

BOARD APPROVES CHANGES TO THE CME/EMTA RUSSIAN RUBLE REFERENCE RATE METHODOLOGY AND ASSOCIATED CHANGES TO THE CME RUSSIAN RUBLE FUTURES CONTRACTS, EFFECTIVE FOR THE JUNE 2006 AND SUBSEQUENT CONTRACTS

The Board of Directors at its Regular Meeting on Monday, April 25, 2005, approved changes to the CME/EMTA Russian Ruble Reference Rate Methodology proposed by EMTA, Inc. and the necessary associated changes to the CME Russian Ruble futures contract specifications. Responding to customer demand, the Exchange approved these methodology and rule changes in order to (1) better reflect current conventions in the Russian ruble/U.S. dollar spot market, and (2) minimize the basis risk for customers holding positions in both non-deliverable forwards (NDFs) and CME Russian ruble futures (and options) by adopting analogous contingency procedures for both markets, when the CME/EMTA Russian Ruble Rate is not available. EMTA members approved the changes to the methodology on Tuesday, April 26, 2005.

CME participated with representatives from EMTA, Inc., formerly, the Emerging Markets Traders Association, and EMTA's Russian Ruble Non-Deliverable Forward Working Group in a review of the CME/EMTA Russian Ruble Reference Rate Methodology. This methodology defines procedures for determining the CME/EMTA Russian Ruble Reference Rate, the primary rate source for settling Russian ruble NDF transactions and the price used for calculation of the CME Russian ruble futures Final Settlement Price at termination. The CME Clearing House's designated agent conducts the daily ruble rate survey. The changes and impacts of the proposal for CME are summarized below.

CME/EMTA Russian Ruble Reference Rate Methodology Changes:

1. Switch the calculated quotation from a "synthetic TOD (Today) rate"¹ to a "TOM (Tomorrow) rate." The TOM rate is now the primary spot market rate for rubles vs. U.S. dollars.
2. Instead of conducting two randomly timed surveys between 12:00 noon and 3:40 PM Moscow time and averaging the results, go to one survey conducted at a random time between 12:00 noon and 12:30 PM Moscow time. High and low survey quotes will continue to be eliminated under the revised procedure. A more narrow survey window will enable more precise customer hedges.

¹ Currently, a synthetic TOD rate is calculated from TOM rates and Russian ruble overnight interest rates supplied by the reference banks in the survey, plus the USD Fed Funds (overnight) rates.

3. Rather than the current procedure of keeping the responding reference bank names and rate responses confidential, the responding bank names and their TOM rate responses will be published by CME and EMTA by at least the next business day on their respective Web sites. Also, the list of reference banks will be expanded to at least 15 (rather than at least 12) and 10 of these banks (rather than 8) will be chosen randomly to determine the ruble rate.
4. In the event the CME/EMTA Russian Ruble Rate cannot be calculated for a period of time, then defer or postpone settlement for up to 14 calendar days, and then allow the alternative settlement of Russian ruble NDFs and CME Russian ruble futures to the EMTA RUB Indicative Survey Rate. These are becoming standard NDF market procedures: originated for Latin American currency NDFs (Argentine peso, first) and later implemented for Asian NDF currencies. Current CME Emergency rule will apply if the EMTA RUB Indicative Survey Rate is unavailable after the CME/EMTA Russian Ruble Rate is also unavailable.
 - a. CME/EMTA Russian Ruble Reference Rate specifies surveying only “onshore” Moscow banks. The EMTA RUB Indicative Survey Rate is based on a broader list of “offshore” as well as “onshore” banks active in the Russian ruble/U.S. dollar FX market.
 - b. Rates quoted by these banks in the indicative survey may include a spot rate(s) implied by NDFs, spot rate implied by other financial market transactions, spot rate used for commercial transactions from offshore suppliers, other existing rates for trade finance transactions, and any other existing unofficial rate for Russian Ruble / U.S. dollar transactions (commercial or otherwise). See Appendix 2 for details.

However, if at any time during the deferral or postponement period, the CME/EMTA Russian Ruble Rate is calculated and available (CME’s Clearing House agent would attempt the survey each day), then outstanding Russian ruble NDFs and terminated CME Russian ruble futures would be settled using this CME/EMTA Russian Ruble Rate.

Changes to the CME Russian Ruble Futures Contract (Effective for the June 2006 & Subsequent Contracts):

1. The Board approved changes will apply to newly listed contract months only. Therefore, the June 2005, September 2005, December 2005 and March 2006 CME Russian ruble futures contracts are unchanged. The June 2006 CME Russian ruble futures contract will be the first expiration under the new rules. It is scheduled to be listed for trading on Thursday, June 16, 2005.

