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Special Executive Report

S-4486

August 25, 2006

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1. CME Chinese Renminbi (RMB) Versus U.S. Dollar (USD), Euro (EUR) and Japanese Yen (JPY) Futures and Option Contracts Begin Trading on Sunday, August 27, 2006

As you were notified previously in CME Update / August 2006 and in CME Special Executive Report S-4465, dated June 28, 2006, and in CME Update / July 2006, the Exchange announced on Tuesday, June 20, 2006, the listing of three new foreign exchange futures and options on futures contracts versus the yuan Chinese renminbi:¹ 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.

Please note that in the CME Update / August 2006 article, the Exchange announced two changes to the CME RMB futures contracts: (1) the "termination of trading" section is amended to reflect termination of the futures contracts at the same time as the determination of the spot rate used for final settlement, and also, (2) the "cash settlement" section is amended to describe new backup procedures in the event the primary settlement rate options are unavailable at the futures contracts' termination of trading. Details concerning these two changes are covered in sections 6 and 8, respectively.

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

Contract launch highlights follow immediately below. Revised contract terms summaries follow the launch highlights as Appendices 1 through 3 and the revised detailed contract specifications for the CME Rulebook follow as Appendices 4 through 6, including new backup procedures CME will follow if the primary Final Settlement Price is unavailable at termination of trading.

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

2. Trading Hours and Trading Venue

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.

3. 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 IOM and 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.

4. 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

Futures Calendar Spreads (Month = M1 through 13):

M2 vs. M1:	October 2006 vs. September 2006
M3 vs. M1:	November 2006 vs. September 2006
M4 vs. M1:	December 2006 vs. September 2006
M7 vs. M1:	March 2007 vs. September 2006
M10 vs. M1:	June 2007 vs. September 2006
M13 vs. M1:	September 2007 vs. September 2006
M5 vs. M2:	January 2007 vs. October 2006
M6 vs. M3:	February 2007 vs. November 2006
M7 vs. M4:	March 2007 vs. December 2006
M8 vs. M5:	April 2007 vs. January 2007
M9 vs. M6:	May 2007 vs. February 2007
M10 vs. M7:	June 2007 vs. March 2007
M11 vs. M8:	July 2007 vs. April 2007
M12 vs. M9:	August 2007 vs. May 2007
M13 vs. M10:	September 2007 vs. June 2007

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.

5. 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.

Revised CME RMB vs. USD, EUR and JPY Futures Contract Listing Procedures			
	Contract Month	Termination Date (Cash Settlement Valuation Date)² (see footnote)	No Delivery Date
Initial Futures Months	September 2006*	Tues. 9/19/06	NA
	October 2006	Tues. 10/17/06	NA
	November 2006	Tues. 11/14/06	NA
	December 2006	Tues. 12/19/06	NA
	January 2007	Tues. 1/16/07	NA
	February 2007	Fri. 2/16/07	NA
	March 2007	Tues. 3/20/07	NA
	April 2007	Tues. 4/17/07	NA
	May 2007	Tues. 5/15/07	NA
	June 2007	Tues. 6/19/07	NA
	July 2007	Tues. 7/17/07	NA
	August 2007	Tues. 8/14/07	NA
	September 2007	Tues. 9/18/07	NA
	December 2007	Tues. 12/18/07	NA
	March 2008	Tues. 3/18/08	NA
New Monthly Futures Added for Trading on Wednesday, September 20, 2006, the Day Following Termination of Nearby Contract.*	October 2007	Tues. 10/16/07	NA
New Monthly Futures Added for Trading on Wednesday, October 18, 2006, the Day Following Termination of Nearby Contract, Etc.	November 2007	Tues. 11/20/07	NA
New March Quarterly Futures Added for Trading on Wednesday, November 15, 2006, the Day Following Termination of Nearby Contract, Etc.	June 2008	Tues. 6/17/08	NA

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²Termination dates provided are relative to the Beijing/Shanghai time zone. Please note that relative to the Chicago time zone, CME RMB futures contract termination of trading dates are the preceding business day, usually Monday evening.

Revised CME RMB vs. USD, EUR and JPY Futures Contract Listing Procedures (Continued)			
	Contract Month	Termination Date (Cash Settlement Valuation Date)³ (see footnote)	No Delivery Date
New Monthly Futures Added for Trading on Wednesday, December 20, 2006, the Day Following Termination of Nearby Contract, Etc.	January 2008	Tues. 1/15/08	NA
Revised CME RMB vs. USD, EUR and JPY Options Contract Listing Procedures			
	Options Type	Series	Termination Date⁴ (see footnote)
Initial Options	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	Tues. 9/19/06
	Weekly	9/22/06	Fri. 9/22/06
	Monthly	October 2006	Tues. 10/17/06
	Monthly	November 2006	Tues. 11/14/06
	Monthly	December 2006	Tues. 12/19/06
	Monthly	January 2007	Tues. 1/16/07
	Monthly	February 2007	Fri. 2/16/07
	Monthly	March 2007	Tues. 3/20/07
	Monthly	April 2007	Tues. 4/17/07
	Monthly	May 2007	Tues. 5/15/07
	Monthly	June 2007	Tues. 6/19/07
	Monthly	July 2007	Tues. 7/17/07
	Monthly	August 2007	Tues. 8/14/07
New Options Added for Trading on Day Following Termination of Nearby Series.	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 9/20/06)	9/18/07
	Weekly, etc.	10/20/06 (listed on 9/25/06)	10/20/06
	Monthly	October 2007 (listed on 10/18/06)	10/16/07
	Monthly	November 2007 (listed on 11/15/06)	11/20/07
	Monthly, etc.	December 2007 (listed on 12/20/06)	12/18/07

³Termination dates provided are relative to the Beijing/Shanghai time zone. Please note that relative to the Chicago time zone, CME RMB futures contract termination of trading dates are the preceding business day, usually Monday evening.

