



## Special Executive Report

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**S-4465**

**June 28, 2006**

**CME CHINESE RENMINBI VERSUS U.S. DOLLAR, EURO AND JAPANESE YEN FUTURES  
AND OPTIONS CONTRACTS LISTED FOR TRADING ON SUNDAY, AUGUST 27, 2006  
FOR THE TRADE DATE OF MONDAY, AUGUST 28, 2006**

On Tuesday, June 20, 2006, the Exchange announced the listing of three new foreign exchange futures and options on futures contracts versus the yuan Chinese renminbi: CME Chinese Renminbi/U.S. Dollar, CME Chinese Renminbi/Euro and CME Chinese Renminbi/Japanese Yen. These new contracts will expand the CME foreign exchange (FX) product line and allow market participants to manage their foreign exchange exposure against China's currency. These contracts will be cash-settlement futures and American-style options. Both the futures and their options will be listed for trading exclusively on the CME Globex® electronic trading system.

Contract launch highlights follow immediately below. A contract terms summary follows the launch highlights as Appendices 1 through 3 and the detailed contract specifications for the CME Rulebook follow as Appendices 4 through 6.

**Launch:** Sunday, August 27, 2006 at 5:00 p.m. for the CME Globex trade date of Monday, August 28, 2006.

**Initial Contract Months:**

**Futures:** Sep. 2006, Oct. 2006, Nov. 2006, Dec. 2006, Jan. 2007, Feb. 2007, Mar. 2007, Apr. 2007, May 2007, Jun. 2007, Jul. 2007, Aug. 2007, Sep. 2007 consecutive contract months, plus Dec. 2007 and Mar. 2008 quarterlies

**Options:** Sep. 2006, Oct. 2006, Nov. 2006, Dec. 2006, Jan. 2007, Feb. 2007, Mar. 2007, Apr. 2007, May 2007, Jun. 2007, Jul. 2007, Aug. 2007 consecutive contract months, plus weekly expirations [initial "9/1/06" weekly option will not be listed] 9/8/06, 9/15/06 and 9/22/06.

**Listing Procedures for Adding New CME RMB Contract Listings:**

**Futures:** 13 consecutive calendar months (Jan, Feb, Mar, Apr, May, Jun, etc.) plus 2 deferred March quarterly cycle contracts (Mar, Jun, Sep and Dec)

**Options:** 12 consecutive calendar month options, plus 4 weekly options with a monthly underlying future.

<b>CME RMB vs. USD, EUR and JPY Futures Contract Listing Procedures</b>			
	<b><i>Contract Month</i></b>	<b><i>Termination Date (Cash Settlement Valuation Date)</i></b>	<b><i>No Delivery Date</i></b>
<b>Initial Futures Months</b>	September 2006*	Mon. 9/18/06	NA
	October 2006	Mon. 10/16/06	NA
	November 2006	Mon. 11/13/06	NA
	December 2006	Mon. 12/18/06	NA
	January 2007	Fri. 1/12/07	NA
	February 2007	Thurs. 2/15/07	NA
	March 2007	Mon. 3/19/07	NA
	April 2007	Mon. 4/16/07	NA
	May 2007	Mon. 5/14/07	NA
	June 2007	Mon. 6/18/07	NA
	July 2007	Mon. 7/16/07	NA
	August 2007	Mon. 8/13/07	NA
	September 2007	Mon. 9/17/07	NA
	December 2007	Mon. 12/17/07	NA
	March 2008	Mon. 3/17/08	NA
<b>New Monthly Futures Added for Trading on Tuesday, September 19, 2006, the Day Following Termination of Nearby Contract.*</b>	October 2007	Mon. 10/15/07	NA
<b>New Monthly Futures Added for Trading on Tuesday, October 17, 2006, the Day Following Termination of Nearby Contract, Etc.</b>	November 2007	Mon. 11/19/07	NA
<b>New March Quarterly Futures Added for Trading on Tuesday, November 14, 2006, the Day Following Termination of Nearby Contract, Etc.</b>	June 2008	Mon. 6/16/08	NA
<b>New Monthly Futures Added for Trading on Tuesday, December 19, 2006, the Day Following Termination of Nearby Contract, Etc.</b>	January 2008	Mon. 1/14/08	NA

<b>CME RMB vs. USD, EUR and JPY Options Contract Listing Procedures</b>			
	<b><i>Options Type</i></b>	<b><i>Series</i></b>	<b><i>Termination Date</i></b>
<b>Initial Options</b>	Weekly	Initial "9/1/06" not listed	Initial "9/1/06" not listed
	Weekly	9/8/06	Fri. 9/8/06
	Weekly	9/15/06	Fri. 9/15/06
	Monthly	September 2006	Mon. 9/18/06
	Weekly	9/22/06	Fri. 9/22/06
	Monthly	October 2006	Mon. 10/16/06
	Monthly	November 2006	Mon. 11/13/06
	Monthly	December 2006	Mon. 12/18/06
	Monthly	January 2007	Fri. 1/12/07
	Monthly	February 2007	Thurs. 2/15/07
	Monthly	March 2007	Mon. 3/19/07
	Monthly	April 2007	Mon. 4/16/07
	Monthly	May 2007	Mon. 5/14/07
	Monthly	June 2007	Mon. 6/18/07
	Monthly	July 2007	Mon. 7/16/07
	Monthly	August 2007	Mon. 8/13/07
<b>New Options Added for Trading on Day Following Termination of Nearby Series.</b>	Weekly	9/29/06 (listed on 9/5/06, the business day following the theoretical "9/1/06" weekly option termination date)	9/29/06
	Weekly	10/6/06 (listed on 9/11/06)	10/6/06
	Weekly	10/13/06 (listed on 9/18/06)	10/13/06
	Monthly	September 2007 (listed on 9/19/06)	9/17/07
	Weekly, etc.	10/20/06 (listed on 9/25/06)	10/20/06
	Monthly	October 2007 (listed on 10/17/06)	10/15/07
	Monthly	November 2007 (listed on 11/14/06)	11/19/07
	Monthly, etc.	December 2007 (listed on 12/19/06)	12/17/07

**Trading Hours:**

Both futures and options will be traded exclusively on the CME Globex electronic trading system on Sundays through Fridays from 5:00 p.m. to 4:00 p.m. Central Time (CT) on the next day. Please

note that on Friday the CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m. CT.