2. Final Settlement Price for the “cash settlement” CME Russian ruble futures contracts (June 2006 & subsequent months) will become the reciprocal of the new CME/EMTA Russian Ruble Reference Rate, specifying a Russian Ruble TOM rate, rounded to six decimal places.
3. “Cash Settlement” rules modified to specify one rather than two random surveys to determine the reference rate and the survey timing change to the narrower window of 12:00 noon to 12:30 PM Moscow time (3:00 AM to 3:30 AM Central time).
4. Define new provision for “deferring or postponing valuation,” where there are 14 consecutive calendar days when there is no CME/EMTA Russian Ruble Reference Rate available. If a CME Russian ruble futures contract terminates at the beginning of or during a deferral or postponement period, then the CME ruble futures contract final settlement would be “deferred or postponed” for up to a maximum of 14 consecutive calendar days. The CME Russian ruble futures contracts would be cash settled based upon the EMTA RUB Indicative Survey Rate determined on the business day following the end of the deferral or postponement period. This specification will allow the ruble futures and outstanding NDFs to settle at the same time based on the same rate.
5. If a deferral or postponement period ends before the CME Russian ruble futures contract terminates (no CME/EMTA Russian Ruble Reference Rate for 14 consecutive calendar days) and also there is no EMTA RUB Indicative Survey Rate available for settlement, then the new CME rules specify that CME Rule 26003 – Emergencies, Acts of Government, Acts of God would apply. Also, as with any CME futures and options contracts, CME may go to Emergency action at any time, if the circumstances warrant.

**CME Clearing House Agent (“CME/EMTA Russian Ruble Survey Team”)
Impact:**

1. Will do a new survey between 3:00 AM and 3:30 AM Chicago time each day. CME will begin the new CME/EMTA Reference Rate survey procedures on Thursday, June 16, 2005. The new procedures reduce daily surveys from two to one, but over a narrower 30-minute interval. Only the Russian ruble “TOM rate” will be provided in the new survey. (The CME Board of Directors approved the changes on Monday, April 25, 2005 and EMTA members approved the changes on Tuesday, April 26, 2005.)²

² ISDA, EMTA and the Foreign Exchange Committee (“FXC”) jointly publish the 1998 FX and Currency Option Definitions and Annex A thereto and from time to time approve amendments, including additions, deletions and changes to those documents. Amendments to the CME/EMTA

2. In addition to posting the daily ruble rate on the CME Web site, the CME Clearing House agent will post individual bank names and their TOM rate responses for the survey on the CME Web site.
3. On CME Russian ruble futures termination days through March 2006, three surveys will be done. On termination of trading day for CME Russian ruble futures, the CME Clearing House agent will add the two random surveys conducted between 3:00 AM and 6:40 AM Chicago time to the new EMTA survey between 3:00 AM and 3:30 AM Chicago time.
4. Pre-notify the reference banks before each CME ruble futures termination. Until all currently listed ruble futures contracts expire, CME Clearing House agent will contact all reference banks in the days before the CME Russian Ruble futures contract terminations to make sure they understand the procedures to respond to the additional two surveys under the old procedures on CME Russian ruble futures termination days. The banks will supply the ruble TOM rate and overnight Russian interest rate for each of the two surveys.
5. Number of reference banks eligible for the daily survey is to increase. CME and EMTA will increase the universe of reference banks in the daily survey from “no less than 12” to “no less than 15” financial institutions inside the Russian Federation that are active participants in the Russian ruble per U.S. dollar spot and/or non-deliverable forward markets. CME will randomly select 10 rather than formerly 8 reference banks for the survey. Two highest and two lowest bid and offer TOM-rate midpoints will be eliminated. The remaining six midpoints will be averaged for the CME/EMTA Russian Ruble Reference Rate. CME has provisions for modified procedures if less than 10 reference bank responses are received.

Appendix 1 provides the amended CME/EMTA Russian Ruble Reference Rate Methodology. Appendix 2 contains the revised Chapter 260 - CME Russian ruble futures contract specifications and the Interpretation to Chapter 260, which details the EMTA RUB Indicative Survey Rate Methodology. Additions to Appendix 2 are underlined and deletions are bracketed and overstruck.

Russian Ruble Reference Rate definition are currently being reviewed by these entities and approval is anticipated shortly. Amendments to the CME/EMTA Russian Ruble Reference Rate Methodology are within the purview of its authors --CME and EMTA, Inc. -- and are not separately reviewed or approved by ISDA or the FXC.