⁴ Termination dates for the monthly CME RMB options are relative to the Beijing/Shanghai time zone, usually Tuesday. Please note that relative to the Chicago time zone, the termination of trading dates for the monthly options are the preceding business day, usually Monday evening. Termination dates for the weekly CME RMB options are relative to the Chicago time zone, usually occurring on Fridays (at 2:00 p.m.).

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development at (312) 930-4583.

6. Revised Termination of Trading Schedules for CME RMB Futures and Options Contracts

Please note that the “termination of trading” section is amended to reflect termination of the futures contracts at the same time as the determination of the spot rate used for final settlement. Also, please note that the “cash settlement” section is amended to describe new backup procedures in the event the primary settlement rate options are unavailable at the futures contracts’ termination of trading.

Recent correspondence with the People’s Bank of China (PBC) State Administration of Foreign Exchange (SAFE) confirmed the Exchange’s understanding from an original document published only in Chinese that the following describes the PBC/ SAFE/ China Foreign Exchange Trade System (CFETS) daily-determined RMB vs. USD, RMB vs. EUR, RMB vs. JPY exchange rate calculations, which the non-deliverable forward (NDF) market uses for cash settlement of USD/RMB NDFs and CME will use for final settlement for its three CME Chinese Renminbi futures contracts.

People’s Bank of China Announcement No. 1, 2006, Regarding Further Improving Interbank Spot Foreign Exchange Market (excerpts)

- 2) Beginning on January 4, 2006, People’s Bank of China authorizes the China Foreign Exchange Trade System (CFETS) to post, on each trading day at 9:15 a.m., the day’s mid-market rate of the Renminbi vs. US Dollar, the Euro, Japanese Yen, and Hong Kong Dollar, to serve as the mid-rate of the spot foreign exchange trading in the inter-bank market on that day (for both OTC and brokered transactions.)
- 3) Following the introduction of OTC trading, the determination of the mid-rate of RMB vs. USD shall be modified from the last closing price of brokered transactions to the following: prior to the opening of trading in the inter-bank foreign exchange market, CFETS shall poll all market makers in the inter-bank foreign exchange market for a spot price of RMB vs. USD. After discarding the highest and the lowest rate, the weighted average of the remaining rates shall be deemed the mid-market rate, with the weights determined by CFETS based on the respondent’s trading volume as well as other pertinent factors.
- 4) The mid-market rate for RMB vs. the Euro, Japanese Yen and the Hong Kong Dollar shall be determined by CFETS based on the mid-market rate of RMB vs. USD for the day and the 9:00 a.m. exchange rate of the Euro, Japanese Yen and the Hong Kong Dollar vs. the USD in the international foreign exchange market.

Based upon this information, the Exchange is changing the termination of trading from “5:00 p.m. Beijing time on the second Beijing business day preceding” (usually Monday) to “9:00 a.m. Beijing time on the first Beijing business day preceding” (usually Tuesday) the third Wednesday of the contract month. Given that the settlement rate under the former rule was not determined until 9:00 a.m. Beijing time on the next business day (usually Tuesday) and published at 9:15 a.m. by the People’s Bank of China (Reuters SAEC page displays the rate at about this time), CME is modifying its RMB contracts specifications to extend trading on CME Globex in the expiring futures

contracts until the settlement rate used for the Final Settlement Price is determined.⁵ This shift in termination of trading prevents a 16-hour interval from elapsing from the end of trading in the futures contract and the determination of the Final Settlement Price. The PBC RMB rates published at 9:15 a.m. Beijing time represent theoretical settlement in two business days. The two tables preceding this section provide amended termination of trading dates for CME RMB futures and options contracts and appropriately amended contract listing procedures.

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 and Tuesday 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 first 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).

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development at (312) 930-4583.

7. Normal Cash Settlement Procedures

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. As noted above, the People's Bank of China (PBC) has authorized the China Foreign Exchange Trade System (CFETS) to calculate daily the volume-weighted, mid-market rate of Chinese Renminbi vs. U.S. Dollar, the Euro, Japanese Yen, and Hong Kong Dollar, to serve as the mid-rate of the spot foreign exchange trading in the inter-bank market on that day (for both OTC and brokered transactions.) 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

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⁵ Please note that in terms of Chicago times, CME is changing the termination of trading from 3:00 a.m. Central Standard Time (CST) in winter or 4:00 a.m. Central Daylight Time (CDT) in summer on the second Beijing business day preceding the third Wednesday (usually Monday) to 7:00 p.m. CST in winter or 8:00 p.m. CDT on Monday evening in Chicago, which is 9:00 a.m. Beijing time on Tuesday, the first Beijing business day preceding third Wednesday. The PBC RMB rates are published 15 minutes later at 7:15 p.m. CST or 8:15 p.m. CDT, which is 9:15 a.m. Beijing time.