### **Futures and Options Contracts Termination of Trading Schedules:**

CME has specified the termination of trading for the monthly futures and their underlying options to be 5:00 p.m. Beijing time (3:00 a.m. Central Standard Time or 4:00 a.m. Central Daylight Time) on the second Beijing business day preceding the third Wednesday of the contract month to line up generally with the termination of trading day for the Exchange's physical delivery foreign exchange futures contracts. Monthly options terminate at the same date and time as the underlying futures contract with exercise into futures contracts that are cash-settled. Weekly options will terminate on every Friday at 2:00 p.m. Central Time that does not happen to be the occasional termination days for the monthly options (due to a Monday holiday).

In-the-money weekly options at termination exercise into the nearby futures contract not yet terminated. The CME renminbi options on futures are American-style exercise by 7:00 p.m. on any day that the option is traded. Please note that CME chose to tie the termination of the monthly CME renminbi futures and options contracts to the second Beijing business day preceding the third Wednesday of the contract month in order to guarantee the determination of a Final Settlement Price before extended holiday observations in China (such as the Chinese New Year).

### **Cash Settlement:**

Cash settlements of the futures contracts are based on the same rates utilized by the over-the-counter (OTC) non-deliverable forward (NDF) foreign exchange market. The State Administration of Foreign Exchange (SAFE) of the People's Bank of China (PBC) calculates daily volume-weighted average spot prices for foreign exchange trading in the yuan Chinese renminbi<sup>1</sup> versus the U.S. dollar, Euro, Japanese yen and Hong Kong dollar. These rates are released and published on the Reuters page "SAEC" at approximately 9:15 a.m. Beijing time (7:15 p.m. Central Standard Time in winter and 8:15 p.m. Central Daylight Time in summer). The rates that are the final settlement basis for the CME RMB versus the U.S. dollar, Euro and Japanese yen contracts, respectively, appear on the Reuters "SAEC" page to the right of the symbols "USDCNY=", "EURCNY=" and "JPYCNY=". The published rates represent the number of Chinese renminbi per unit of foreign currency, except for "JPYCNY=", where it is number of RMB per 100 Japanese yen. The SAEC RMB rates versus other currencies represent spot market value in two business days from the trade date as conducted on the China Foreign Exchange Trading System (CFETS), the electronic interbank foreign exchange trading system in China. On the business day following the termination of trading day for the CME RMB futures, CME Clearing will mark all open positions in the CME RMB futures contracts to the reciprocals of the appropriate SAEC published rates, rounded according to provisions in the individual contract chapters (*i.e.*, Final Settlement Prices).

Daily settlement variation pays and collects as well as the last mark to market to the Final Settlement Prices will be done in U.S. dollars, Euro and Japanese yen as specified in the respective contract terms. Foreign exchange and capital controls in China prevent both daily settlement variation and physical delivery in RMB. Therefore, pricing of the CME RMB contracts are in reciprocals to quotations standard in the interbank foreign exchange market. CME anticipates that there will be an active arbitrage market between the CME RMB futures and the OTC NDF market analogous to that present in the Exchange's Russian ruble futures contracts.

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<sup>1</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

**Membership Access / New Product Access Program:**

The CME Chinese Renminbi vs. U.S. Dollar, Euro and Japanese Yen futures contracts are allocated to the IMM Division and the associated options on futures are allocated to the IOM Division. Also, according to CME Rule 194 – **NEW PRODUCT ACCESS PROGRAM**, these three CME Chinese Renminbi futures and options contracts will be included in the Exchange's "New Product Access Program." One effect of this provision is that GEM members trading these products on CME Globex will be charged lessee clearing fee rates rather than out-of-division rates for a limited time.

If you have any questions, please call Lori Aldinger, Associate Director, Financial Product Development, at (312) 930-2337.

**Promotional Fee Waivers:**

The following promotional fee waivers will be in effect from the launch date (Sunday, August 27, for the trade date of Monday, August 28, 2006) for the three CME Chinese Renminbi futures and options contracts:

- Waive all Exchange fees for all market participants for six months from the launch date.
- For authorized market makers, waive all Exchange fees for one year from the launch date.

If you have any questions, please contact Scott Brusso, Director, Foreign Exchange at 312-930-3133.

**Reportable Position Levels and Underlying Cash Instrument for a CME Chinese Renminbi Futures EFP:**

The minimum level at which positions must be reported to the Exchange is 25 contracts for the three new CME Chinese Renminbi futures and options contracts.

The cash side of an EFP transaction in the three CME Chinese renminbi futures contracts will follow standard EFP procedures. A market participant doing an EFP for these contracts will need underlying cash evidence of U.S. dollars or Chinese renminbi for the Chinese Renminbi/U.S. Dollar futures, or Euro or Chinese renminbi for the Chinese Renminbi/Euro futures, or Japanese yen or Chinese renminbi for the Chinese Renminbi/Japanese Yen futures as appropriate for the transaction.

If you have any questions, please call Mr. Steven Mair, Manager, Currency Market Surveillance, at (312) 466-4382.

**Additional Information Available Closer to Launch:**

(Performance bonds, quote vendor symbols, etc.)