Appendix 1

CHICAGO MERCANTILE EXCHANGE INC. / EMTA, INC DAILY RUSSIAN RUBLE / U.S. DOLLAR REFERENCE RATE METHODOLOGY EFFECTIVE JUNE 16, 2005

Background

In August, 1998, representatives from the Russian Ruble / U.S. Dollar non-deliverable forward ("NDF") market participated in a telephone conference call with EMTA, Inc. (previously, the "Emerging Markets Traders Association") and Chicago Mercantile Exchange Inc. ("CME" or "CME Clearing House" or any of CME's other divisions or designated agents) to discuss the problems associated with a lack of a fixing for Russian ruble per U.S. dollar trading at the Moscow Interbank Currency Exchange ("MICEX"). This rate was the standard "settlement rate" used for Russian Ruble/U.S. Dollar non-deliverable foreign exchange and currency option transactions as well as the rate used by CME to settle its Russian Ruble futures and options contracts. Following this discussion, CME was asked, in collaboration with EMTA, to conduct a daily survey (the "CME/EMTA Reference Rate Survey" or the "Survey") of market participants to determine a Russian Ruble/U.S. Dollar reference rate and CME's Rules were amended to incorporate these procedures. The results of the Survey are currently published daily on Reuters page "EMTA" as well as on CME's and EMTA's websites. CME also distributes the CME/EMTA Reference Rate through its normal quote distribution channels. As a further step, on Friday, September 11, 1998, the International Swaps and Derivatives Association ("ISDA"), EMTA, and the Foreign Exchange Committee (FXC) approved the addition of a definition for the CME/EMTA Reference Rate (RUB03) as another Russian Ruble rate source in Annex A of the 1998 FX and Currency Option Definitions (the "1998 Definitions"). This facilitated settlement of Russian Ruble/U.S. Dollar NDF transactions to the CME/EMTA Reference Rate.

In the weeks following September 15, 1998 (which was the Termination of Trading day for a CME Russian Ruble futures contract), representatives from the Russian Ruble / U.S. Dollar NDF market again participated in discussions with EMTA and CME to discuss proposed refinements to the CME/EMTA Reference Rate survey procedures. After discussions, the parties to the discussions agreed that it was in the best interest of the marketplace to adopt a revised methodology for the Survey, which was then implemented and governed the operation of the Survey into early 2005.

In the second half of 2004, in response to increasing activity in the Russian Ruble/ U.S. Dollar non-deliverable foreign exchange market, EMTA undertook to prepare standardized documentation for use in connection with Russian Ruble/U.S. Dollar non-deliverable foreign exchange and currency option transactions. To achieve a result compatible for both the foreign exchange and futures markets, CME and EMTA determined to collaborate in this effort and worked closely together for many months to develop a package of documentation (including further additions to Annex A of the 1998 Definitions) and procedures suitable for both these markets. Notably, this Methodology was closely reviewed and both it and CME's Rules were updated as part of that effort (the "2005 Revisions"). Revisions to Chapter 260 (Russian Ruble Futures) of the CME Rules incorporating these changes were approved by the CME Board on April 25, 2005 and are attached to this Methodology.

Procedures for the CME/EMTA Reference Rate Survey

The Survey. CME will maintain a list of at least 15 survey participants, constituted of international banks located in Moscow with banking licenses authorizing them to deal spot Russian Ruble/U.S. Dollar foreign exchange on a principal basis as well as Russian banks and financial institutions based in Moscow that are active in the Russian Ruble/U.S. Dollar market. On each Polling Day³ CME will contact the survey participants at an unannounced, randomly selected time between 12:00 Noon and 12:30 PM Moscow time.⁴ At such time, CME will ask each survey participant to provide both the bid and offer at which such participant could then execute a minimum-sized (US\$100,000) Russian Ruble / U.S. Dollar spot transaction for next-day value ("TOM") in the Moscow marketplace⁵. A survey participant's response will be deemed usable for the Survey if both bid and offer quotes are received by CME. Survey participants will be requested to confirm their quotes in writing by telex, facsimile, other hard-copy confirmation, or by recorded telephone message or secure electronic confirmation.

Calculation Methodology. If more than ten usable responses are received for any survey, CME will randomly select ten of those responses. CME will determine the midpoint of each bid-offer pair and eliminate the two lowest and the two highest midpoints. CME will then compute the arithmetic mean of the remaining midpoints for such survey, rounded to four decimal places (.0001) to determine the resulting rate. This resulting rate will be the CME/EMTA Reference Rate for that Polling Day. CME and EMTA will make reasonable efforts to post the CME/EMTA Reference Rate by 1:30 PM Moscow time⁶ on such day. In order to enhance market integrity by increasing the transparency of the CME's calculation,

³ For purposes of the CME/EMTA Reference Rate Survey, Polling Days are determined for each calendar year in advance jointly by CME and EMTA corresponding generally to days on which the foreign exchange markets are open for business in both Moscow and New York, adjusted as necessary in the discretion of CME and EMTA from time to time to take account of market circumstances. Polling Days are published on CME's and EMTA's websites. For purposes of this Methodology, a Polling Day shall be a Polling Day notwithstanding the occurrence of an Unscheduled Holiday (as defined in the 1998 FX and Currency Option Definitions).

