



## Special Executive Report

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S-4128

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### **Executive Committee approves European Style Options on Equity Index Contracts with Enhanced Market Maker Program**

On August 19, 2004, the Executive Committee approved the following changes to options on Equity Index futures:

#### 1. E-Mini S&P 500 Options Enhancement Program

- Market maker status in the E-mini S&P 500 Options will be increased to up to six additional market participants (seven total). Upon receiving the status, a market maker meeting all eligibility criteria shall be provided with a communication limit of no more than 60 TPS. Please note that there will be no trade allocation priority for the market makers.
- Further, Members are eligible for a GLOBEX® fee cap for E-mini S&P 500 options of \$200 per day, effective on October 1, 2004. The fee cap for the E-mini Options shall be independent of the GLOBEX fee cap established for E-mini futures.
- In conjunction with the new fee cap, GLOBEX fees for E-mini S&P 500 options will be waived for customers through June 2005, also effective on October 1, 2004.

#### 2. Conversion to European Style Equity Index Options

Listing of European Style Equity Index Options, in lieu of the American Style Options currently listed for trading: The conversion process is as follows:

- For S&P 500, S&P MidCap 400, NASDAQ-100, Russell 2000, Nikkei 225 only, all expirations on or before June 2005 shall retain the American Style Exercise

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feature. All options on these index futures with expiration after June 2005 shall be European Style Options.

- For E-Mini S&P 500, S&P 500 Barra Growth Index and S&P 500 Barra Value Index only, all expirations on or before December 2004 shall retain the American Style Exercise feature. All options on these index futures with expiration after December 2004 shall be European Style Options.

### **3. Postponement of listing of certain Equity Index Options**

- The March 2005 Options on E-Mini S&P 500, S&P 500 Barra Growth and S&P 500 Barra Value Index futures, originally scheduled to be listed for trading following the expiration of the September 2004 Options, shall be listed following the expiration of the October 2004 Options on Monday, October 18, 2004; and
- The September 2005 Options on S&P 500, S&P MidCap 400 and Russell 2000 Stock Index futures, originally scheduled to be listed for trading following the expiration of the September 2004 Options, shall be listed following the expiration of the October 2004 Options on Monday, October 18, 2004.

Please reference <http://www.cmerulebook.com/> for rule changes regarding the conversion from American style to European style options. The “Exercise of Option by Buyer” rule has been amended to reflect these changes in the options on Equity Index futures chapters.

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