## Appendix 1. CME Chinese Renminbi / U.S. Dollar Futures and Options Contracts

	Futures	Options on Futures
<b>Contract Size</b>	1,000,000 yuan <sup>2</sup> Chinese renminbi ("RMB") equal approximately \$124,682 as of 6/1/06.	One futures contract
<b>Sample Quote</b>	<b>\$0.12468 per RMB</b> $\approx$ 8.0204 RMB/USD <sup>3</sup>	A quote of .00065 represents an options premium of \$650.00 (= 1,000,000 RMB x \$.00065 per RMB)
<b>Minimum Price Fluctuation (Tick)</b>	\$.00001 per RMB increments (\$10.00/contract). Also, trades can occur in \$.000005 per RMB increments (\$.50/contract) for RMB futures intra-currency spreads executed on CME Globex <sup>®</sup> .	\$.00001 per RMB = \$10.00/contract; also, trades may occur at \$.000005 (\$.50), \$.000015 (\$15.00), \$.000025 (\$25.00), \$.000035 (\$35.00), \$.000045 (\$45.00), which are less than 5 ticks of premium).
<b>Trading Hours</b>	<u>Sundays through Fridays:</u> 5:00 p.m.-4:00 p.m. Central time (CT) the next day. (7:00 a.m. - 6:00 a.m. next day Beijing time in winter and 6:00 a.m. - 5:00 a.m. next day Beijing time in summer.) On Friday CME Globex <sup>®</sup> platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m. CT.	Same as the futures.
<b>Months</b>	13 consecutive calendar months (Jan, Feb, Mar, Apr, May, Jun, etc.) plus 2 deferred March quarterly cycle contracts (Mar, Jun, Sep and Dec)	12 consecutive calendar month options, plus 4 weekly options with a monthly underlying future.
<b>Last Trading Day</b>	Trading ceases at 5:00 p.m. Beijing time <sup>4</sup> on the 2 <sup>nd</sup> Beijing business day immediately preceding the 3 <sup>rd</sup> Wednesday of the contract month (usually Monday) which is 3:00 a.m. Central Standard Time (CST) in winter or 4:00 a.m. Central Daylight Time (CDT) in summer on the 2 <sup>nd</sup> Beijing business day preceding the 3 <sup>rd</sup> Wednesday of the contract month (usually early Monday morning CT).	<u>Monthly Options:</u> At the same date and time as the underlying futures contract. <u>Weekly Options:</u> At the normal closing time of open outcry FX markets on Fridays (usually 2:00 p.m. CT) that are not the termination of a monthly option (due to a Monday holiday).
<b>Cash Settlement</b>	Final Settlement Price (FSP) is the reciprocal of the "Chinese renminbi per U.S. dollar" fixing (or "midpoint") rate published by the People's Bank of China (PBC) and representing spot trading of Chinese renminbi per U.S. dollar on the futures contract termination day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on the business day following the spot trading date represented by the fixing rate. The fixing rate may be found on Reuters SAEC page opposite symbol "USDCNY=". The Final Settlement Price reciprocal calculation shall be rounded to six (6) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 8.0245 Chinese renminbi per U.S. dollar implies a Final Settlement Price of \$0.124618 per Chinese renminbi (reciprocal rounded to 6 decimal places).	<u>Monthly Options:</u> Contract months exercise into cash-settled futures contracts. <u>Weekly Options:</u> Contract months exercise into the next monthly futures contract month not yet terminated.
<b>Strike Prices</b>	NA	\$.001 per RMB, e.g., \$.123, \$.124, \$.125, etc.
<b>Exercise/Assignment</b>	NA	American Style: In-the-money options auto-exercised at expiration. Options may be exercised until 7:00 p.m. CT on any business day the option is traded.
<b>Position Accountability</b>	Positions more than 6,000 contracts net long or short in all contract months combined must provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning or controlling a combination of options and underlying futures contracts that exceed 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined, will provide, in a timely fashion, upon CME's request, information regarding the nature of the position.
<b>Spot Position Limits</b>	No more than 2,000 contracts net long or short in the spot month 1 week prior to termination.	No more than 2,000 futures-equivalent contracts net long or short in the spot month 1 week prior to termination.
<b>Maximum Price Fluctuation (Price Limits)</b>	Price banding in effect at \$.00060 (60 ticks) for outright, $\pm$ .00010 (10 ticks) for spreads <sup>5</sup>	Same level of options price banding on CME Globex as for the underlying futures. Trading halted when underlying futures is locked at limit (currently, no price limit in the underlying futures).
<b>Ticker Symbol</b>	RMB	RMB, Weeklies RB1-RB5
<b>Commodity Code</b>	RMB	Same

<sup>2</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

<sup>3</sup> For live quotations in terms of RMB per USD visit [www.cme.com/e-equivalents](http://www.cme.com/e-equivalents).

<sup>4</sup> Beijing time is either 14 or 13 hours ahead of Chicago (Central time) depending on whether it is Standard or Daylight Saving Time in Chicago.

<sup>5</sup> No price limits. However, for CME Globex trading, automated price banding prevents execution of orders at prices falling outside of the last sale, best bid or best offer and  $\pm$  the price band. Price banding prevents the entry of limit orders more than a pre-determined amount above the last price in the case of bids and more than the same pre-determined amount below the last price in the case of offers. The band "shadows" the last foreign exchange futures price as it reacts to new transaction prices, higher bids and lower offers.