⁴ Previously, the Methodology provided for two intraday surveys taken at randomly chosen times between 12:00 Noon and 3:40 PM Moscow time. This time interval was originally selected to approximate the trading times for the former "System for Electronic Lot Trading ("SELT") session between commercial banks on the Moscow Interbank Currency Exchange ("MICEX"). As of May 31, 2004, SELT of MICEX and the Unified Trading System ("UTS") of the regional Russian exchanges unified under the Unified Trading System nomenclature. The 2005 Revisions implemented a one-survey structure based upon the assessment by the market that the new, one survey construct and methodology would provide sufficient protection against concerns of market manipulation while enhancing the opportunity to produce a more representative spot or dealing rate for the market and to facilitate hedging activities by market participants.

⁵Up until the 2005 Revisions, survey participants were requested to provide rates for minimum-sized transactions (US\$100,000) for both same-day value ("TOD") and next-day value ("TOM") transactions as well as for the current bid and offer of the overnight Russian ruble money-market rate. From 1998 until the 2005 Revisions, the TOD rate was used if provided by the survey participants and if not, the TOM rate that was provided was adjusted to a synthetic spot rate using an average bid and offer of the overnight Russian ruble money-market rate provided by all participants and the overnight Fed Funds Effective Rate from Telerate page 118 or Reuters page "FEDM" or a successor page. The synthetic spot rate (TOD) was determined pursuant to the following standard interest rate parity formula: $TOM = TOD (1 + O/N \text{ RUB Rate} \times \# \text{ Days} / 360) / (1 + O/N \text{ Fed Funds Rate} \times \# \text{ Days} / 360)$. The 2005 Revisions recognized that collecting and relying solely on the TOM rate, instead of the TOD rate more accurately reflected market practice as it had evolved since 1998. Notwithstanding the move to a reliance on the TOM rate in connection with the 2005 Methodology Revisions, CME determined to continue to collect and publish a TOD rate for a reasonable period of time for CME Russian Ruble futures contract termination dates until all previously listed CME Russian ruble futures and options contracts had expired. All CME Russian Ruble futures and options listed for trading following the implementation of the 2005 Revisions specified settlement to the TOM rate. These procedures were adopted in order to effect an orderly transition for the futures market.

⁶ This time corresponds to 10:30 AM London time, 5:30 AM New York City time, and 4:30 AM Chicago time.

the list of survey participants and individual bid and offer rate quotations for the previous Polling Day will be published not later than the next Polling Day.⁷

If less than ten, but at least five, responses for any survey are received, using all such responses, CME will determine the midpoint of each bid-offer pair, and the lowest and highest of such midpoints will be eliminated. CME will then compute the arithmetic mean of the remaining 3, 4, 5, 6 or 7 midpoints as appropriate, and will calculate and publish the CME/EMTA Reference Rate as described above.

On any Polling Day that is also a Termination of Trading day⁸, CME will determine the reciprocal of the CME/EMTA Reference Rate (rounded to the nearest \$.000001 per Russian Ruble) and the resulting rate will constitute the Final Settlement Price for purposes of CME Rule 26002.B for such Termination of Trading day. The Final Settlement Price will be posted by CME on its website and also disseminated through its normal quote distribution channels.

Insufficient Responses. On any Polling Day, if CME receives less than five responses to the Survey, then such Survey will be deemed incomplete and no CME/EMTA Reference Rate will be calculated or published for that day. A notice that no rate is available for that Polling Day will be posted by CME by approximately 1:30 PM Moscow time.⁹

Postponing or Deferring Valuation of CME Russian Ruble Futures Contracts

On any Polling Day that is also a Termination of Trading day for the CME Russian Ruble futures contract, but for which no CME/EMTA Reference Rate has been calculated or published, then determination of a Final Settlement Price by CME and the valuation of the CME Russian Ruble futures contract maturing on that day may be postponed or deferred by CME in its discretion¹⁰. CME shall post a notice on its website notifying the marketplace of any such postponement or deferral of valuation. On the next, and for each subsequent Polling Day, CME shall attempt to complete a CME/EMTA Reference Rate Survey and if successful, CME shall calculate and publish the CME/EMTA Russian Ruble Reference Rate on such day. In such event, CME shall use the reciprocal of the CME/EMTA Russian Ruble Reference Rate to calculate the Final Settlement Price for any CME Russian ruble futures contract that has terminated and for which the calculation of its Final Settlement Price has been postponed or deferred up until such date.

⁷ The CME has extensive experience in conducting surveys for the purposes of final settlement of its cash-settled contracts and it has been the practice of the CME to keep the names of the survey participants confidential in order to insure the integrity of the survey. Following extensive discussions with EMTA and its Members, and taking into account EMTA's experiences with survey methodologies in Latin America, this policy was modified and CME determined to publish individual rate quotations received in response to the CME/EMTA Reference Rate Survey, but after a time interval designed to ensure that at the time of publication, the rates no longer represent actual dealing rates. See Rule 26002.B1.

⁸ CME Rule 26001.G. (Termination of Trading) provides that the CME Russian Ruble futures contract terminates trading at 11:00 AM Moscow time on the 15th calendar day of the contract month. If the 15th calendar day of the contract month is not a business day for the Moscow interbank foreign exchange market, then trading in CME Russian Ruble futures will terminate at the same time on the next business day for the Moscow interbank foreign exchange market.

