

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-138

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 04/16/24 Filing Description: Initial Listing of the Options on Euro Short-Term Rate (€STR) Futures Contract

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:

Rule Numbers:

April 16, 2024

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the Options on Euro Short-Term Rate (€STR) Futures Contract.
CME Submission No. 24-138**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the Options on the Euro Short-Term Rate (€STR) Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort, effective on Sunday, May 19, 2024, for trade date Monday, May 20, 2024.

Section 1 – Contract Specifications

CONTRACT TITLE	Options on Euro Short-Term Rate (€STR) Futures
CONTRACT UNIT	One (1) Euro Short-Term Rate (€STR) Futures contract
MINIMUM PRICE FLUCTUATION	1/4 of 0.01 IMM index points (0.0025 = €6.25)
PRICE QUOTATION	Quoted in Underlying Instrument price points, at €2,500 per point per contract
TRADING AND CLEARING HOURS	CME Globex Pre-open: Sunday 4:00 p.m. - 5:00 p.m. CT Monday – Thursday 4:45 p.m. - 5:00 p.m. CT CME Globex: Sunday 5:00 p.m. - Friday - 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT
	CME ClearPort: Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. - 6:00 p.m. CT
COMMODITY CODE	ESR
LISTING SCHEDULE	4 quarterly and 4 serial contracts
INITIAL LISTING	First quarterly contract: June 2024 First serial contract: July 2024

TERMINATION OF TRADING	Trading terminates on the Friday prior to the 3rd Wednesday of the contract month
DAILY SETTLEMENT TIME	4:00 p.m. London time
RULEBOOK CHAPTER	480A
CME GLOBEX MATCHING ALGORITHM	Q - Threshold Pro Rata with LMM
MINIMUM BLOCK THRESHOLD	RTH - 500 – subject to a 5-minute reporting window ETH - 500 – subject to a 15-minute reporting window ATH - 500 – subject to a 15-minute reporting window
STRIKE PRICE LISTING SCHEDULE	Strike prices will be listed in intervals of 5 basis points (0.05 price points) in a range of 150 basis points above and 150 basis points below the strike price closest to the previous daily settlement price for the underlying futures contract and of 25 basis points (0.25 price points) in a range of 550 basis points above and 550 basis points below the strike price closest to the previous daily settlement price for the underlying futures contract
EXERCISE STYLE	Options are American Style and are exercised by notifying the Clearing House by 5:30 p.m. CT on the day of exercise. Unexercised options shall expire at 5:30 p.m. CT on the last trading day. In-the-money options that have not been exercised shall be automatically exercised following expiration
SETTLEMENT METHOD	Deliverable into underlying futures contract
UNDERLYING FUTURES CONTRACT / COMMODITY CODE	Euro Short-Term Rate (€STR) Futures / ESR

Section 2 – €STR Definition, Administration, and Governance

€STR Overview¹

Euro Short-Term Rate (“€STR”) measures overnight, unsecured lending rates between financial institutions across the euro area (“euro area” refers to the 19 European Union member states that have also adopted the euro as their currency). €STR is published daily by the European Central Bank (“ECB”) at 8 a.m. Central European Time and is based on transactions settled on the previous business day and is thus an in-arrears benchmark rate. The ECB does not charge for access to €STR, nor does it license its use; as such, there is no information agreement in place between the ECB and CME Group. This arrangement is similar to CME products such as SOFR Futures and Federal Funds Rate Futures, which are based on reference rates published by other central banks such as the U.S. Federal Reserve.

€STR was published for the first time on October 2, 2019 and was designed as a replacement for the Euro Overnight Index Average (“EONIA”). EONIA – which was also an overnight, unsecured benchmark rate – solely measured interbank lending and was too heavily concentrated toward a small number of contributors as underpinning volume fell over time. This led to EONIA falling out of compliance with EU Benchmarks Regulations (“BMR”).