## Appendix 2. CME Chinese Renminbi / Euro Futures and Options Contracts

	Futures	Options on Futures
<b>Contract Size</b>	1,000,000 yuan <sup>6</sup> Chinese renminbi ("RMB") equal approximately €97,415 or ≈US\$124,682 as of 6/1/06).	One futures contract
<b>Sample Quote</b>	€0.09741 per RMB ≈ 10.2653 RMB/EURO <sup>7</sup>	A quote of .00065 represents an options premium of €650.00 (= 1,000,000 RMB x €0.00065 per RMB)
<b>Minimum Price Fluctuation (Tick)</b>	€0.00001 per RMB increments (€10.00/contract). Also, trades can occur in €0.000005 per RMB increments (€5.00 contract) for Euro / RMB futures intra-currency spreads executed on CME Globex <sup>®</sup> .	€0.00001 per RMB = €10.00/contract; also, trades may occur at €0.000005 (€5.00), €0.000015 (€15.00), €0.000025 (€25.00), €0.000035 (€35.00), €0.000045 (€45.00), which are less than 5 ticks of premium).
<b>Trading Hours</b>	<u>Sundays through Fridays:</u> 5:00 p.m.-4:00 p.m. Central time (CT) the next day. . (7:00 a.m. - 6:00 a.m. next day Beijing time in winter and 6:00 a.m. - 5:00 a.m. next day Beijing time in summer.) On Friday CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m. CT.	Same as the futures.
<b>Months</b>	13 consecutive calendar months (Jan, Feb, Mar, Apr, May, Jun, etc.) plus 2 deferred March quarterly cycle contracts (Mar, Jun, Sep and Dec)	12 consecutive calendar month options, plus 4 weekly options with a monthly underlying future.
<b>Last Trading Day</b>	Trading ceases at 5:00 p.m. Beijing time <sup>8</sup> on the 2 <sup>nd</sup> Beijing business day immediately preceding the 3 <sup>rd</sup> Wednesday of the contract month (usually Monday) which is 3:00 a.m. Central Standard Time (CST) in winter or 4:00 a.m. Central Daylight Time (CDT) in summer on the 2 <sup>nd</sup> Beijing business day preceding the 3 <sup>rd</sup> Wednesday of the contract month (usually early Monday morning CT).	<u>Monthly Options:</u> At the same date and time as the underlying futures contract. <u>Weekly Options:</u> At the normal closing time of open outcry FX markets on Fridays (usually 2:00 p.m. CT) that are not the termination of a monthly option (due to a Monday holiday).
<b>Cash Settlement</b>	Final Settlement Price is the reciprocal of the "Chinese renminbi per Euro" fixing (or "midpoint") rate published by the People's Bank of China (PBC) and representing spot trading of Chinese renminbi per Euro on the futures contract termination day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on the business day following the spot trading date represented by the fixing rate. The fixing rate may be found on Reuters SAEC page opposite symbol "EURCNY=". The Final Settlement Price reciprocal calculation shall be rounded to six (6) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 9.65410 Chinese renminbi per Euro implies a Final Settlement Price of 0.103583 Euro per Chinese renminbi (reciprocal rounded to 6 decimal places).	<u>Monthly Options:</u> Contract months exercise into cash-settled futures contracts. <u>Weekly Options:</u> Contract months exercise into the next monthly futures contract month not yet terminated.
<b>Strike Prices</b>	NA	€0.001 per RMB, e.g., €0.096, €0.097, €0.098, etc.
<b>Exercise/Assignment</b>	NA	<u>American Style:</u> In-the-money options auto-exercised at expiration. Options may be exercised until 7:00 p.m. CT on any business day the option is traded.
<b>Position Accountability</b>	Positions more than 6,000 contracts net long or short in all contract months combined must provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning or controlling a combination of options and underlying futures contracts that exceed 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined, will provide, in a timely fashion, upon CME's request, information regarding the nature of the position.
<b>Spot Position Limits</b>	No more than 2,000 contracts net long or short in the spot month 1 week prior to termination.	No more than 2,000 futures-equivalent contracts net long or short in the spot month 1 week prior to termination.
<b>Maximum Price Fluctuation (Price Limits)</b>	Price banding in effect at €0.00060 (60 ticks) for outright, ±0.00010 (10 ticks) for spreads <sup>9</sup>	Same level of options price banding on CME Globex as for the underlying futures. Trading halted when underlying futures is locked at limit (currently, no price limit in the underlying futures).
<b>Ticker Symbol</b>	RME	RME, Weeklies RE1-RE5
<b>Commodity Code</b>	RME	Same

<sup>6</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

<sup>7</sup> For live quotations in terms of RMB per euro visit [www.cme.com/e-equivalents](http://www.cme.com/e-equivalents).

<sup>8</sup> Beijing time is either 14 or 13 hours ahead of Chicago (Central time) depending on whether it is Standard or Daylight Saving Time in Chicago.

<sup>9</sup> No price limits. However, for CME Globex trading, automated price banding prevents execution of orders at prices falling outside of the last sale, best bid or best offer and ± the price band. Price banding prevents the entry of limit orders more than a pre-determined amount above the last price in the case of bids and more than the same pre-determined amount below the last price in the case of offers. The band "shadows" the last foreign exchange futures price as it reacts to new transaction prices, higher bids and lower offers.

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### Appendix 3. CME Chinese Renminbi/Japanese Yen Futures and Options Contracts

	Futures	Options on Futures
<b>Contract Size</b>	1,000,000 yuan <sup>10</sup> Chinese renminbi ("RMB") equal approximately ¥14,051,661 or ≈US\$124,682 as of 6/1/06.	One futures contract
<b>Sample Quote</b>	<b>14.051 ¥/RMB</b> ≈ 0.071167 RMB per ¥ <sup>11</sup>	A quote of .065 represents an options premium of ¥65,000 (= 1,000,000 RMB x ¥0.065 per RMB)
<b>Minimum Price Fluctuation (Tick)</b>	±¥0.001 per RMB increments (¥1,000/contract ≈ US\$8.87). Also, trades can occur in ¥0.0005 per RMB increments (¥500/ contract ≈ US\$4.44) for JPY / RMB futures intra-currency spreads executed on CME Globex®.	¥0.001 per RMB ≈¥1,000/contract; also, trades may occur at ¥0.0005 (¥500), ¥0.0015 (¥1,500), ¥0.0025 (¥2,500), ¥0.0035 (¥3,500), ¥0.0045 (¥4,500), which are less than 5 ticks of premium).
<b>Trading Hours</b>	<u>Sundays through Fridays:</u> 5:00 p.m.-4:00 p.m. Central time (CT) the next day. (7:00 a.m. - 6:00 a.m. next day Beijing time in winter and 6:00 a.m. - 5:00 a.m. next day Beijing time in summer.) On Friday CME Globex platform closes at 4:00 p.m. and reopens Sunday at 5:00 p.m. CT.	Same as the futures.
<b>Months</b>	13 consecutive calendar months (Jan, Feb, Mar, Apr, May, Jun, etc.) plus 2 deferred March quarterly cycle contracts (Mar, Jun, Sep and Dec)	12 consecutive calendar month options, plus 4 weekly options with a monthly underlying future.
<b>Last Trading Day</b>	Trading ceases at 5:00 p.m. Beijing time <sup>12</sup> on the 2 <sup>nd</sup> Beijing business day immediately preceding the 3 <sup>rd</sup> Wednesday of the contract month (usually Monday) which is 3:00 a.m. Central Standard Time (CST) in winter or 4:00 a.m. Central Daylight Time (CDT) in summer on the 2 <sup>nd</sup> Beijing business day preceding the 3 <sup>rd</sup> Wednesday of the contract month (usually early Monday morning CT).	<u>Monthly Options:</u> At the same date and time as the underlying futures contract. <u>Weekly Options:</u> At the normal closing time of open outcry FX markets on Fridays (usually 2:00 p.m. Central time) that are not the termination of a monthly option (due to a Monday holiday).
<b>Cash Settlement</b>	Final Settlement Price is the reciprocal of the "Chinese renminbi per 100 Japanese yen" fixing (or "midpoint") rate published by the People's Bank of China (PBC) and representing spot trading of Chinese renminbi per Japanese yen on the futures contract termination day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on the business day following the spot trading date represented by the fixing rate. The fixing rate may be found on Reuters SAEC page opposite symbol "JPYCN¥=". The Final Settlement Price reciprocal calculation shall be rounded to four (4) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 6.8574 Chinese renminbi per 100 Japanese yen implies a rate of 0.068574 Chinese renminbi per Japanese yen or a Final Settlement Price of 14.5828 Japanese yen per Chinese renminbi (reciprocal rounded to 4 decimal places).	<u>Monthly Options:</u> Contract months exercise into cash-settled futures contracts. <u>Weekly Options:</u> Contract months exercise into the next monthly futures contract month not yet terminated.
<b>Strike Prices</b>	NA	¥0.05 per RMB, e.g., ¥14.00, ¥14.05, ¥14.10, etc.
<b>Exercise/Assignment</b>	NA	American Style: In-the-money options auto-exercised at expiration. Options may be exercised until 7:00 p.m. CT on any business day the option is traded.
<b>Position Accountability</b>	Positions more than 6,000 contracts net long or short in all contract months combined must provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position.	A person owning or controlling a combination of options and underlying futures contracts that exceed 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined, will provide, in a timely fashion, upon CME's request, information regarding the nature of the position.
<b>Spot Position Limits</b>	No more than 2,000 contracts net long or short in the spot month 1 week prior to termination.	No more than 2,000 futures-equivalent contracts net long or short in the spot month 1 week prior to termination.
<b>Maximum Price Fluctuation (Price Limits)</b>	Price banding in effect at ±0.060 (60 ticks) for outright, ±0.010 (10 ticks) for spreads <sup>13</sup>	Same level of options price banding on CME Globex as for the underlying futures. Trading halted when underlying futures is locked at limit (currently, no price limit in the underlying futures).
<b>Ticker Symbol</b>	RM¥	RM¥, Weeklies RN1-RN5
<b>Commodity Code</b>	RM¥	Same