⁹Pursuant to the EMTA Template Terms for RUB/USD Non-deliverable FX Transactions dated _____ (the "EMTA Template Terms"), parties to a contract based on the EMTA Template Terms may defer or postpone valuation of their contracts for up to 14 consecutive calendar days if the CME/EMTA Reference Rate is not available on the Valuation Date of such contract. On any day prior to the lapse of such 14 consecutive calendar day deferral or valuation postponement period, if and to the extent a CME/EMTA Reference Rate is calculated and published by CME, then contracts for which the Valuation Date had been postponed or deferred shall be valued using that rate. Following the lapse of any such period, the parties to the contract may rely upon the next fallback reference price set forth in the contract for valuation.

¹⁰ This mechanism was developed in order to reduce basis risk for market participants associated with holding Russian Ruble NDF positions and CME Russian ruble futures and/or options on futures positions.

To achieve congruity with the NDF market, following the deferral or postponement of calculation of the CME Russian Ruble futures contract Final Settlement Price for a maximum of 14 consecutive calendar days, CME, in its discretion, may determine to publish a Final Settlement Price on any day thereafter. In the discretion of CME, this Final Settlement Price may be calculated as the reciprocal of the rate published by EMTA in response to its EMTA RUB Indicative Survey, if available.¹¹

In the event that the CME President determines that CME is not able to determine a Final Settlement Price according to any of the preceding procedures, then Rule 26003. **Emergencies, Acts of Government, Acts of God** will apply to determine the Final Settlement Price. The Board will then take action as it deems necessary under the circumstances and its decision will be binding on all parties to the contract.

Amendments. CME and EMTA may, in their discretion from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the CME/EMTA Reference Rate Survey.

Disclaimer. CME and EMTA disclaim liability for the CME/EMTA Russian Ruble Reference Rate, and no representation or warranty, express or implied, is made concerning the CME/EMTA Reference Rate (including, without limitation, the Methodology for its determination and its suitability for any particular use).

(End of Methodology)

¹¹ The EMTA RUB Indicative Survey is designed as a back-up survey mechanism to be performed by EMTA following the unavailability of the CME/EMTA Reference Rate for a period of 14 consecutive calendar days. The Methodology for the EMTA RUB Indicative Survey is available to EMTA Members on EMTA's website (www.emta.org) and also in CME Rule 26002.B.3. and the Interpretation to Chapter 260.

Appendix 2

CHAPTER 260 RUSSIAN RUBLE FUTURES

26000. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in Russian rubles versus the U.S. dollar. The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

26001. FUTURES CALL

26001.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Board of Directors.

26001.B. Trading Unit

The unit of trading shall be 2,500,000 Russian rubles.

26001.C. Price Increments

Minimum price fluctuations shall be in multiples of \$.00001 per Russian ruble (equivalent to \$25.00) per contract.

26001.D. Position Limits

A person shall not own or control more than 6,000 contracts net long or net short in any contract month or more than 10,000 contracts net long or net short in all contract months combined except that in no event shall he own or control more than 750 contracts in the lead month on or after the day one week prior to the termination of trading day. For positions involving options on the CME Russian ruble currency futures, this rule is superseded by the option speculative position limit rule.

26001.E. Accumulation of Positions

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

26001.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to [Rule 543](#).

26001.G. Termination of Trading

Futures trading shall terminate at 11:00 AM (Moscow Time)¹² on the 15th calendar day of the contract month. If the foregoing date for termination is not a business day for the Moscow interbank foreign exchange market, futures trading shall terminate at the same time on the next business day for the Moscow interbank foreign exchange market.

26001.H. Contract Modifications

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

26002. SETTLEMENT PROCEDURES

26002.A. [Reserved]

26002.B. Cash Settlement

Applicable for the June 2005 through March 2006 contract months.

All Russian ruble futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The CME Russian ruble futures contract Final Settlement Price shall be equal to the reciprocal of the result of Chicago Mercantile Exchange Inc. ("CME") / EMTA, Inc. (previously, the Emerging Markets Traders Association) ("EMTA") Russian Ruble per U.S. Dollar Reference Rate survey procedure as described in sections 1 and 2 below, rounded to six decimal places.