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.

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development at (312) 930-4583.

8. Amendments to the Cash Settlement Rules to Add Backup Procedures

CME has concluded discussions with EMTA, Inc., the Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee (SFEMC) concerning the CME's use of the non-deliverable forward (NDF) market backup procedures for cash settlement of CME Asian NDF-style foreign exchange futures contracts when the primary settlement rate option is unavailable. CME adopted backup procedures for the CME Russian ruble futures contract that were analogous to the NDF market's "EMTA RUB Indicative Survey Rate" procedures for when the CME/EMTA Russian Ruble Reference Rate was unavailable to cash settle Dollar/Ruble NDF transactions. Similarly, the Asian FX NDF-trading community sees benefit in CME using analogous backup procedures to settle its RMB futures contracts when the primary rates are not published (Reuters SAEC page). These backup procedures ensure that the NDF transactions and CME futures contracts will settle together in most situations. This reduces basis risk between the NDFs and the CME futures, and promotes hedging between the futures and the NDF markets, and prevents unnecessary confusion in market practices.

In the case of the CME Asian NDF-style futures contracts, here, Chinese renminbi futures, if the primary rate is unavailable, final settlement will be deferred for up to 14 calendar days. Then in the event of no published rate for 14 consecutive calendar days, on Day 15 the SFEMC sponsors a survey of dealers for an "indicative rate" as defined in the backup procedure methodology (see the text of the new Interpretation to CME Chapter 270). If a SFEMC indicative rate is determined, NDFs and the futures settle using the same rate. If a SFEMC indicative rate is not determined on Day 15, then SFEMC's agent (currently, Moneyline/Telerate) surveys again on Day 16 and if no rate, the survey is done again on Day 17. If a SFEMC indicative rate is determined then, NDFs and futures settle to the same rate. If SFEMC's agent does not get a SFEMC indicative rate on Day 17, then on Day 18 NDFs get settled bilaterally by "Calculation Agents," usually a third party mutually agreed upon at the time of the NDF contract's origin, and CME settles its futures contracts by Emergency action, using all available information to aid the Board of Directors in its decision. CME has amended the cash settlement sections of all three CME Renminbi futures contracts to provide for these backup procedures. An interpretation has been added to the CME Renminbi versus the U.S. Dollar futures contract (CME Chapter 270) that details the methodology that SFEMC and its agent follow to calculate the "SFEMC RMB Indicative Survey Rate" when the primary PBC published RMB rates are unavailable. CME procedures for cash settling the CME RMB/EUR and RMB/JPY futures contracts when the PBC rates are not published, utilize Reuters page USD/EUR ("EUR=") and USD/JPY ("JPY=") bid/ask midpoints at the time of either the PBC (9:00 a.m. Shanghai/Beijing time) or SFEMC survey (11:00 a.m. Shanghai/Beijing time) as appropriate in the backup procedures.

If you have any questions, please contact Steve Youngren, Associate Director, Financial Product Development at (312) 930-4583.

9. 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.

10. Reportable Position Levels and Underlying Cash Instrument for a CME RMB 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.

An exchange of futures for physicals (EFP) or a transfer of spot for futures is an exchange of actual or "spot" currencies for futures contracts. These transactions are consummated between two parties wherein one of the parties is the buyer of the "spot" and the seller of the futures contract, and the other party is the seller of the "spot" and the buyer of the futures contract. 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. Non-deliverable forward (NDF) transaction documentation is an example of allowable evidence for the cash side of the EFP.

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

11. Performance Bond Requirements

CME Performance Bond staff approved the performance bond requirements for the new CME RMB products listed below. These margins will become effective with the launch of these products on Sunday, August 27, 2006 for the trade date of Monday, August 28, 2006.

SPAN[®] MINIMUM PERFORMANCE BOND REQUIREMENTS

CME Currency Futures Outright Rates Chinese Renminbi (RMB)

Rate Type	Initial	Maintenance
Spec	\$338	\$250
Hedge/Member	\$250	\$250

Cross Rate Chinese Renminbi/Euro (RME)

Rate Type	Initial	Maintenance
Spec	EUR2,160	EUR1,600
Hedge/Member	EUR1,600	EUR1,600

Cross Rate Chinese Renminbi/Japanese Yen (RMY)

Rate Type	Initial	Maintenance
Spec	¥310,500	¥230,000
Hedge/Member	¥230,000	¥230,000

CME Currency Futures Intra-Commodity Spread Rates

Chinese Renminbi (RMB) - All Months

Rate Type	Initial	Maintenance
Spec	\$34	\$25
Hedge/Member	\$25	\$25

Cross Rate Chinese Renminbi/Euro (RME) - All Months

Rate Type	Initial	Maintenance
Spec	EUR27	EUR20
Hedge/Member	EUR20	EUR20

Cross Rate Chinese Renminbi/Japanese Yen (RMY) - All Months

Rate Type	Initial	Maintenance
Spec	¥3,915	¥2,900
Hedge/Member	¥2,900	¥2,900

CME Currency Futures Inter-Commodity Spread Rates

Cross Rate Chinese Renminbi/Euro (RME) vs.