The ECB had anticipated that EONIA would no longer be BMR compliant and sought to create a reference rate that was based on robust transaction data with large underpinning volume, and thus in line with BMR and IOSCO principles.

Since its inception to Jan 17, 2024, €STR’s daily average transaction volume has been €50B; its daily average transaction count 545; and daily average number of banks contributing data has been 31.²

Given its common use as a reference rate, €STR is also established as an underlying index for derivative contracts, with Intercontinental Exchange, Inc. and Eurex Exchange also offering €STR futures contracts.

¹ Full €STR definition and methodology can be found on the ECB [website](#)

² Data is sourced from the [ECB Data Portal](#)

Methodology¹

€STR is exclusively based on borrowing transactions in euro conducted with financial counterparties that banks report in accordance with Regulation (EU) No 1333/2014 (MMSR Regulation), the concepts and definitions of which underlie the €STR conceptual framework. Out of the potential MMSR instrument categories, €STR is calculated using overnight unsecured fixed rate deposit transactions over € 1 million. Unsecured deposits are standardized and are the most frequent means of conducting arm's length transactions on the basis of a competitive procedure, thereby limiting idiosyncratic factors potentially influencing the volatility of the rate.

€STR is calculated for each business day according to the EU TARGET2 calendar as a volume weighted trimmed mean rounded to the third decimal. TARGET2 refers to the EU-wide business day calendar.

Calculation

The volume-weighted trimmed mean is calculated by:

1. Ordering transactions from the lowest rate to the highest rate
2. Aggregating the transactions occurring at each rate level
3. Removing the top and bottom 25% in volume terms
4. Calculating the mean of the remaining 50% the remaining 50% of the volume-weighted distribution of rates. A pro rata calculation is applied to volumes that span the thresholds for trimming to ensure that exactly 50% of the total eligible volume is used in the calculation of the volume-weighted mean

Data Integrity

As €STR is affiliated with the ECB and the European Union, it is supported by an extensive review framework. According to the ECB:

- “€STR is governed by the [€STR Guideline](#). The Guideline establishes the ECB’s responsibility for the administration and oversight of the €STR and the tasks and responsibilities of the ECB and Eurosystem national central banks with respect to their contribution to the €STR determination process and related procedures.
- “The Guideline also establishes a control framework to protect the integrity and independence of the determination process and to deal with any existing or potential conflicts of interest identified. This control framework also refers to the ECB’s and the Eurosystem’s common corporate ethical culture as embedded in the ECB [Ethics framework](#) (which applies to all ECB staff), the ethical standards for all central banks of the Eurosystem ([Eurosystem Guideline](#)), established by the Governing Council, and the [Code of Conduct](#) for high-level ECB officials.
- “All these instruments establish ethical principles, rules and procedures for the identification, reporting, disclosure, management, mitigation and avoidance of conflicts of interest in relation to all Eurosystem tasks, including all tasks related to the €STR. Further details on how the framework is implemented at the ECB are provided on the [Ethics – working with integrity webpage](#).
- “The €STR Guideline further establishes a [€STR Oversight Committee](#). The €STR Oversight Committee reviews, challenges and reports on all aspects of the €STR determination process as established by the €STR Guideline.
- “The [ECB policy and procedure for the cessation of the euro short-term rate \(€STR\)](#) provides the policies and procedures that would be followed in the event of a cessation of the €STR owing to any situation or circumstance which would make it no longer representative of the underlying interest. The ECB reminds the users of the €STR that they are responsible for establishing their own fall-back provisions in the event of material changes to, or a cessation of, the €STR.”