1. CME/EMTA Survey Procedure

The Exchange shall determine the CME/EMTA Russian Ruble per U.S. Dollar Reference Rate by conducting two surveys of financial institutions inside the Russian Federation that are active participants in the Russian Ruble per U.S. Dollar spot and/or non-deliverable forward ("NDF") markets. For each survey, the Clearing House shall select at random 8 reference institutions from a list of no less than 12 institutions who are active participants in the market for spot and/or NDF Russian Rubles. During the regular SELT¹³ session for foreign exchange trading between commercial banks, two surveys at unannounced randomly selected times will be conducted. Each participant shall be requested to provide the bid and offer at which the participant could currently execute a transaction of at least US\$100,000 for same-day value ("TOD") and for next-day value ("TOM") Russian Ruble per U.S. dollar spot transactions in the Moscow marketplace and the current bid and offer of the overnight Russian ruble money-market rate. Before a quote is officially accepted, it must be confirmed either by telex, facsimile, or other hard-copy confirmation, or by recorded telephone message. A participant's survey response will be deemed usable if either a TOD rate (bid and offer) is provided or a TOM rate (bid and offer) and an overnight Russian ruble money-market rate (bid and offer) is provided, or both. For each participant, the TOD rate will be

¹² This is usually 2:00 a.m. Chicago Time but may be either 1:00 a.m. or 3:00 a.m. Chicago time when Daylight Savings Time is in effect in either, but not both, Moscow or Chicago.

¹³ "SELT" is the "System for Electronic Trading" of the Moscow Interbank Currency Exchange ("MICEX").

used if provided, otherwise, the TOM rate will be adjusted to a synthetic TOD rate using an average bid and offer of the overnight Russian ruble money-market rate provided by all participants and the overnight Fed Funds Effective Rate from Telerate page 118 or Reuters page "FEDM" or a successor page. For each of the two surveys, the midpoint of each bid-offer pair shall be determined, and the two lowest and two highest such midpoints shall be eliminated. The Clearing House shall then compute the arithmetic mean of the remaining 4 midpoints for each survey and average the means of the two surveys to determine the CME/EMTA Reference Rate.

In the event that the CME/EMTA survey procedures result in less than eight but at least five responses for either of the two surveys, the CME Clearing House shall select at random as appropriate five, six, or seven reference institutions from a list of no less than 12 institutions who are active participants in the market for spot and/or NDF Russian rubles. The midpoint of each bid-offer pair shall be determined, and the lowest and highest of such midpoints shall be eliminated. The Clearing House shall then compute the arithmetic mean of the remaining 3, 4, or 5 midpoints as appropriate.

Any survey with at least 5 usable responses shall be deemed complete.

If both surveys on the termination day are complete, the arithmetic average of the two shall be the CME/EMTA Russian ruble per U.S. Dollar Reference Rate. On the termination of trading day the reciprocal of this arithmetic mean of the Russian ruble per U.S. dollar spot exchange rate will then be calculated and rounded to the nearest \$.000001 per Russian Ruble. This number shall become the Final Settlement Price for the termination of trading day. If for any reason there is difficulty in obtaining a quote within a reasonable time interval from one of the participants in the sample, that participant shall be dropped from the sample, and another shall be randomly selected to replace it.

If only one survey is complete, the result of that survey shall be the CME/EMTA Russian Ruble per U.S. Dollar Reference Rate for that day. In that instance the Final Settlement Price shall be determined by the procedures in section 2.

In the event the CME/EMTA survey procedures result in less than five responses for each of the two surveys, a substitute for the CME/EMTA Reference Rate may be published for information purposes only along with an explanatory note.

2. Futures Final Settlement Price When Both Surveys Cannot Be Completed For A Given Day

In the event that two surveys cannot be completed, the Clearing House shall conduct the survey on the following business day. Provided two surveys can be completed on that day as described in section 1 above, the results shall be used to determine the Final Settlement Price as so described.

In the event that two surveys cannot be completed on the following business day either, then the results from the most recent day when two complete surveys were conducted shall be used to determine the Final Settlement Price. In this instance, TOM rates will be used if provided to get the nearest value date to the termination of trading, or in the absence of TOM rates, TOD rates would be adjusted to synthetic TOM rates.

3. When No Survey Can Be Done

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then [Rule 26003](#) shall apply to determine the Final Settlement Price.

[Start New Revisions to Rule 26002.B. Cash Settlement]

Applicable for the June 2006 and subsequently listed contracts.

All Russian ruble futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The CME Russian ruble futures contract Final Settlement Price shall be equal to the reciprocal of the result of Chicago Mercantile Exchange Inc. ("CME") / EMTA, Inc. (previously, the "Emerging Markets Traders Association") Russian Ruble per U.S. Dollar Reference Rate survey procedure as described in sections 1, 2, 3 and 4 below, rounded to six decimal places.

1. CME/EMTA Survey Procedure

CME shall determine the CME/EMTA Russian Ruble per U.S. Dollar Reference Rate by conducting a survey of financial institutions inside the Russian Federation that are active participants in the Russian Ruble per U.S. Dollar spot and/or non-deliverable forward ("NDF") markets. For such survey, CME shall poll no less than 15 such institutions at an unannounced, randomly selected time between 12:00 noon and 12:30 p.m. Moscow time.¹⁴ Each participant shall be requested to provide the bid and offer at which the participant could currently execute a transaction of at least US\$100,000 for next-day value ("TOM") Russian Ruble per U.S. dollar spot transactions in the Moscow marketplace. Before a quote is officially accepted, it must be confirmed either by telex, facsimile, or other hard-copy confirmation, or by recorded telephone message or secure electronic confirmation. If ten or more responses are received to the survey, CME shall randomly select ten of such responses. CME shall calculate the midpoint of each bid-offer pair and shall eliminate the two lowest and two highest midpoints. CME shall then compute the arithmetic mean of the remaining 6 midpoints for the survey to determine the CME/EMTA Reference Rate.

