**

Subject to CBOT Rules 59104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 59102.).

**59103.A. IRS Effective Date**

Such Date of Delivery shall be the Effective Date (CBOT Rule 59101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.

**59103.B. Acceptance Date and Clearing Effective Date**

The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.

**59104. DELIVERIES ON EXPIRING FUTURES CONTRACTS**

**59104.A. Requirements for Participation in Delivery**

For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:

1. an Eligible Contract Participant, as that term is defined in Section 1a(18) of the Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and

- ~~2.—either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).~~

~~Subject to these requirements and to CBOT Rules 59104.B. and 59104.C., upon Termination of Trading in such expiring futures (CBOT Rule 59102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 59101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.~~

#### **59104.B. IRS Product Account Registration**

~~Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).~~

#### **59104.C. Clearing Member Obligations in Delivery**

~~Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 59102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:~~

- ~~1.—ensure that the requirements set forth in CBOT Rule 59104.A. are met.~~
- ~~2.—in accord with the requirements set forth in CBOT Rule 59104.B., ensure that the holder of each such account has designated (a) the IRS Product account(s) in which the holder shall make or accept any deliveries on expiring futures contracts and (b) the IRS Clearing Member(s) carrying such IRS Product account(s).~~
- ~~3.—ensure that any IRS Clearing Member carrying such IRS Product account(s) as may  
\_\_\_\_\_ be designated pursuant to CBOT Rule 59104.C.2. has been notified of such  
\_\_\_\_\_ designation.~~
- ~~4.—obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 59104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 59104.E.).~~

~~Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 59104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.~~

#### **59104.D. Clearing Member Reporting Obligations Prior to Delivery**

~~Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

- ~~1.—declaration of the number of expiring futures contracts held long, and the number of  
\_\_\_\_\_ expiring futures contracts held short, in such account;~~
- ~~2.—confirmation whether such account meets, or does not meet, the requirements set forth in  
\_\_\_\_\_ CBOT Rule 59104.A.;~~

3. ~~where such account meets the requirements set forth in CBOT Rule 59104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 59104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 59104.C.3., and has made such acknowledgements as are required by CBOT Rule 59104.C.4.~~

#### **59104.E. Notification of IRS Clearing Members in Delivery**

Following the termination of trading in an expiring futures contract (CBOT Rule 59102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 59104.C. For each such IRS Clearing Member, such Clearing House notification shall include:

1. ~~identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and /or~~
2. ~~identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.~~

#### **59104.F. IRS Clearing Member Obligations in Delivery**

In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 59104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 59103.B.);

As of 12:30 p.m. on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 59104.A, 59104.B., 59104.C., 59104.D. and 59104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.

#### **59104.G. Clearing House Financial Safeguards**

A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guaranty Fund (CME Rule 802.A.).

An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.).

**59105. [RESERVED]**

**59106. [RESERVED]**

**59107. PAYMENT**

Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 59101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 59103.) at such time as the Clearing House may designate.

If such Initial Payment Amount is equal to or greater than \$100,000,000, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 59103.B. and CME Rule 90102.C.)

## Chapter 60

### 20-Year US Dollar Interest Rate Swap Futures

#### 60100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 20-Year US Dollar Interest Rate Swap (“USD-IRS”) futures. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein, shall be governed by the general rules of the Exchange (“Rules”).

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions (Chicago Mercantile Exchange (“CME”) Rule 90002.N.).

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

#### 60101. CONTRACT SPECIFICATIONS

##### 60101.A. Contract Grade

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract (“IRS Contract” per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: Subject to CBOT Rules 60104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
2. Floating Rate Payer: Subject to CBOT Rules 60104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
3. IRS Effective Date: Third (3rd) Wednesday of futures contract delivery month  
\_\_\_\_\_  
(CBOT Rules 60102. and 60103.A.).
4. Currency: US dollars (CME Rule 90102.B.).
5. Notional Amount: \$100,000.
6. Business Day(s): New York and London.
7. Business Day Convention: Modified Following.
8. Termination Date: Twentieth (20th) anniversary of IRS Effective Date.  
\_\_\_\_\_  
(CBOT Rule 60101.A.3.).
9. Initial Payment Amount: See CBOT Rule 60101.B.



10. Initial Amount Payer: ~~See CBOT Rule 60101.B.~~

11. Fixed Rate Payment Dates: ~~Semiannually from IRS Effective Date (CBOT Rule 60101.A.3.) subject to CBOT Rules 60101.A.6. and 60101.A.7.~~

12. Fixed Rate: ~~Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 60102.).~~

13. Fixed Rate Day Count: ~~30/360.~~

14. Floating Rate Payment

~~Dates: Quarterly from IRS Effective Date (CBOT Rule 60101.A.3.) subject to CBOT Rules 60101.A.6. and 60101.A.7.~~