Resources

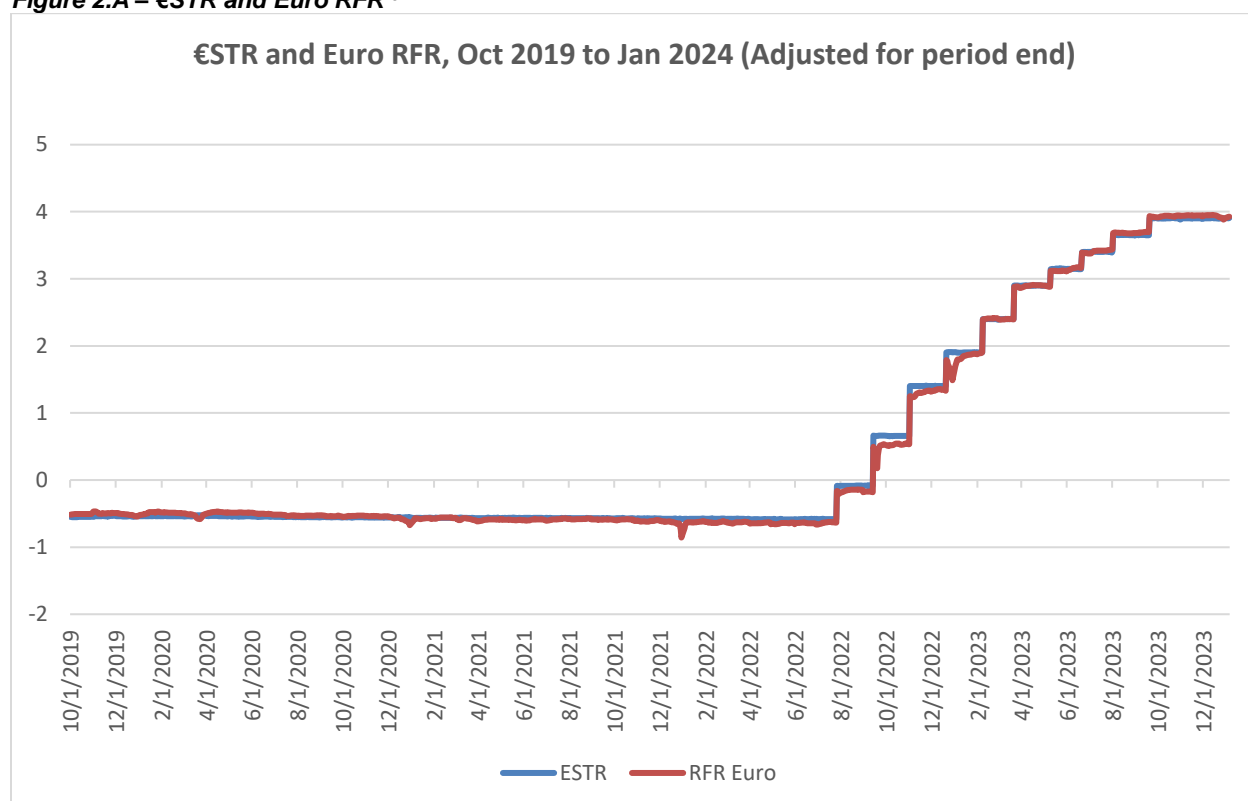
- ECB EONIA to €STR Fact Sheet
 - https://www.ecb.europa.eu/paym/interest_rate_benchmarks/WG_euro_risk-free_rates/shared/pdf/20191016/2019-10-16_WG_on_euro_RFR_meeting_Checklist.pdf
- [White](#) and Case Benchmark Overview
 - <https://www.whitecase.com/insight-alert/eustr-v-euribor-battle-euro-benchmark>

Comparable Indices

RepoFunds Rates (“RFR”), published by CME Benchmark Administration (“CBA”), measure overnight, secured lending rates based on repo transactions in the euro area. Unlike €STR, RFR is secured by government bonds; as such, there is no true direct comparison to €STR.

However, both €STR and RFR measure EU-wide, overnight lending rates. Given that CBA publishes RFRs for ten EU sovereigns, as well as a “Euro RFR” that is based on all ten sovereigns, we recommend monitoring Euro RFR relative to €STR on an ongoing basis.