Cross Rate Chinese Renminbi/Japanese Yen (RMY) (1:1)

Rate Type	Change	New
Spread Credit Rate	N/A	65.00%

Euro FX (EC) vs. Cross Rate Chinese Renminbi/Euro (RME) (1:1)

Rate Type	Change	New
Spread Credit Rate	N/A	80.00%

Japanese Yen (JY) vs. Cross Rate Chinese Renminbi/Japanese Yen (RMY) (1:1)

Rate Type	Change	New
Spread Credit Rate	N/A	80.00%

Commodity Code	Volatility Scan	Short Option Minimum
Chinese Renminbi (RMB)	0.015	1.5%
Cross Rate Chinese Renminbi/Euro (RME)	0.02	1.5%
Cross Rate Chinese Renminbi/Japanese Yen (RMJ)	0.02	1.5%

Please contact the Risk Management Department at (312) 648-3888, if you have any questions regarding these performance bond changes.

12. Block Trading

Block trading is allowed in the CME RMB/USD, RMB/EUR and RMB/JPY options on futures contracts at minimum thresholds of 250 contracts. Block trading of CME RMB/USD, RMB/EUR and RMB/JPY futures are not allowed, except as part of a combination trade with options, where the futures minimum threshold is 25 contracts with the options combination.

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

13. CME Globex Error Trade Policy

The standard CME Globex error trade policy for CME foreign exchange futures will apply to the three new CME RMB futures (vs. USD, EUR and JPY). This includes a no bust range of “20 ticks or less” which is currently applicable for all foreign currency futures.

If you have any questions, please contact the CME Globex Control Center at (312) 456-2391.

14. CME Globex Price Bands

As with our existing currency contracts, there are no price limits for CME Globex trading of CME RMB/USD, RMB/EUR and RMB/JPY futures and options contracts. However, for CME Globex trading, automated price banding prevents execution of orders at prices falling outside of 60 ticks (60 points) for outright trades and 10 ticks (10 points) for spread trades from the last sale, best bid or best offer. 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 currency futures price as it reacts to new transaction prices, higher bids and lower offers. The CME Globex bands minimize inadvertent price entries into CME Globex.

If you have any questions, please contact the CME Globex Control Center at (312) 456-2391.

15. Quote Vendor Symbols

Vendor Name	System Name	Chinese Renminbi/US Dollar Futures & Options FUTURES	Chinese Renminbi/US Dollar Futures & Options OPTIONS	Chinese Renminbi/US Dollar Futures & Options WEEKLIES	Chinese Renminbi/Euro Futures & Options FUTURES	Chinese Renminbi/Euro Futures & Options OPTIONS	Chinese Renminbi/Euro Futures & Options WEEKLIES	Chinese Renminbi/ Japanese Yen Futures & Options FUTURES	Chinese Renminbi/ Japanese Yen Futures & Options OPTIONS	Chinese Renminbi/ Japanese Yen Futures & Options WEEKLIES
		RMB	RMB	RB1 - RB5	RME	RME	RE1 - RE5	RMY	RMY	RN1 - RN5
Bloomberg	Bloomberg	DOA Crncy	OMON	N/A	DPA Crncy	OMON	N/A	DNA Crncy	OMON	N/A
Comstock	Comstock	RMB	RMB	RB1 - RB5	RME	RME	RE1 - RE5	RMY	RMY	RN1 - RN5
CQG Inc.	CQG for Windows	RMB	RMB	N/A	RME	RME	N/A	RMY	RMY	N/A
Data Transmission Network										
E-Signal	eSignal	RMB	RMB	RB1 - RB5	RME	RME	RE1 - RE5	RMY	RMY	RN1 - RN5
Futuresource	Futures Source	RMB	N/A	N/A	REY	N/A	N/A	RMY	N/A	N/A
Hyperfeed/PC Quote										
Thomson	ILX Workstation	RMB	N/A	N/A	RME	N/A	N/A	RMY	N/A	N/A
Reuters	IDN (ETH)	<0#RMB>	<0#RMB>	<0#RMBW>	<0#RME>	<0#RME>	<0#RMEW>	<0#RMY>	<0#RMY>	<0#RMYW>
				US@1RB.1 US@2RB.1 US@3RB.1 US@4RB.1 US@4RB.1			US@1RE.1 US@2RE.1 US@3RE.1 US@4RE.1 US@4RE.1			US@1RN.1 US@2RN.1 US@3RN.1 US@4RN.1 US@4RN.1
Bridge BIS		US@RMB.1			US@RME.1		US@4RE.1	US@RMY.1		
Track Data	MX	RMB'	RMB'	N/A	RME'	RME'	N/A	RMY'	RMY'	N/A
TradeStation		RMB	RMB	RB1 - RB5	RME	RME	RE1 - RE5	RMY	RMY	RN1-RN5