15. Floating Rate Option: ~~USD-LIBOR-BBA (CME Rule 90102.E.1.).~~

16. Designated Maturity: ~~Three (3) months.~~

17. Floating Rate Day Count: ~~Actual/360.~~

18. Spread: ~~None.~~

19. Compounding: ~~None.~~

**60101.B. Physical Delivery**

~~Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 60101.A.).~~

~~For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 60104.), the IRS Initial Payment Amount (CBOT Rule 60101.A.9.) due upon delivery (CBOT Rule 60103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 60101.A.10.), shall be determined as follows:~~

~~Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 60102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 60102.C.).~~

~~1. If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~$(\$1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$~~

~~2. Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:~~

~~$(\$1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$~~

3. ~~For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.~~

~~Example: For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-23 (ie, 100 and 23/32nds or 100.71875 points). On the third Wednesday of the contract Delivery Month the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$718.75 per contract, equal to  $(\$1,000 \text{ per point}) \times (100.71875 \text{ points minus } 100 \text{ points})$ . Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$718.75 per contract.~~

## ~~60102. TRADING SPECIFICATIONS~~

~~The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.~~

~~For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 60101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different to the Fixed Rate value of such futures contract.~~

### ~~60102.A. Trading Schedule~~

~~The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 60102.F.), the close of the expiring contract shall begin at 1:59 p.m., and trading shall be permitted thereafter for a period not to exceed one minute.~~

### ~~60102.B. Trading Unit~~

~~The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 60101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.~~

### ~~60102.C. Price Increments~~

~~Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one thirty-second (1/32nd) of one point (equal to \$31.25 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one quarter of one thirty-second (1/4 of 1/32nd) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.~~

### ~~60102.D. Special Price Fluctuation Limits~~

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

### ~~60102.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.~~

### ~~60102.F. Termination of Trading~~

~~Trading in an expiring futures contract shall terminate no later than 2:00 p.m. (CBOT Rule 60102.A.) on the second London business day before the third Wednesday of the contract delivery month.~~

## ~~60103. DATE OF DELIVERY~~

~~Subject to CBOT Rules 60104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the third Wednesday of the futures delivery month (CBOT Rule 60102.).~~

**~~60103.A. IRS Effective Date~~**

~~Such Date of Delivery shall be the Effective Date (CBOT Rule 60101.A.3.) of the IRS Contract that is delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

**~~60103.B. Acceptance Date and Clearing Effective Date~~**

~~The first Clearing Business Day (CME Rule 90002.D.) preceding such Date of Delivery shall be the Acceptance Date (CME Rule 90002.B.) and the Clearing Effective Date (CME Rule 90002.E.) of the IRS Contract to be delivered or accepted for delivery in fulfillment of such expiring futures contract.~~

**~~60104. DELIVERIES ON EXPIRING FUTURES CONTRACTS~~**

**~~60104.A. Requirements for Participation in Delivery~~**

~~For an account carried by a clearing member to make or accept delivery on an expiring futures contract, the holder of such account is required to be:~~

- ~~1. \_\_\_\_\_ an Eligible Contract Participant, as that term is defined in Section 1a(18) of the \_\_\_\_\_ Commodity Exchange Act (7 USC §1a(18) and 17 CFR 1.3(m)), and~~
- ~~2. \_\_\_\_\_ either an IRS Clearing Member (CME Rule 90005.A.) or an IRS Participant registered \_\_\_\_\_ with CME by an IRS Clearing Member (CME Rule 8F009. and CME Rule 90005.B.).~~

~~Subject to these requirements and to CBOT Rules 60104.B. and 60104.C., upon Termination of Trading in such expiring futures (CBOT Rule 60102.F.), the holder of each such account that holds a long interest in such futures contract shall be required to accept delivery from the Clearing House of IRS Contracts that meet Contract Grade (CBOT Rule 60101.A.), and the holder of each such account that holds a short interest in such futures contract shall be required to make delivery to the Clearing House of IRS Contracts that meet Contract Grade.~~

**~~60104.B. IRS Product Account Registration~~**

~~Any IRS Contract delivered or accepted for delivery in fulfillment of an expiring futures contract must be identified with an IRS Product account number that identifies the holder of such IRS Product account, and that specifies whether such IRS Product account is either (1) a proprietary account of an IRS Clearing Member or (2) held by a customer registered with CME by an IRS Clearing Member as an IRS Participant (CME Rule 8F009. and CME Rule 90005.B.).~~

**~~60104.C. Clearing Member Obligations in Delivery~~**

~~Subject to the provisions of CBOT Rulebook Chapters 7, 8, and 9, as of the termination of trading in an expiring futures contract (CBOT Rule 60102.F.), each clearing member that carries accounts holding long or short interest in such expiring futures contract shall:~~

- ~~1. \_\_\_\_\_ ensure that the requirements set forth in CBOT Rule 60104.A. are met.~~
- ~~2. \_\_\_\_\_ in accord with the requirements set forth in CBOT Rule 60104.B., ensure that the \_\_\_\_\_ holder of each such account has designated (a) the IRS Product account(s) in which \_\_\_\_\_ the holder shall make or accept any deliveries on expiring futures contracts and (b) \_\_\_\_\_ the IRS Clearing Member(s) carrying such IRS Product account(s).~~
- ~~3. \_\_\_\_\_ ensure that any IRS Clearing Member carrying such IRS Product account(s) as may \_\_\_\_\_ be designated pursuant to CBOT Rule 60104.C.2. has been notified of such \_\_\_\_\_ designation.~~