Figure 2.A – €STR and Euro RFR³



€STR is strongly correlated with Euro RFR after adjusting Euro RFR data by removing quarter and year-end figures. (Note on the year-end adjustment: during these periods, certain collateral becomes scarce, which affects the rates at which lenders are willing to accept for the underlying bonds). The removal of these period ends are referred to as “Adjusted” in Figure 2.A.

Figure 2.B – Correlation Table (Figures are adjusted for period end)

³ €STR Data is sourced from the [ECB Data Portal](#) and Euro RFR from [CME Group Benchmark Administration](#)
20 S Wacker Dr Chicago, IL 60606 t 312 466 7478 tim.elliott@cmegroup.com cmegroup.com

Rates	Correlation	Comments
€STR – Euro RFR	0.999	Compares RFR Euro to €STR

Section 3 – Compliance with Core Principles

Core Principle 2 – Compliance with Rules

Trading in the Contract shall be subject to:

- CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices;
- the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook; and
- monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 3 – Contract Not Readily Subject to Manipulation

As detailed in Section 2 and Figure 3A below, €STR is supported by a demonstrably large transaction pool, drawn from a diverse set of data sources. Moreover, the statistical measure employed to produce the benchmarks on any given day – the transaction-volume-weighted provided by various financial institutions -- is highly robust.

In view of these considerations, both the benchmark itself and its application in connection with the Contract possesses more than sufficient integrity to deflect attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlement of expiring contract months.

Figure 3.A – Transaction Data by Month

Date	€STR Avg Daily Volume (€B)	€STR Avg Daily Transaction Count
Dec-23	56.6	676
Nov-23	60.8	713
Oct-23	58.3	707
Sep-23	59.1	709
Aug-23	60.7	705
Jul-23	61.8	703
Jun-23	62.8	687
May-23	63.1	638
Apr-23	61.8	663
Mar-23	63.1	697
Feb-23	61.9	690
Jan-23	61.2	663
Dec-22	55.2	639
Nov-22	69.6	697
Oct-22	65.2	698
Sep-22	60.0	598
Aug-22	52.1	515
Jul-22	57.0	554
Jun-22	47.2	510

May-22	48.5	541
Apr-22	50.2	529
Mar-22	56.1	565
Jan-22	57	553
Jan-22	54.3	515
Dec-21	41.8	459
Nov-21	53.4	517
Oct-21	50.2	527
Sep-21	46.5	496
Aug-21	48.4	485
Jul-21	48.5	492
Jun-21	43	446
May-21	42.5	419
Apr-21	47	447
Mar-21	43	449
Feb-21	42.3	457
Jan-21	46	464
Dec-20	39.8	411
Nov-20	44.5	483
Oct-20	45	478
Sep-20	41.2	470
Aug-20	40.1	455
Jul-20	44	484
Jun-20	39.2	455
May-20	42.2	494
Apr-20	51.6	581
Mar-20	42.3	499
Feb-20	33.7	432
Jan-20	31.5	432
Average	51.1	552

Source: ECB Data

Figure 3.B – Most Recent Four Weeks’ Worth of €STR Trading Data

Date	Volume (€MM)	Transactions	Average Trade Size (€MM)
1/17/2024	59,594	700	85
1/16/2024	59,040	714	83
1/15/2024	54,460	682	80
1/12/2024	57,373	673	85
1/11/2024	59,616	678	88
1/10/2024	59,353	689	86
1/9/2024	63,395	703	90

1/8/2024	64,352	678	95
1/5/2024	63,913	661	97
1/4/2024	65,145	676	96
1/3/2024	65,797	688	96
1/2/2024	63,141	621	102
12/29/2023	43,965	517	85
12/28/2023	57,717	632	91
12/27/2023	52,552	631	83
12/22/2023	51,884	644	81
12/21/2023	54,035	667	81
12/20/2023	57,872	696	83
12/19/2023	58,361	716	82
<i>Average</i>	<i>58,503</i>	<i>667</i>	<i>88</i>