<sup>10</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

<sup>11</sup> For live quotations in terms of RMB per JPY visit [www.cme.com/e-quivalents](http://www.cme.com/e-quivalents).

<sup>12</sup> Beijing time is either 14 or 13 hours ahead of Chicago (Central time) depending on whether it is Standard or Daylight Saving Time in Chicago.

<sup>13</sup> No price limits. However, for CME Globex trading, automated price banding prevents execution of orders at prices falling outside of the last sale, best bid or best offer and ± the price band. Price banding prevents the entry of limit orders more than a pre-determined amount above the last price in the case of bids and more than the same pre-determined amount below the last price in the case of offers. The band "shadows" the last foreign exchange futures price as it reacts to new transaction prices, higher bids and lower offers.

## Appendix 4: New Rule Additions

### CHAPTER 270 Chinese Renminbi Futures

#### 27000. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in Chinese renminbi 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.

#### 27001. FUTURES CALL

##### 27001.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.

##### 27001.B. Trading Unit

The unit of trading shall be 1,000,000 yuan Chinese renminbi.<sup>14</sup>

##### 27001.C. Price Increments

Minimum price fluctuations shall be in multiples of \$.00001 per Chinese renminbi, equivalent to \$10.00 per contract. Trades may also occur in multiples of \$.000005 per Chinese renminbi, commonly referred to as one-half tick (\$5.00/contract) for Chinese renminbi futures intra-currency spreads executed as simultaneous transactions on CME® Globex® pursuant to Rule 542.F.

##### 27001.D. Position Accountability and Spot Month Position Limits

A person owning or controlling more than 6,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable; except that in no event shall such person own or control more than 2,000 contracts in the spot month on or after the day one week prior to the termination of trading day. For positions involving options on Chinese renminbi futures, this rule is superseded by the option position accountability and spot month position limits rule.

In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased.

##### 27001.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.

##### 27001.F. Exemptions

The foregoing spot month 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.

##### 27001.G. Termination of Trading

Futures trading shall terminate at 5:00 p.m. Beijing time (3:00 a.m. Central Standard Time or 4:00 a.m. Central Daylight Time) on the second Beijing business day immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Beijing and Exchange business day.

##### 27001.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.

#### 27002. SETTLEMENT PROCEDURES

●  
<sup>14</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

**27002.A. [Reserved]**

**27002.B. Cash Settlement**

The Final Settlement Price shall be the reciprocal of the "Chinese renminbi per U.S. dollar" fixing (or "midpoint") rate published by the People's Bank of China (PBC) and representing spot trading of Chinese renminbi per U.S. dollar on the futures contract termination of trading day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on the business day following the spot trading date represented by the fixing rate. The fixing rate may be found on Reuters SAEC page opposite symbol "USDCNY=". The Final Settlement Price reciprocal calculation shall be rounded to six (6) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 8.0245 Chinese renminbi per U.S. dollar implies a Final Settlement Price of \$0.124618 per Chinese renminbi (reciprocal rounded to 6 decimal places).

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then [Rule 27003](#) and [Rule 701](#) shall apply to determine the Final Settlement Price.

**27003. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701.- ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 270)

**CHAPTER 270A**  
**Options on Chinese Renminbi Futures**

**270A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on Chinese renminbi futures contracts. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**270A01. OPTION CHARACTERISTICS**

**270A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any Chinese renminbi option contract when the primary futures contract for that currency is limit bid or offered.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff for the Chinese renminbi currency shall have the responsibility of determining during RTH whether the primary futures contract is limit bid or offered. During Electronic Trading Hours (ETH), the determination shall be made by the GLOBEX Control Center.

**270A01.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 Chinese renminbi futures contract as specified in Chapter 270.

**270A01.C. Price Increments**

The price of an option shall be quoted in U.S. dollars per Chinese renminbi, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each \$.00001 per Chinese renminbi (one point x \$10 per point) shall represent \$10.00.