16. Contract Specifications Summary Sheets (Appendices 1 – 3)

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

	Futures	Options on Futures
Contract Size	1,000,000 yuan ⁶ Chinese renminbi ("RMB") equal approximately \$124,682 as of 6/1/06.	One futures contract
Sample Quote	\$0.12468 per RMB \approx 8.0204 RMB/USD ⁷	A quote of .00065 represents an options premium of \$650.00 (= 1,000,000 RMB x \$.00065 per RMB)
Minimum Price Fluctuation (Tick)	\$.00001 per RMB increments (\$10.00/contract). Also, trades can occur in \$.000005 per RMB increments (\$5.00 contract) for RMB futures intra-currency spreads executed on CME Globex [®] .	\$.00001 per RMB = \$10.00/contract; also, trades may occur at \$.000005 (\$5.00), \$.000015 (\$15.00), \$.000025 (\$25.00), \$.000035 (\$35.00), \$.000045 (\$45.00), which are less than 5 ticks of premium).
Trading Hours	Sundays through Fridays: 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.
Months	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.
Last Trading Day	Trading ceases at 9:00 a.m. Beijing time ⁸ on the 1 st Beijing business day immediately preceding the 3 rd Wednesday of the contract month (usually Tuesday in Beijing) which is 7:00 p.m. Central Standard Time (CST) in winter or 8:00 p.m. Central Daylight Time (CDT) in summer on the 2nd Chicago business day preceding the 3 rd Wednesday of the contract month (usually Monday evening 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 and Tuesday holidays).
Cash Settlement	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 each Beijing business day for foreign exchange trading. 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.
Strike Prices	NA	\$.001 per RMB, e.g., \$.123, \$.124, \$.125, etc.
Exercise/Assignment	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.
Position Accountability	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.
Spot Position Limits	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.
Maximum Price Fluctuation (Price Limits)	Price banding in effect at \$.00060 (60 ticks) for outright, \pm .00010 (10 ticks) for spreads ⁹	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).
Ticker Symbol	RMB	RMB, Weeklies RB1-RB5
Commodity Code	RMB	Same

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

⁷ For live quotations in terms of RMB per USD visit www.cme.com/e-quivalents.

⁸ 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.

⁹ 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
Contract Size	1,000,000 yuan ¹⁰ Chinese renminbi ("RMB") equal approximately €97,415 or ≈US\$124,682 as of 6/1/06).	One futures contract
Sample Quote	€0.09741 per RMB ≈ 10.2653 RMB/EURO ¹¹	A quote of .00065 represents an options premium of €650.00 (= 1,000,000 RMB x €0.00065 per RMB)
Minimum Price Fluctuation (Tick)	€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®.	€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).
Trading Hours	<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.
Months	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.
Last Trading Day	Trading ceases at 9:00 a.m. Beijing time ¹² on the 1 st Beijing business day immediately preceding the 3 rd Wednesday of the contract month (usually Tuesday in Beijing) which is 7:00 p.m. Central Standard Time (CST) in winter or 8:00 p.m. Central Daylight Time (CDT) in summer on the 2nd Chicago business day preceding the 3 rd Wednesday of the contract month (usually Monday evening 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 and Tuesday holidays).
Cash Settlement	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 each Beijing business day for foreign exchange trading. 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.
Strike Prices	NA	€0.001 per RMB, e.g., €0.096, €0.097, €0.098, etc.
Exercise/Assignment	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.
Position Accountability	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.
Spot Position Limits	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.
Maximum Price Fluctuation (Price Limits)	Price banding in effect at €0.00060 (60 ticks) for outright, ±0.00010 (10 ticks) for spreads ¹³	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).

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

¹¹ For live quotations in terms of RMB per euro visit www.cme.com/e-equivalents.

¹² 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.

¹³ 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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Ticker Symbol	RME	RME, Weeklies RE1-RE5
Commodity Code	RME	Same

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

	Futures	Options on Futures
Contract Size	1,000,000 yuan ¹⁴ Chinese renminbi ("RMB") equal approximately ¥14,051,661 or ≈US\$124,682 as of 6/1/06.	One futures contract
Sample Quote	14.051 ¥/RMB ≈ 0.071167 RMB per ¥ ¹⁵	A quote of .065 represents an options premium of ¥65,000 (= 1,000,000 RMB x ¥0.065 per RMB)
Minimum Price Fluctuation (Tick)	¥0.001 per RMB increments (¥1,000/contract). Also, trades can occur in ¥0.0005 per RMB increments (¥500/ contract) 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).
Trading Hours	Sundays through Fridays: 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.
Months	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.
Last Trading Day	Trading ceases at 9:00 a.m. Beijing time ¹⁶ on the 1 st Beijing business day immediately preceding the 3 rd Wednesday of the contract month (usually Tuesday in Beijing) which is 7:00 p.m. Central Standard Time (CST) in winter or 8:00 p.m. Central Daylight Time (CDT) in summer on the 2nd Chicago business day preceding the 3 rd Wednesday of the contract month (usually Monday evening 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 and Tuesday holidays).
Cash Settlement	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 each Beijing business day for foreign exchange trading. 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.
Strike Prices	NA	¥0.05 per RMB, e.g., ¥14.00, ¥14.05, ¥14.10, etc.
Exercise/Assignment	NA	<u>American Style:</u> In-the-money options auto-exercised at expiration in the absence of contrary instructions. Options may be exercised until 7:00 p.m. CT on any business day the option is traded.
Position Accountability	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.
Spot Position Limits	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.
Maximum Price Fluctuation (Price Limits)	Price banding in effect at ±0.060 (60 ticks) for outright, ±0.010 (10 ticks) for spreads ¹⁷	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).
Ticker Symbol	RM¥	RM¥, Weeklies RN1-RN5
Commodity Code	RM¥	Same

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

¹⁵ For live quotations in terms of RMB per JPY visit www.cme.com/e-equivalents.

¹⁶ 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.

¹⁷ 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.