In the event that the CME/EMTA survey procedures result in less than ten but at least five responses for the survey, using all responses received, CME shall determine the midpoint of each bid-offer pair and the lowest and highest of such midpoints shall be eliminated. CME shall then compute the arithmetic mean of the remaining 7, 6, 5, 4 or 3 midpoints for the survey as appropriate to determine the CME/EMTA Reference Rate.

A survey with at least 5 usable responses shall be deemed complete.

If such survey on the termination day is complete, the arithmetic average of the survey results shall be the CME/EMTA Russian ruble per U.S. dollar Reference Rate. On the termination of trading day the reciprocal of the CME/EMTA Russian ruble per U.S. dollar Reference Rate (spot exchange rate) will then

¹⁴ This time interval usually corresponds to 9:00 a.m. to 9:30 a.m. London time, 4:00 a.m. to 4:30 a.m. New York City time and 3:00 a.m. to 3:30 a.m. Chicago time.

be calculated and rounded to the nearest \$.000001 per Russian ruble. This number shall become the Final Settlement Price for the Termination of Trading day.

In the event the CME/EMTA survey procedures result in less than five responses for the survey, then such survey shall be deemed incomplete and no CME/EMTA Reference Rate shall be calculated and published for that day. A notice that no rate is available for that day shall be posted by CME by approximately 1:30 p.m. Moscow time.

In order to contribute to transparency in the survey process, by not later than the next Polling Day from each survey, CME shall publish on the CME Web site as well as on the EMTA Web site the results of each day's CME/EMTA Russian Ruble Reference Rate Survey, including the names of respondents to the survey and each respondent's corresponding bid and offer quotes provided in each day's survey.

2. Futures Final Settlement Price When the Survey Cannot Be Completed For A Given Day

In the event that the survey cannot be completed on the CME Russian ruble futures contract Termination of Trading day, and therefore, CME cannot determine the CME/EMTA Russian Ruble Reference Rate used to calculate the Final Settlement Price, then final settlement of the CME Russian ruble futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. This procedure is intended to correspond to the deferral or postponement procedure followed by the NDF market pursuant to recognized market practices as published by EMTA, Inc. Upon the publication of the CME/EMTA Reference Rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the reciprocal of such Rate and the CME Russian ruble futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the CME/EMTA Reference Rate, CME shall otherwise determine the Final Settlement Price. See section 3.

3. Deferring or Postponing Valuation and the EMTA RUB Indicative Survey Rate

After the lapse of 14 consecutive calendar days without publication of the CME/EMTA Reference Rate, the Final Settlement Price may be calculated and published by CME on the next business day using the EMTA RUB Indicative Survey Rate, if available. The EMTA RUB Indicative Rate is a rate proposed to be published by EMTA, Inc. (or its designee) and posted on the public portion of EMTA's website following the continuous unavailability of the CME/EMTA Reference Rate for 14 calendar days in order to provide the NDF market with a back-up rate source for valuation of certain outstanding non-deliverable foreign exchange transactions if the CME/EMTA Reference Rate cannot be published for an extended period of time. The procedures for the EMTA RUB Indicative Survey are defined in the Interpretation to this chapter.

However, if EMTA fails to publish the EMTA RUB Indicative Rate following the lapse of the valuation postponement or deferral period described above, and the CME/EMTA Reference Rate is also not available, then [Rule 26003](#) shall apply to determine the Final Settlement Price. See section 4.

[3]4. When No Survey Can Be Done and the EMTA RUB Indicative Survey Does Not Provide a Rate

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections and the Interpretation to this chapter, then [Rule 26003](#) shall apply to determine the Final Settlement Price.

26003. EMERGENCIES, ACTS OF GOVERNMENT, ACTS OF GOD

If the Exchange President determines that the calculation of the Final Settlement Price is prevented by strike, fire, accident, act of government, or act of God, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract. For example, and without in any way limiting the Board's power, it may: 1) accelerate or extend the Termination of Trading date, 2) set the Final Settlement Price equal to the previous day's settlement price, and/or 3) determine a Final Settlement Price based on information at its disposal.