For example, a quote of .00065 represents an option price of \$650.00 (65 points x \$10.00 per point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.000005 (\$5.00, also known as one-half tick), \$.000015 (\$15.00), \$.000025 (\$25.00), \$.000035 (\$35.00), \$.000045 (\$45.00), which are less than 5 ticks of premium).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

**270A01.D. Underlying Futures Contract**

**1. Monthly Options**

The underlying futures contract is the same as the option contract month (i.e., the January futures is the contract underlying the January option).

**2. Weekly Options**

For weekly Chinese renminbi options that expire before the monthly option, the underlying futures contract is the same as the option contract month. For weekly Chinese renminbi options that expire after the monthly option, the underlying futures contract is the futures contract of the next consecutive calendar month. For example, if Monday, May 19<sup>th</sup> is the expiration of the monthly option (whose underlying futures contract is the May futures), then for the option expiring Friday, May 2<sup>nd</sup>, May 9<sup>th</sup> and May 16<sup>th</sup>, the underlying futures contract is the May futures. In this same example, for the options expiring on the Fridays, May 23<sup>rd</sup> and May 30<sup>th</sup>, the underlying futures contract is the June futures.

**270A01.E. Position Limits and Accountability**

A person owning or controlling a combination of options and underlying futures contracts that exceeds 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined for Chinese renminbi futures and options shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased. However, in no event shall a person own or control more than 2,000 futures-equivalent contracts in the spot month on or after the day one week prior to the underlying futures termination of trading day for the Chinese renminbi.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option and a short underlying futures contract are on the same side of the market.

**270A01.F. Accumulation of Positions**

For the 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.

**270A01.G. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

**270A01.H. Termination of Trading**

**1. Monthly Options on Chinese Renminbi Futures**

Trading in monthly options on Chinese renminbi futures contracts shall terminate at the same date and time as the underlying futures contract.

**2. Weekly Options on Chinese Renminbi Futures**

Trading in weekly options on the Chinese renminbi futures contract shall terminate at the close of trading on those Fridays that are not also the termination of trading of a monthly option as described in the immediately preceding paragraph. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**270A01.I. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

**270A01.J. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per Chinese renminbi at intervals of \$0.001, e.g., \$0.123, \$0.124, \$0.125, etc.

**270A02. LISTING OF EXERCISE PRICES**

**1. Monthly Options**

At the commencement of trading in a contract month for monthly options on Chinese renminbi futures, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. In addition, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices for options on Chinese renminbi futures.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Chinese renminbi futures,

put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

**2. Weekly Options**

Upon demand, the Exchange shall list any exercise price for the weekly options that is eligible for listing for the nearest monthly option with the same underlying futures contract.

**270A03. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Chinese renminbi futures.

**270A03.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 7:00 p.m. on the day of exercise.

All Chinese renminbi options that are in the money<sup>15</sup> and have not been liquidated or exercised prior to the termination of trading, shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

**270A03.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.

**270A04. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701.- ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 270A)

**INTERPRETATIONS & SPECIAL NOTICES  
RELATING TO CHAPTER 270A**

**CLARIFICATION OF NEW NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE**

(Special Executive Report S-1618, March 31, 1986)

Please note that the new non-agricultural option speculative position limit rule supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the option rule.

●  
<sup>15</sup> An option is in the money if the settlement price of the underlying futures contract at termination lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

**Appendix 5**

**CHAPTER 318**  
**Chinese Renminbi / Euro (RMB/ Euro) Cross Rate Futures**

**31800. SCOPE OF CHAPTER**

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

**31801. FUTURES CALL**

**31801.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.

**31801.B. Trading Unit**

The unit of trading shall be 1,000,000 yuan Chinese renminbi.<sup>16</sup>

**31801.C. Quote Basis**

Bids and offers shall be quoted in terms of Euro per Chinese renminbi, significant to five decimal places, e.g., ... 0.10551Euro per Chinese renminbi.

**31801.D. Price Increments**

Minimum price fluctuations shall be in multiples of .00001 Euro per Chinese renminbi, equivalent to 10 Euro per contract. Trades may also occur in multiples of .000005 Euro per Chinese renminbi, equivalent to 5 Euro per contract, commonly referred to as one-half tick, for RENMINBI/ EURO futures intra-currency spreads, executed as simultaneous transactions on GLOBEX® pursuant to Rule 542.F.

**31801.E. [Reserved]**

**31801.F. Position Limits and Accountability**

A person owning or controlling more than 6,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable; except that in no event shall such person own or control more than 2,000 contracts in the spot month on or after the day one week prior to the termination of trading day. For positions involving options on Chinese renminbi/ Euro futures, this rule is superseded by the option position limits and accountability rule.

In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased.

**31801.G. Accumulation of Positions**

For the 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.

**31801.H. Exemptions**

The foregoing spot 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.

**31801. I. Termination of Trading**

●  
<sup>16</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

Futures trading shall terminate at 5:00 p.m. Beijing time (3:00 a.m. Central Standard Time or 4:00 a.m. Central Daylight Time) on the second Beijing business day immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Beijing and Exchange business day.

**31801.J. 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.

**31802. SETTLEMENT PROCEDURES**

**31802.A. [Reserved]**

**31802.B. Cash Settlement**

The Final Settlement Price shall be the reciprocal of the "Chinese renminbi per Euro" fixing (or "midpoint") rate published by the People's Bank of China (PBC) and representing spot trading of Chinese renminbi per Euro on the futures contract termination of trading day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on the business day following the spot trading date represented by the fixing rate. The fixing rate may be found on Reuters SAEC page opposite symbol "EURCNY=". The Final Settlement Price reciprocal calculation shall be rounded to six (6) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 9.65410 Chinese renminbi per Euro implies a Final Settlement Price of 0.103583 Euro per Chinese renminbi (reciprocal rounded to 6 decimal places).

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then [Rule 31803](#) and [Rule 701](#) shall apply to determine the Final Settlement Price.

**31803. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701.- ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 318)

**CHAPTER 318A**  
**Options on Chinese Renminbi/ Euro (RMB/ Euro) Cross Rate Futures**

**318A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on Chinese renminbi/ Euro futures contracts. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**318A01. OPTION CHARACTERISTICS**

**318A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any Chinese renminbi/ Euro option contract when the primary futures contract for that currency is limit bid or offered.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff for the Chinese renminbi/ Euro currency shall have the responsibility of determining during RTH whether the primary futures contract is limit bid or offered. During Electronic Trading Hours (ETH), the determination shall be made by the GLOBEX Control Center .