17. Revised CME Rulebook Contract Terms (Appendices 4 – 6)

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.¹⁸

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 (\$.50/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.]~~ 9:00 a.m. Beijing time (~~3:00 a.m.]~~ 7:00 p.m. Central Standard Time or ~~4:00 a.m.]~~ 8:00 p.m. Central Daylight Time) on the ~~second~~ first 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

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¹⁸ 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 each Beijing business day for foreign exchange trading. ~~[(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).

In the event that the "Chinese renminbi per U.S. dollar" fixing (or "midpoint") rate as calculated by the PBC is not published on the CME Chinese renminbi futures contract Termination of Trading day, and therefore, CME cannot determine the CME Chinese renminbi Final Settlement Price, then final settlement of the CME Chinese renminbi futures contract may be deferred or postponed for up to 14 consecutive calendar days. This procedure is intended to correspond to the deferral or postponement procedure followed by the interbank non-deliverable forward ("NDF") market to cash-settled NDF transactions, pursuant to recognized market practices as published by EMTA, Inc., the Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee ("SFEMC"). Upon the publication of the "Chinese Renminbi per U.S. dollar" fixing (or "midpoint") rate as calculated by the PBC prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the reciprocal of such PBC rate and the CME Chinese Renminbi futures contract shall be cash settled on such day. If however, 14 consecutive calendar days pass without publication of the PBC rate, CME shall otherwise determine the Final Settlement Price. See next paragraph.

After the lapse of 14 consecutive calendar days without publication of the PBC "Chinese renminbi per U.S. dollar" fixing (or "midpoint") rate, the Final Settlement Price may be calculated and published by CME on the next business day using the SFEMC CNY Indicative Survey Rate ("CNY Indicative Survey Rate"), if available. The CNY Indicative Survey Rate is proposed to be published by SFEMC (or its designee) and posted on the public portion of SFEMC and EMTA's website following the continuous unavailability of the PBC 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 PBC rate cannot be published for an extended period of time. The procedures for the SFEMC CNY Indicative Survey are defined in the Interpretation to this chapter.

However, if SFEMC fails to publish the CNY Indicative Survey Rate on the first business day following the lapse of the valuation postponement or deferral period described above, and the PBC rate is also unavailable, then SFEMC shall repeat efforts to obtain the CNY Indicative Survey Rate each day for an additional two business days. If on either of these two business days the PBC "Chinese renminbi per U.S. dollar" fixing (or "midpoint") rate is published, then final settlement of the CME Chinese renminbi futures contracts shall be the reciprocal of the first of these rates published. However, if the PBC rate is unavailable and the SFEMC publishes the CNY Indicative Survey Rate on either of these two business days, then the final settlement of the CME Chinese renminbi futures contracts shall be the reciprocal of the first of these rates published. If the SFEMC does not publish the CNY Indicative Survey Rate on either of these two business days, then Rule 27003 shall apply to determine the Final Settlement Price. See next paragraph.

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)

INTERPRETATION TO CHAPTER 270

Effective, May 17, 2006, EMTA, Inc., the Foreign Exchange Committee ("FXC") and the Singapore Foreign Exchange Market Committee ("SFEMC") adopted amendments to the December 1, 2004 non-deliverable forward ("NDF") template procedures for six Asian currencies, which included a "SFEMC CNY Indicative Survey" ("CNY Indicative Survey") to be conducted in certain circumstances when the "Chinese renminbi per U.S. dollar" fixing (or "midpoint" or "CNY SAEC (CNY01)") rate as calculated by the People's Bank of China ("PBC") is unavailable for settlement of expiring non-deliverable forward ("NDF") Chinese renminbi versus U.S. dollar transactions. The CNY Indicative Survey results in the calculation of the "SFEMC CNY Indicative Survey Rate" ("CNY Indicative Survey Rate"), which can be used by the NDF market to settle non-deliverable Chinese renminbi / U.S. Dollar transactions in defined circumstances. In order to reduce basis risk for market participants trading both NDF Chinese renminbi transactions and CME Chinese renminbi futures and options on futures contracts, CME has also adopted procedures to settle terminated CME Chinese renminbi futures contracts to the reciprocal of the CNY Indicative Survey Rate when the PBC rate has been unavailable for

14 consecutive calendar days. The following sets forth the EMTA, the Foreign Exchange Committee and SFEMC methodology for the CNY Indicative Survey.

The SFEMC CNY Indicative Survey

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

- **Commencing the CNY Indicative Survey:** SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC CNY Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Beijing (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).
- **Polled Banks:** For purposes of determining the CNY Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the CNY/U.S. Dollar market (each, a "Participating Bank") and included in a current list of Participating Banks published on the SFEMC's website (www.sfemc.org) (the "Publication Site"). Only one office of each financial institution will be included as a Participating Bank in each CNY Indicative Survey.
- **Survey Question:** Each Participating Bank 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 CNY spot rate (bid-offer pair) for a standard size CNY/U.S. Dollar wholesale financial transaction for same-day settlement in the Beijing marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems 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 CNY/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 CNY/U.S. Dollar transactions (commercial or otherwise).

Use of Survey Results

- SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to determine the CNY Indicative Survey Rate, rounded to the fourth decimal point as describe below.
- If the CNY 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 mid-points will be computed and will constitute the CNY 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 CNY Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points shall be computed and will constitute the CNY 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 CNY Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the CNY 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 CNY Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date.
- Quotes will be provided to the fourth decimal point (e.g., 1.0000).