- ~~4. obtain acknowledgement from each IRS Clearing Member designated pursuant to CBOT Rule 60104.C.2. that such IRS Clearing Member shall guarantee and assume complete responsibility for the performance of all delivery requirements in respect of such expiring futures (CBOT Rule 60104.E.).~~

~~Where a clearing member carries accounts holding interest both long and short in such expiring futures contract, the clearing member must fulfill these Rules 60104.C. so as to procure that delivery shall be made by all such accounts holding short interest and shall be accepted by all such accounts holding long interest.~~

#### **60104.D. Clearing Member Reporting Obligations Prior to Delivery**

~~Each clearing member that carries accounts holding long or short interest in an expiring futures contract shall report to the Clearing House, on each of the last 5 days of trading in such expiring futures, an accurate inventory of such long and short interest, in such manner and at such times as the Clearing House may prescribe, provided that such inventory must include, for each account holding long or short interest:~~

- ~~1. declaration of the number of expiring futures contracts held long, and the number of expiring futures contracts held short, in such account;~~
- ~~2. confirmation whether such account meets, or does not meet, the requirements set forth in CBOT Rule 60104.A.;~~
- ~~3. where such account meets the requirements set forth in CBOT Rule 60104.A., (a) the IRS Product account number, and the IRS Product account origin (house or customer), and the IRS Clearing Member carrying such IRS Product account, as designated pursuant to CBOT Rule 60104.C.2., and (b) confirmation that such IRS Clearing Member has been notified as required by CBOT Rule 60104.C.3., and has made such acknowledgements as are required by CBOT Rule 60104.C.4.~~

#### **60104.E. Notification of IRS Clearing Members in Delivery**

~~Following the termination of trading in an expiring futures contract (CBOT Rule 60102.F.), the Clearing House shall notify each IRS Clearing Member carrying one or more IRS Product accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rules 60104.C. For each such IRS Clearing Member, such Clearing House notification shall include:~~

- ~~1. identification of IRS Product accounts, carried by such IRS Clearing Member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such long futures position is held; and /or~~
- ~~2. identification of IRS Product Accounts, carried by such IRS Clearing Member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the clearing member firm(s) carrying the account(s) in which each such short futures position is held.~~

#### **60104.F. IRS Clearing Member Obligations in Delivery**

~~In the event that an IRS Clearing Member disputes such notification of delivery on expiring futures as it may receive from the Clearing House, pursuant to CBOT Rule 60104.E., such IRS Clearing Member shall promptly notify the Clearing House, and the dispute must be settled no later than 12:30 p.m. on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of such expiring futures (CBOT Rule 60103.B.);~~

~~As of 12:30 p.m. on the Acceptance Date and Clearing Effective Date for delivery in fulfillment of an expiring futures, an IRS Clearing Member who carries an IRS Product account that is required to make or accept delivery on such expiring futures contract (CBOT Rules 60104.A., 60104.B., 60104.C., 60104.D. and 60104.E.) shall guarantee and assume complete responsibility for the performance of all delivery requirements set forth in the Rules.~~

~~**60104.G. Clearing House Financial Safeguards**~~

~~A futures contract made under these Rules shall be a Base Guaranty Fund Product subject to the Clearing House financial safeguards provided by the General Guarantee Fund (CME Rule 802.A.);~~

~~An IRS Contract that is delivered or accepted for delivery in fulfillment of a futures contract made under these Rules shall be an IRS Product subject to the Clearing House financial safeguards provided by the IRS Guaranty Fund (CME Rule 8G07.).~~

**60105. — [RESERVED]**

**60106. — [RESERVED]**

**60107. — PAYMENT**

~~Where an Initial Payment Amount is required in fulfillment of delivery on an expiring futures contract (CBOT Rule 60101.B.), an IRS Clearing Member that is determined as an Initial Payment Payer shall pay to the Clearing House, and an IRS Clearing Member that is determined as the receiver of an Initial Payment Amount shall receive from the Clearing House, an amount equal to such Initial Payment Amount on the Date of Delivery (CBOT Rule 60103.) at such time as the Clearing House may designate.~~

~~If such Initial Payment Amount is equal to or greater than \$100,000,000, then the IRS Clearing Member that is determined as the Initial Payment Payer shall pay such Initial Payment Amount to the Clearing House no later than 6:00pm on the Acceptance Date of the IRS Contracts that are delivered, and accepted for delivery, in fulfillment of such expiring futures contract (CBOT Rule 60103.B. and CME Rule 90102.C.)~~

**EXHIBIT C**

**CME Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

**Position Limit, Position Accountability, and Reportable Level Table**

(attached under separate cover)

**CBOT Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

**Position Limit, Position Accountability, and Reportable Level Table**

(attached under separate cover)