**318A01.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 Chinese renminbi/ Euro futures contract as specified in Chapter 318.

**318A01.C. Price Increments**

The price of an option shall be quoted in Euro per Chinese renminbi, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each .00001 Euro per Chinese renminbi (one point x €10.00 per point) shall represent 10 Euro. For example, a quote of .00065 represents an option price of €650.00 (65 points x €10.00 per point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of €0.000005 (€5.00, also known as one-half tick), €0.000015 (€15.00), €0.000025 (€25.00), €0.000035 (€35.00), €0.000045 (€45.00), which are less than 5 ticks of premium).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

**318A01.D. Underlying Futures Contract**

**1. Monthly Options**

The underlying futures contract is the same as the option contract month (i.e., the January futures is the contract underlying the January option).

**2. Weekly Options**

For weekly Chinese renminbi/ Euro options that expire before the monthly option, the underlying futures contract is the same as the option contract month. For weekly Chinese renminbi/ Euro options that expire after the monthly option, the underlying futures contract is the futures contract of the next consecutive calendar month. For example, if Monday, May 19<sup>th</sup> is the expiration of the monthly option (whose underlying futures contract is the May futures), then for the option expiring Friday, May 2<sup>nd</sup>, May 9<sup>th</sup> and May 16<sup>th</sup>, the underlying futures contract is the May futures. In this same example, for the options expiring on the Fridays, May 23<sup>rd</sup> and May 30<sup>th</sup>, the underlying futures contract is the June futures.

**318A01.E. Position Limits and Accountability**

A person owning or controlling a combination of options and underlying futures contracts that exceeds 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined for Chinese renminbi/ Euro futures and options shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased. However, in no event shall a person own or control more than 2,000 futures-equivalent contracts in the spot month on or after the day one week prior to the underlying futures termination of trading day for the Chinese renminbi/ Euro.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option and a short underlying futures contract are on the same side of the market.

**318A01.F. Accumulation of Positions**

For the 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.

**318A01.G. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

**318A01.H. Termination of Trading**

**1. Monthly Options on Chinese Renminbi/ Euro Futures**

Trading in monthly options on Chinese renminbi/ Euro futures contracts shall terminate at the same date and time as the underlying futures contract.

**2. Weekly Options on Chinese Renminbi/ Euro Futures**

Trading in weekly options on the Chinese renminbi/ Euro futures contract shall terminate at the close of trading on those Fridays that are not also the termination of trading of a monthly option as described in the immediately preceding paragraph. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**318A01.I. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

**318A01.J. Exercise Prices**

Regular exercise prices shall be stated in terms of Euro per Chinese renminbi at intervals of €0.001, e.g., €0.104, €0.105, €0.106, etc.

**318A02. LISTING OF EXERCISE PRICES**

**1. Monthly Options**

At the commencement of trading in a contract month for monthly options on Chinese renminbi/ Euro futures, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. In addition, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices for options on Chinese renminbi/ Euro futures.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Chinese renminbi/ Euro futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

**2. Weekly Options**

Upon demand, the Exchange shall list any exercise price for the weekly options that is eligible for listing for the nearest monthly option with the same underlying futures contract.

**318A03. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Chinese renminbi/ Euro futures.

**318A03.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 7:00 p.m. on the day of exercise.

All Chinese renminbi/ Euro options that are in the money<sup>17</sup> and have not been liquidated or exercised prior to the termination of trading, shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

**318A03.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.

**318A04. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701.- ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 318A)

**INTERPRETATIONS & SPECIAL NOTICES  
RELATING TO CHAPTER 318A**

<sup>17</sup> An option is in the money if the settlement price of the underlying futures contract at termination lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

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June 28, 2006  
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**CLARIFICATION OF NEW NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE**

(Special Executive Report S-1618, March 31, 1986)

Please note that the new non-agricultural option speculative position limit rule supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the option rule.

**Appendix 6**

**CHAPTER 319**

**Chinese Renminbi/ Japanese Yen (RMB/ Japanese Yen) Cross Rate Futures**

**31900. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in Chinese Renminbi/ Japanese yen. The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

**31901. FUTURES CALL**

**31901.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.

**31901.B. Trading Unit**

The unit of trading shall be 1,000,000 yuan Chinese renminbi.<sup>18</sup>

**31901.C. Quote Basis**

Bids and offers shall be quoted in terms of Japanese yen per Chinese renminbi, significant to five decimal places, e.g., ... 14.704 Japanese yen per Chinese renminbi.

**31901.D. Price Increments**

Minimum price fluctuations shall be in multiples of .001 Japanese yen per Chinese renminbi, equivalent to 1,000 Japanese yen per contract. Trades may also occur in multiples of .0005 Japanese yen per Chinese renminbi, equivalent to 500 Japanese yen per contract, commonly referred to as one-half tick, for RENMINBI/ JAPANESE YEN futures intra-currency spreads, executed as simultaneous transactions on GLOBEX® pursuant to Rule 542.F.

**31901.E. [Reserved]**

**31901.F. Position Limits and Accountability**

A person owning or controlling more than 6,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable; except that in no event shall such person own or control more than 2,000 contracts in the spot month on or after the day one week prior to the termination of trading day. For positions involving options on Chinese renminbi/ Japanese yen futures, this rule is superseded by the option position limits and accountability rule.

In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased.

**31901.G. Accumulation of Positions**

For the 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.

**31901.H. Exemptions**

The foregoing spot 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.

<sup>18</sup> The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

**31901. I. Termination of Trading**

Futures trading shall terminate at 5:00 p.m. Beijing time (3:00 a.m. Central Standard Time or 4:00 a.m. Central Daylight Time) on the second Beijing business day immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Beijing and Exchange business day.