Insufficient Responses

- If the CNY Indicative Survey results in less than 5 responses from Participating Banks ("Insufficient Responses"), no CNY Indicative Survey Rate will be available for the relevant Valuation Date. The next CNY Indicative Survey will take place on the next succeeding Business Day in Beijing (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to section below titled "Discontinuing the CNY Indicative Survey."

CNY Indicative Survey Rate Publication

- The CNY Indicative Survey Rate will be published on Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- As soon as it is determined that the CNY Indicative Survey will result in Insufficient Responses, a notice that no CNY Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- The response of each Participating Bank to the Indicative Survey (bid-off pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first Business Day in Beijing (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant CNY Indicative Survey Rate is published, or as soon thereafter as practicable.

Discontinuing the CNY Indicative Survey

- The CNY Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Beijing on which the CNY SAEC (CNY 01) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the CNY Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the CNY Indicative Survey at an appropriate time.
- A notice that the CNY Indicative Survey has been discontinued will be published on the Publication Site.

Amendments to the Methodology

- SFEMC 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 CNY Indicative Survey.

Disclaimer

- CME, SFEMC and any service provider SFEMC may select disclaim liability for the use of the SFEMC Indicative Survey Rates and for any action taken in reliance thereon, and CME, SFEMC and any service provider SFEMC may select make no representation and warranty, express or implied, either as to the results (including, without limitation, the accuracy, timeliness or adequacy) obtained from the use of any of the SFEMC Indicative Survey Rates or the methodology for determining any of the SFEMC Indicative Survey Rates and its merchantability or suitability for any particular use.

(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 19th is the expiration of the monthly option (whose underlying futures contract is the May futures), then for the option expiring Friday, May 2nd, May 9th and May 16th, the underlying futures contract is the May futures. In this same example, for the options expiring on the Fridays, May 23rd and May 30th, 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 money¹⁹ 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)

●
¹⁹ 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.

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 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.²⁰

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

●
²⁰ The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan."

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

Futures trading shall terminate at ~~[5:00 p.m.] 9:00 a.m.~~ Beijing time (~~[3:00 a.m.] 7:00 p.m.~~ Central Standard Time or ~~[4:00 a.m.] 8:00 p.m.~~ Central Daylight Time) on the ~~[second]~~ first 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 each Beijing business day for foreign exchange trading. ~~[the business day following the spot trading date represented by the fixing rate.]~~ The fixing rate may be found on the 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).

In the event that the "Chinese renminbi per Euro" fixing (or "midpoint") rate as calculated by the PBC is not published on the CME Chinese renminbi/Euro futures contract Termination of Trading day, but the PBC "Chinese renminbi per U.S. Dollar" fixing (or "midpoint") rate is published, then determination of the Final Settlement Price will be based upon the reciprocal of the product of the bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 9:00 a.m. Beijing time and the PBC USDCNY rate rounded to six (6) decimal places. If the PBC EURCNY and USDCNY rates are unavailable on the termination of trading day, determination of the Final Settlement Price may be postponed or deferred each such day for up to 14 consecutive calendar days. If on the first of any of the intervening 14 calendar days, the PBC EURCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the PBC EURCNY rate, rounded to six decimal places. If on the first of any of the intervening 14 calendar days, when the PBC EURCNY rate is unavailable, but the PBC USDCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the product of the PBC USDCNY rate and the bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 9:00 a.m. Beijing time, rounded to six decimal places. However, if on the 15th such consecutive calendar day where neither the PBC EURCNY rate nor the PBC USDCNY rate is available, then the Final Settlement Price may be set equal to the reciprocal of the product of the SFEMC CNY Indicative Survey Rate, published by the Singapore Foreign Exchange Market Committee (SFEMC) or its designee, and calculated according to the SFEMC RMB Indicative Survey Rate Methodology published on the SFEMC website (www.sfemc.org) and EMTA, Inc. website (www.emta.org) and the bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 11:00 a.m. Singapore (and Beijing) time, rounded to six (6) decimal places. Details of the survey methodology appear in the CME Rulebook and on the CME Web site (www.cme.com).

However, if SFEMC fails to publish the CNY Indicative Survey Rate on the first business day following the lapse of the valuation postponement or deferral period described above (i.e., the 15th consecutive calendar day), and the PBC EURCNY rate and PBC USDCNY rate are also unavailable, then SFEMC shall repeat efforts to obtain the CNY Indicative Survey Rate each day for an additional two business days (i.e., the 16th and 17th consecutive calendar days). If on either of these two business days the SFEMC CNY Indicative Survey Rate is published and the PBC EURCNY rate and PBC USDCNY rate are unavailable, then the Final Settlement Price of the CME Chinese renminbi/Euro futures contracts shall be the reciprocal of the product of the first of these SFEMC CNY Indicative Survey Rates and that rate's contemporaneous bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 11:00 a.m. Singapore (and Beijing) time, rounded to six (6) decimal places.

However, if on either of the next two business days (i.e., the 16th and 17th consecutive calendar days), the PBC EURCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the first such PBC EURCNY rate, rounded to six decimal places. If on either the next two business days, when the PBC EURCNY rate is unavailable, but the PBC USDCNY rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the product of the first such PBC USDCNY rate and that rate's contemporaneous bid/ask midpoint of the spot Euro rate as appears on Reuters page EUR= at 9:00 a.m. Beijing time, rounded to six decimal places.