Source: ECB Data

Core Principle 4 – Prevention of Market Disruption

Trading in the Contract shall be subject to CME Rulebook Chapter 4 which includes prohibitions on manipulation, price distortion, and disruption to the expiration process. As with any product listed for trading on a CME Group designated contract market, futures trading activity shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

Core Principle 5 – Position Limits or Accountability

The Contract will be subject to a Position Reporting Level of 850 contracts, a Single-Month Position Accountability Level of 10,000 net futures contract equivalents, and an All-Month Position Accountability Level of 10,000 net futures contract equivalents. The Contract will aggregate into the Euro Short-Term Rate (€STR) Futures contract on a 1:1 ratio.

To appreciate the proportions of these Position Accountability standards, consider that the representative level of traffic in the market for which trading activity supports the €STR benchmark is about €50 billion per day based on its daily average transaction volume since its inception in October 2019 to January 2024. Relative to this trading flow, the hypothetical €STR futures holdings reflected in the Position Accountability Levels for €STR Options signify a share of 19.8%.⁴

Core Principle 7 – Availability of General Information

The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information with regard to specifications, terms, and conditions of the Contract. In addition to such SER, daily trading volume, open interest, and price information for the Contract shall be published on CME Group’s website.

Core Principle 8 – Daily Publication of Trading Information

The Exchange shall publish trading volumes, open interest levels, and price information daily of the Contract on CME Group’s website and through quote vendors.

⁴ For €STR Futures, each basis point per annum of contract interest is specified to be worth €25 per contract. The €STR interest exposure that is impounded in the contract final settlement price accumulates during the contract Reference Quarter, which typically spans 13 weeks, or 91 days. Thus, the implied size of the hypothetical transaction volume that underlies each contract is approximately €989,011. Accordingly, for the purpose of comparison, the 10,000-contract position signified by the Position Accountability Level may be interpreted as having a size of approximately €9.89011 billion (equal to 10,000 contracts x (€25 per basis point per contract / 0.0001 per year) x (360 days per year / 91 days)).

Core Principle 9 – Execution of Transactions

The Contract will be listed for trading on the CME Globex electronic trading platform and for submission of clearing via CME ClearPort. CME Globex provides for competitive and open execution of transactions and affords the benefits of reliability and global connectivity.

Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 11 – Financial Integrity of Transactions

The Contract shall be cleared by CME Clearing, which is registered with the Commission as a derivative clearing organization, and which is subject to all CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 in the Rulebook set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in the Exchange's competitive trading venues and will apply to transactions in the Contract.

Core Principle 13 – Disciplinary Procedures

Chapter 4 of the Rulebook provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the Contract shall be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in the Contract are identified.

Core Principle 14 – Dispute Resolution

Disputes in respect of the Contract shall be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook, which allows all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

Appendix A provides CME Rulebook Chapter 480A. Appendix B provides the Position Limit, Position Accountability, and Reportable Level Table. Appendix C provides the CME Rule 588.H. Non-Reviewable Trading Ranges Table. Appendix D provides amendments to CME Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table (under separate cover). Appendix E provides the relevant Exchange fees.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contract complies with the Act and rules thereunder. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A CME Rulebook Chapter 480A
Appendix B Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (under separate cover)
Appendix C CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Appendix D CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table
Appendix E Exchange Fees

Appendix A

CME Rulebook

Chapter 480A Options on Euro Short-Term Rate (€STR) Futures

480A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Euro Short-Term Rate (€STR) 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.

480A01. OPTION CHARACTERISTICS

480A01.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.

480A01.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 €STR futures contract (Chapter 480) (“futures” or “futures contract”).