**31901.J. 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.

**31902. SETTLEMENT PROCEDURES**

**31902.A. [Reserved]**

**31902.B. Cash Settlement**

The Final Settlement Price shall be the reciprocal of the "Chinese renminbi per 100 Japanese yen" fixing (or "midpoint") rate published by the People's Bank of China (PBC) and representing spot trading of Chinese renminbi per Japanese yen on the futures contract termination of trading day. Normally, this fixing rate is published at 9:15 a.m. Beijing time (7:15 p.m. CST or 8:15 p.m. CDT on the prior calendar day) on the business day following the spot trading date represented by the fixing rate. The fixing rate may be found on Reuters SAEC page opposite symbol "JPYCN¥". The Final Settlement Price reciprocal calculation shall be rounded to four (4) decimal places. Open positions on the business day following the termination of trading day will be marked to market to the Final Settlement Price. For example, a SAEC published rate of 6.8574 Chinese renminbi per 100 Japanese yen implies a rate of 0.068574 Chinese renminbi per Japanese yen or a Final Settlement Price of 14.5828 Japanese yen per Chinese renminbi (reciprocal rounded to 4 decimal places).

However, in the event that the Exchange President determines that the Clearing House is not able to determine a Final Settlement Price pursuant to the preceding section, then [Rule 31903](#) and [Rule 701](#) shall apply to determine the Final Settlement Price.

**31903. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701.- ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 319)

**CHAPTER 319A**

**Options on Chinese Renminbi/ Japanese Yen (RMB/ Japanese Yen) Cross Rate Futures**

**319A00. SCOPE OF CHAPTER**

This chapter is limited in application to trading in put and call options on Chinese renminbi/ Japanese yen futures contracts. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

**319A01. OPTION CHARACTERISTICS**

**319A01.A. Contract Months, Trading Hours, and Trading Halts**

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Board of Directors.

There shall be no trading in any Chinese renminbi/ Japanese yen\_option contract when the primary futures contract for that currency is limit bid or offered.

For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.

For purposes of this rule, Exchange staff for the Chinese renminbi/ Japanese yen currency shall have the responsibility of determining during RTH whether the primary futures contract is limit bid or offered. During Electronic Trading Hours (ETH), the determination shall be made by the GLOBEX Control Center .

**319A01.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 Chinese renminbi/ Japanese yen futures contract as specified in Chapter 319.

**319A01.C. Price Increments**

The price of an option shall be quoted in Japanese yen per Chinese renminbi, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each .001 Japanese yen per Chinese renminbi (one point x ¥1,000 per point) shall represent 1,000 Japanese yen. For example, a quote of .065 represents an option price of ¥65,000 (65 points x ¥1,000 per point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of ¥.0005 (¥500, also known as one-half tick), ¥0.0015 (¥1,500), ¥0.0025 (¥2,500), ¥0.0035 (¥3,500), ¥0.0045 (¥4,500), which are less than 5 ticks of premium).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

**319A01.D. Underlying Futures Contract**

**1. Monthly Options**

The underlying futures contract is the same as the option contract month (i.e., the January futures is the contract underlying the January option).

**2. Weekly Options**

For weekly Chinese renminbi/ Japanese yen options that expire before the monthly option, the underlying futures contract is the same as the option contract month. For weekly Chinese renminbi/ Japanese yen options that expire after the monthly option, the underlying futures contract is the futures contract of the next consecutive calendar month. For example, if Monday, May 19<sup>th</sup> is the expiration of the monthly option (whose underlying futures contract is the May futures), then for the option expiring Friday, May 2<sup>nd</sup>, May 9<sup>th</sup> and May 16<sup>th</sup>, the underlying futures contract is the May futures. In this same example, for the options expiring on the Fridays, May 23<sup>rd</sup> and May 30<sup>th</sup>, the underlying futures contract is the June futures.

**319A01.E. Position Limits and Accountability**

A person owning or controlling a combination of options and underlying futures contracts that exceeds 6,000 futures-equivalent contracts net on the same side of the market in all contract months combined for Chinese renminbi/ Japanese yen futures and options shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. In addition, the Exchange President or his designee or the Business Conduct Committee may require, at their discretion, that such positions not be further increased. However, in no event shall a person own or control more than 2,000 futures-equivalent contracts in the spot month on or after the day one week prior to the underlying futures termination of trading day for the Chinese renminbi/ Japanese yen.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option and a short underlying futures contract are on the same side of the market.

**319A01.F. Accumulation of Positions**

For the 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.

**319A01.G. Exemptions**

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

**319A01.H. Termination of Trading**

**1. Monthly Options on Chinese Renminbi/ Japanese Yen Futures**

Trading in monthly options on Chinese renminbi/ Japanese yen futures contracts shall terminate at the same date and time as the underlying futures contract.

**2. Weekly Options on Chinese Renminbi/ Japanese Yen Futures**

Trading in weekly options on the Chinese renminbi/ Japanese yen futures contract shall terminate at the close of trading on those Fridays that are not also the termination of trading of a monthly option as described in the immediately preceding paragraph. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly options shall terminate on the immediately preceding business day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

**319A01.I. Contract Modification**

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

**319A01.J. Exercise Prices**

Regular exercise prices shall be stated in terms of Japanese yen per Chinese renminbi at intervals of ¥0.05, e.g., ¥14.70, ¥14.75, ¥14.80, etc.

**319A02. LISTING OF EXERCISE PRICES**

**1. Monthly Options**

At the commencement of trading in a contract month for monthly options on Chinese renminbi/ Japanese yen futures, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. In addition, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices for options on Chinese renminbi/ Japanese yen futures.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Chinese renminbi/ Japanese yen futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

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

**2. Weekly Options**

Upon demand, the Exchange shall list any exercise price for the weekly options that is eligible for listing for the nearest monthly option with the same underlying futures contract.

**319A03. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Chinese renminbi/ Japanese yen futures.

**319A03.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 7:00 p.m. on the day of exercise.

All Chinese renminbi/ Japanese yen options that are in the money<sup>19</sup> and have not been liquidated or exercised prior to the termination of trading, shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

**319A03.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.

**319A04. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701.- ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 319A)

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<sup>19</sup> An option is in the money if the settlement price of the underlying futures contract at termination lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

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June 28, 2006  
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**INTERPRETATIONS & SPECIAL NOTICES  
RELATING TO CHAPTER 319A**

**CLARIFICATION OF NEW NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE**

(Special Executive Report S-1618, March 31, 1986)

Please note that the new non-agricultural option speculative position limit rule supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the option rule.

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