If the SFEMC fails to publish the CNY Indicative Survey Rate on both of these two business days and the PBC EURCNY rate and PBC USDCNY rate are unavailable, then [Rule 31803](#) shall apply to determine the Final Settlement Price. See next paragraph.

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 19th is the expiration of the monthly option (whose underlying futures contract is the May futures), then for the option expiring Friday, May 2nd, May 9th and May 16th, the underlying futures contract is the May futures. In this same example, for the options expiring on the Fridays, May 23rd and May 30th, 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 money²¹ 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**

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.

●
²¹ 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 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.²²

31901.C. Quote Basis

Bids and offers shall be quoted in terms of Japanese yen per Chinese renminbi, significant to ~~five~~ three 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.

●
²² 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.]~~ 9:00 a.m. Beijing time (~~[3:00 a.m.]~~ 7:00 p.m. Central Standard Time or ~~[4:00 a.m.]~~ 8:00 p.m. Central Daylight Time) on the ~~[second]~~ first 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 each Beijing business day for foreign exchange trading. ~~[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).

In the event that the "Chinese renminbi per Japanese yen" fixing (or "midpoint") rate as calculated by the PBC is not published on the CME Chinese renminbi/Japanese yen futures contract Termination of Trading day, but the PBC "Chinese renminbi per U.S. Dollar" fixing (or "midpoint") rate is published, then determination of the Final Settlement Price will be based upon the product of the bid/ask midpoint of the spot Japanese yen rate as appears on Reuters page JPY= at 9:00 a.m. Beijing time and the reciprocal of the PBC USDCNY rate rounded to four (4) decimal places. If the PBC JPYCN¥ and USDCNY rates are unavailable on the termination of trading day, determination of the Final Settlement Price may be postponed or deferred each such day for up to 14 consecutive calendar days. If on the first of any of the intervening 14 calendar days, the PBC JPYCN¥ rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the PBC JPYCN¥ rate, rounded to four decimal places. If on the first of any of the intervening 14 calendar days, when the PBC JPYCN¥ rate is unavailable, but the PBC USDCNY rate becomes available, then the futures contract Final Settlement Price shall be the product of the reciprocal of the PBC USDCNY rate and the bid/ask midpoint of the spot JPY rate as appears on Reuters page JPY= at 9:00 a.m. Beijing time, rounded to four decimal places. However, if on the 15th such consecutive calendar day where neither the PBC JPYCN¥ rate nor the PBC USDCNY rate is available, then the Final Settlement Price may be set equal to the product of the reciprocal of the SFEMC CNY Indicative Survey Rate, published by the Singapore Foreign Exchange Market Committee (SFEMC) or its designee, and calculated according to the SFEMC RMB Indicative Survey Rate Methodology published on the SFEMC website (www.sfemc.org) and EMTA, Inc. website (www.emta.org) and the bid/ask midpoint of the spot Japanese yen rate as appears on Reuters page JPY= at 11:00 a.m. Singapore (and Beijing) time, rounded to four (4) decimal places. Details of the survey methodology appear in the CME Rulebook and on the CME Web site (www.cme.com).

However, if SFEMC fails to publish the CNY Indicative Survey Rate on the first business day following the lapse of the valuation postponement or deferral period described above (i.e., the 15th consecutive calendar day), and the PBC JPYCN¥ rate and PBC USDCNY rate are also unavailable, then SFEMC shall repeat efforts to obtain the CNY Indicative Survey Rate each day for an additional two business days (i.e., the 16th and 17th consecutive calendar days). If on either of these two business days the SFEMC CNY Indicative Survey Rate is published and the PBC JPYCN¥ rate and PBC USDCNY rate are unavailable, then the Final Settlement Price of the CME Chinese renminbi/Japanese yen futures contracts shall be the product of the reciprocal of the first of these SFEMC CNY Indicative Survey Rates and that rate's contemporaneous bid/ask midpoint of the spot Japanese yen rate as appears on Reuters page JPY= at 11:00 a.m. Singapore (and Beijing) time, rounded to four (4) decimal places.

However, if on either of the next two business days (i.e., the 16th and 17th consecutive calendar days), the PBC JPYCN¥ rate becomes available, then the futures contract Final Settlement Price shall be the reciprocal of the first such PBC JPYCN¥ rate, rounded to four decimal places. If on either the next two business days, when the PBC JPYCN¥ rate

is unavailable, but the PBC USDCNY rate becomes available, then the futures contract Final Settlement Price shall be the product of the reciprocal of the first such PBC USDCNY rate and that rate's contemporaneous bid/ask midpoint of the spot Japanese yen rate as appears on Reuters page JPY= at 9:00 a.m. Beijing time, rounded to four decimal places.

If the SFEMC fails to publish the CNY Indicative Survey Rate on both of these two business days and the PBC JPYCNY rate and PBC USDCNY rate are unavailable, then Rule 31803 shall apply to determine the Final Settlement Price. See next paragraph.

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 19th is the expiration of the monthly option (whose underlying futures contract is the May futures), then for the option expiring Friday, May 2nd, May 9th and May 16th, the underlying futures contract is

the May futures. In this same example, for the options expiring on the Fridays, May 23rd and May 30th, 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 money²³ 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)

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.

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²³ 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.