480A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points corresponding to such option’s underlying futures contract (Rule 480A01.D.). Pursuant to Rules 48002.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 48002.B.) and is equal to €25 per option contract. Accordingly, 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. All Quarterly and Serial Standard Options (Rule 480A01.D.1.)

The minimum price fluctuation shall be 0.0025 IMM Index points (equal to €6.25 per option contract).

480A01.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), the underlying futures contract is the futures contract for which the contract Reference Quarter (Rule 48003.A.1.) begins on the third Wednesday of the month in which such options expire.

Example: For a given year, the underlying futures contract for an option that expires in March is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

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

For options that expire in any month not in the March quarterly cycle, (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the futures contract for which the contract Reference Quarter (Rule 48003.A.1.) begins on the third Wednesday of the next month in the March quarterly cycle that is nearest the expiration of such options.

Example: For a given year, the underlying futures contract for an option that expires in either January or February is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

480A01.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 Five Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, additional exercise prices shall be stated in intervals whose last three digits are 0.05, 0.10, 0.15, ... 0.90, or 0.95 ("0.05 point exercise prices") for all IMM Index levels, e.g., 93.30, 93.35, 93.40, 93.45.

The Exchange shall ensure that put and call options are listed for trading on each day at all such 5 point exercise prices in a range from 5.00 IMM Index points above to 5.00 IMM Index points below the at-the-money exercise price for such underlying futures contract.

3. 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 a multiple of 05 (e.g., 88.05, 88.10, 88.15, 88.20, 88.25).

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

480A01.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.

480A01.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 and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

480A01.H.-I. [Reserved]

480A01.J. Termination of Trading

1. All Options

Trading in any Quarterly Standard Option or Serial Standard 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 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.

480A02. EXERCISE AND ASSIGNMENT

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

480A02.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 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 strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put.

480A02.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.

480A03. [RESERVED]

(End Chapter 480A)

Appendix B

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

Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)

Appendix C

**CME Rulebook
Chapter 5
("Trading Qualifications and Practices")
Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table**

(additions underscored)

Contract	Globex Symbol	Globex Non-Reviewable Ranges (NRR)
<u>Options on Euro Short-Term Rate (€STR) Futures</u>	<u>ESR</u>	<u>2 Basis Points</u>

Appendix D

**CME Rulebook
Chapter 5
("Trading Qualifications and Practices")
Rule 589. – ("Special Price Fluctuation Limits and Daily Price Limits") Table**

(additions underscored)

Product	RULEBOOK CHAPTER	COMMODITY CODE	PRIMARY/ ASSOCIATED	ASSOCIATED WITH	Dynamically Calculated Variant - All Hours
<u>Options on Euro Short-Term Rate (€STR) Futures</u>	<u>480A</u>	<u>ESR</u>	<u>Associated</u>	<u>ESR</u>	<u>No specified limits</u>

Appendix E
Exchange Fees

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex	\$0.22
	EFP	\$0.34
	EFR	\$0.34
	Block	\$0.34
	Exe Asn Future From	\$0.14
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.42
	EFP	\$0.55
	EFR	\$0.55
	Block	\$0.55
	Exe Asn Future From	\$0.35
Rule 106.R Electronic Corporate Members (For other than CME Globex EFP EFR Block - Non-Member rates apply)	CME Globex	\$0.49
	EFP EFR Block	\$0.84
Rule 106.H and 106.N Firms	CME Globex	\$0.49
	EFP	\$0.69
	EFR	\$0.69
	Block	\$0.69
	Exe Asn Future From	\$0.54
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.50
Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.64
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$0.79
Non-Members	CME Globex	\$0.89
	EFP	\$0.99
	EFR	\$0.99
	Block	\$0.99
	Exe Asn Future From	\$0.69

Processing Fees	Fee
106.D Lessee/106.H Brokerage	N/A
106.F Employee Brokerage	N/A
Floor / "New" Brokerage	N/A
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.00