(End of Rule)

INTERPRETATION TO CHAPTER 260

Effective, June 16, 2005, EMTA, Inc. adopted procedures for the "EMTA RUB Indicative Survey" ("RUB Indicative Survey") to be conducted in certain circumstances when the CME/EMTA Russian Ruble Reference Rate is unavailable for settlement of expiring non-deliverable forward ("NDF") Russian ruble versus U.S. dollar transactions. The RUB Indicative Survey results in the calculation of the "EMTA RUB Indicative Survey Rate" ("RUB Indicative Survey Rate"), which can be used by the NDF market to settle non-deliverable Russian ruble/U.S. Dollar transactions in defined circumstances. In order to reduce basis risk for market participants trading both NDF Russian ruble transactions and CME Russian ruble futures and options on futures contracts, CME has also adopted procedures to settle terminated CME Russian ruble futures and options contracts to the reciprocal of the RUB Indicative Survey Rate when the CME/EMTA Russian Ruble Reference Rate has been unavailable for 14 consecutive calendar days. The following sets forth the EMTA methodology for the RUB Indicative Survey.

EMTA RUB Indicative Survey

For purposes of determining the EMTA RUB Indicative Survey Rate (a "RUB Indicative Survey Rate") for any Valuation Date, EMTA (or a service provider EMTA may select in its sole discretion) shall conduct a survey of financial institutions (a "RUB Indicative Survey") for such date.

- **Polled Banks:** On each day that a RUB Indicative Survey is to be conducted, EMTA shall survey no more than 30 randomly selected financial institutions that are active participants in the Russian Ruble/U.S. Dollar market.
- **Survey Question:** Each survey participant will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market Russian Ruble spot rate (bid-offer pair) for a standard size Russian Ruble /U.S. Dollar wholesale financial transaction for settlement in one business day in the Moscow marketplace on the Valuation Date. In arriving at this indicative quotation, survey participants will be directed to take such factors into consideration as they deem appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for Russian Ruble/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with

- any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for Russian Ruble/U.S. Dollar transactions (commercial or otherwise).
- **Quotes:** Quotes shall be provided to the fourth decimal point (e.g., 1.0000).
- **Price Source Disruptions and Unscheduled Holidays:** (A) on any Business Day on which a Price Source Disruption has occurred or is continuing OR (b) on any Valuation Date that is NOT a Business Day, in each case following the lapse of a 14 calendar day period during which the CME/EMTA Reference Rate ("RUB CME-EMTA" and "RUB03") shall have been continuously unavailable, EMTA shall poll survey participants beginning at approximately 2:00 PM (Moscow time)¹⁵

Use of Survey Results

- EMTA will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to determine the RUB Indicative Survey Rate, rounded to the fourth decimal point as described below.
- If the RUB Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining responses shall be computed and will constitute the RUB Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points shall be eliminated
- If the RUB Indicative Survey results in less than 21 but 12 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining responses shall be computed and will constitute the RUB Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points shall be eliminated.
- If the RUB Indicative Survey results in less than 12 but 10 or more responses, then the highest and the lowest rate will be eliminated and the arithmetic mean of the remaining responses shall be computed and will constitute the RUB Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point shall be eliminated.
- If the RUB Indicative Survey results in less than 10 but 8 or more responses, then no rate will be eliminated and the arithmetic mean of all rates obtained shall be computed and will constitute the RUB Indicative Survey Rate for such Valuation Date.

Insufficient Responses

- If the RUB Indicative Survey results in less than 8 responses, no RUB Indicative Survey Rate will be available for the relevant Valuation Date.

¹⁵ Moscow time is 8 hours earlier than New York time and 9 hours earlier than Chicago time.

RUB Indicative Survey Rate Publication

- The RUB Indicative Survey Rate will be published on EMTA's web site (www.emta.org) (the "Publication Site") by approximately 2:45 PM (Moscow time)¹⁶, or as soon thereafter as practicable, on the Valuation Date.
- As soon as it is determined that the RUB Indicative Survey will result in Insufficient Responses, a notice that no RUB Indicative Survey Rate is available for the Valuation Date shall be published on the Publication Site.

Discontinuing the RUB Indicative Survey

- The RUB Indicative Survey will be discontinued (a) following the publication of a CME EMTA Reference Rate (RUB CME-EMTA (RUB03)) or (b) on the third day following polling for the RUB Indicative Survey Rate that results in less than 8 responses for more than two consecutive polling days. Notwithstanding the foregoing, nothing herein shall be construed to prevent EMTA from re-initiating the RUB Indicative Survey at an appropriate time in the future.
- A notice that the RUB Indicative Survey has been discontinued will be published on the Publication Site.

Amendments to the Methodology

- EMTA may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the RUB Indicative Survey.

Disclaimer

- EMTA (and any service provider EMTA may select) disclaim liability for the RUB Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the RUB Indicative Survey Rate (including, without limitation, the methodology for determining the RUB Indicative Survey Rate and its suitability for any particular use).

End of the Interpretation to Chapter 260.

(End Chapter 260)

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development at (312) 930-4583 or Scott Brusso, Director, Foreign Exchange at (312) 930-3133.

¹⁶ Moscow time is 8 hours earlier than New York time and 9 hours earlier than Chicago time.