



## Special Executive Report

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**DATE:** April 7, 2020

**SER#:** 8581

**SUBJECT:** Initial Listing of the Options on One-Month SOFR Futures Contract

Effective Sunday, May 3, 2020, for trade date Monday, May 4, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will list the Options on One-Month SOFR Futures contract (the “Contract”) (Rulebook Chapter: 461A) for open outcry trading on the CME trading floor<sup>1</sup>, trading on the CME Globex electronic trading platform, and for submission for clearing via CME ClearPort, as noted below.

Contract Title	Commodity Code	Rulebook Chapter
Options on One-Month SOFR Futures	SR1	CME 461A

Exhibit 1 summarizes specifications for the Contract. Applicable Exchange fees are shown in Exhibit 2.

Inquiries regarding this matter may be directed to:

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<sup>1</sup> CME Group closed its Chicago trading floor as of the close of business Friday, March 13, 2020, as a precaution to reduce large gatherings that can contribute to the spread of coronavirus in line with the advice of medical professionals. Updates can be found at: <https://www.cmegroup.com/company/information.html>

## Exhibit 1 -- Contract Specifications - Options on One-Month SOFR Futures

Unless otherwise noted, all times of day are Chicago time ("CT").

<b>Underlying Instrument</b>	Each Option is exercisable into one (1) specified CME One-Month SOFR futures contract.
<b>Expiries</b>	<i>One-Month Standard Options</i> : First four serial months (Jan, Feb, Mar, etc)
<b>Strike Price Listing</b>	Strike prices will be listed in increments of 6.25 basis points (0.0625) for the first ten strikes above and below the at-the-money strike, and 12.5 basis points (0.1250) for the next five higher/lower strike prices outside this range.  <i>At-the-money exercise price</i> is the Option exercise price closest to previous daily settlement price the option's Underlying Instrument.
<b>Minimum Option Premium Increment</b>	One-quarter of one basis point (0.0025), or \$10.4175 per contract
<b>Termination of Trading</b>	Trading in expiring options terminates at close of trading – typically 4pm -- on Last Day of Trading.  Last Day of Trading is the last business day of the contract month.
<b>Option Exercise</b>	American Style. Option may be exercised by purchaser on any day that option is traded. Option purchaser's clearing member firm must notify CME Clearing of intention to exercise no later than 5:30pm on day of exercise. All expiring options outstanding and unexercised at Termination of Trading shall expire at 5:30pm on Last Day of Trading and, absent contrary instruction, shall be automatically exercised.
<b>Position Accountability and Reportability</b>	Reportability threshold: 600 contracts Single-Month and All-Month Accountability thresholds: 3,000 contracts.
<b>Trading and Clearing Hours</b>	<i>Open Outcry</i> : 7:20am to 2pm, Mon-Fri <i>CME Globex</i> : 5pm to 4pm, Sun-Fri with a 60-minute break each day beginning at 4:00 p.m. <i>CME ClearPort</i> : 5pm to 4pm, Sun-Fri with a 60-minute break each day beginning at 4:00 p.m.
<b>CME Globex Algorithm</b>	Threshold Pro-Rata with Lead Market Maker (LMM) (Q Algorithm) Top Order Allocation = 25%. Top Order Min = 50 contracts. Top Order Max = 1,500 contracts.
<b>Block Trade Minimum Threshold Level</b>	250 contracts during Asian Trading Hours (4pm–12am, Mon-Fri on Business Days and at all weekend times) (subject to a 15-minute reporting window)  500 contracts during European Trading Hours (12am– 7am, Mon-Fri on Business Days) (subject to a 15-minute reporting window)  1,000 contracts during Regular Trading Hours (7am–4pm, Mon-Fri on Business Days) (subject to a 5-minute reporting window)
<b>Commodity Code</b>	CME Globex: SR1 CME ClearPort: SR1 Open Outcry: S1O Clearing: SR1

**Exhibit 2 – Exchange fees**

<b>Membership Type</b>	<b>Venue/Transaction Type</b>	
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Open Outcry Delivery	\$0.17
	CME Globex	\$0.22
	EFP EFR Block	\$0.34
	Exe Asn Future From	\$0.14
Rule 106.D Lessees Rule 106.F Employees	Open Outcry Delivery	\$0.30
	CME Globex	\$0.42
	EFP EFR Block	\$0.55
	Exe Asn Future From	\$0.35
Rule 106.R Electronic Corporate Members (For other than CME Globex EFP EFR Block - See Non-Members)	CME Globex	\$0.49
	EFP EFR Block	\$0.84
Rule 106.H and 106.N Firms	Open Outcry Delivery	\$0.49
	CME Globex	\$0.49
	EFP EFR Block	\$0.69
	Exe Asn Future From	\$0.54
International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (Open Outcry at same rate as CME Globex for Interest Rate products only)	Open Outcry Delivery	\$0.50
	CME Globex	\$0.50
	EFP EFR Block	\$0.99
	Exe Asn Future From	\$0.69
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex EFP EFR Block - See Non-Members)	Open Outcry Delivery	\$0.60
	CME Globex	\$0.60
	EFP EFR Block	\$0.99
Members Trading Outside of Division (For other than Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$0.79
Non-Members (Including: CTA/Hedge Fund Incentive Program Participants & CBOE Members)	Open Outcry Delivery	\$0.75
	CME Globex	\$0.89
	EFP EFR Block	\$0.99
	Exe Asn Future From	\$0.69

<b>Processing Fees</b>	
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05