



Special Executive Report

S-7905

March 8, 2017

Amendments to Options on FX Futures Contracts to Convert from American to European-Style Exercise

Effective Sunday, March 26, 2017 for trade date Monday, March 27, 2017, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange ("CME" or "Exchange") will amend the options on FX futures as noted in Exhibit 1 (the "Contracts"). Specifically, CME will convert the Contracts' expiration style from American to European-style exercise. There is no open interest in the Contracts. In addition, **effective immediately**, CME will suspend trading in the Contracts until trade date Monday, March 27, 2017.

Exhibit 2 provides amendments to CME Rules 257A03.A., 258A03.A., 259A03.A., 260A03.A., 266A03.A., 267A03.A., 268A03.A., 269A03.A., 270A03.A., 271A03.A., 301A03.A., 303A03.A., 304A03.A., 315A03.A., 316A03.A., 317A03.A., and 318A03.A. in blackline format.

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Exhibit 1

Options on FX Futures Contracts to be Converted from American to European-Style Exercise

Contract	Commodity Code	CME Rulebook Chapter
1.) Option on Brazilian Real/U.S. Dollar (BRL/USD) Futures	CME Globex: BR CME ClearPort: BR Open Outcry: OR Weekly CME Globex: 1R-5R Weekly CME ClearPort: 1R-5R Weekly Open Outcry: 1R-5R	257A
2.) Option on New Zealand Dollar/U.S. Dollar (NZD/USD) Futures	CME Globex: 6N CME ClearPort: NE Open Outcry: ZN Weekly CME Globex: 1Z-5Z Weekly CME ClearPort: 1Z-5Z Weekly Open Outcry: 1Z-5Z	258A
3.) Option on South African Rand/U.S. Dollar (ZAR/USD) Futures	CME Globex: RA CME ClearPort: RA Open Outcry: RO Weekly CME Globex: 1N-5N Weekly CME ClearPort: 1N-5N Weekly Open Outcry: 1N-5N	259A
4.) Option on Russian Ruble/U.S. Dollar (RUB/USD) Futures	CME Globex: 6R CME ClearPort: RU Open Outcry: UO Weekly CME Globex: 6R1-6R5 Weekly CME ClearPort: RU1-RU5 Weekly Open Outcry: RU1-RU5	260A
5.) Option on Czech Koruna/U.S. Dollar (CZK/USD) Futures	CME Globex: CKO CME ClearPort: CZ Open Outcry: CZ	266A
6.) Option on Hungarian Forint/U.S. Dollar (HUF/USD) Futures	CME Globex: HFO CME ClearPort: FR Open Outcry: HZ	267A
7.) Option on Polish Zloty/U.S. Dollar (PLN/USD) Futures	CME Globex: PLZ CME ClearPort: PZ Open Outcry: PZ	268A
8.) Option on Israeli Shekel/U.S. Dollar (ILS/USD) Futures	CME Globex: ILS CME ClearPort: IS Open Outcry: IS Weekly CME Globex: IS1-IS5 Weekly CME ClearPort: IS1-IS5	269A
9.) Option on Chinese Renminbi/U.S. Dollar (RMB/USD) Futures	CME Globex: RMB CME ClearPort: RMB Weekly CME Globex: RB1-RB5 Weekly CME ClearPort: RB1-RB5	270A
10.) Option on Korean Won/U.S. Dollar (KRW/USD) Futures	CME Globex: KRW CME ClearPort: KRW Weekly CME Globex: KR1-KR5 Weekly CME ClearPort: KR1-KR5	271A
11.) Option on Euro/British Pound Sterling (Euro/GBP) Cross Rate Futures	CME Globex: RP CME ClearPort: RP Open Outcry: OP Weekly CME Globex: 1E-5E Weekly CME ClearPort: 1E-5E Weekly Open Outcry: 1E-5E	301A
12.) Option on Euro/Japanese Yen (EUR/JPY) Cross Rate Futures	CME Globex: RY CME ClearPort: RY Open Outcry: ZO Weekly CME Globex: 1H-5H Weekly CME ClearPort: 1H-5H Weekly Open Outcry: 1H-5H	303A
13.) Option on Euro/Swiss Franc (EUR/CHF) Cross Rate Futures	CME Globex: RF CME ClearPort: RF Open Outcry: RZ Weekly CME Globex: 1I-5I Weekly CME ClearPort: 1I-5I Weekly Open Outcry: 1I-5I	304A
14.) Option on Czech Koruna/Euro (CZK/EUR) Cross Rate Futures	CME Globex: ECZ CME ClearPort: K Open Outcry: K	315A
15.) Option on Hungarian Forint/Euro (HUF/EUR) Cross Rate Futures	CME Globex: EHU CME ClearPort: R Open Outcry: R	316A
16.) Option on Polish Zloty/Euro (PLN/EUR) Cross Rate Futures	CME Globex: EPL CME ClearPort: Z Open Outcry: Z	317A
17.) Option on Chinese Renminbi/Euro (RMB/EUR) Cross Rate Futures	CME Globex: RME CME ClearPort: RME Weekly CME Globex: RE1-RE5 Weekly CME ClearPort: RE1-RE5	318A

Exhibit 2

CME Rulebook

(Additions are **underlined**; deletions are ~~struckthrough~~.)

Chapter 257A

Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures

257A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Brazilian real/U.S. dollar futures.

257A03.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 any day of exercise except on the termination of trading day.~~

~~All Brazilian real/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ **All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option.** An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 258A

Options on New Zealand Dollar/U.S. Dollar (NZD/USD) Futures

258A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on New Zealand dollar/U.S. dollar futures.

258A03.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 any day of exercise except on the termination of trading day.~~

~~All New Zealand dollar/U.S. dollar options, that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ **All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option.** An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 259A
Options on South African Rand/U.S. Dollar (ZAR/USD) Futures

259A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on South African rand/U.S. dollar futures.

259A03.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 any day of exercise except on the termination of trading day.~~

~~All South African rand/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 260A
Options on Russian Ruble/U.S. Dollar (RUB/USD) Futures

260A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Russian ruble/U.S. dollar futures.

260A03.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 any day of exercise except on the termination of trading day.~~

~~All Russian ruble/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 266A
Options on Czech Koruna/U.S. Dollar (CZK/USD) Futures

266A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Czech koruna/U.S. dollar futures.

266A03.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 any day of exercise except on the termination of trading day.~~

~~All Czech koruna/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 267A
Options on Hungarian Forint/U.S. Dollar (HUF/USD) Futures

267A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Hungarian forint/U.S. dollar futures.

267A03.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 any day of exercise except on the termination of Trading Day.~~

~~All Hungarian forint/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 268A
Options on Polish Zloty/U.S. Dollar (PLN/USD) Futures

268A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Polish zloty/U.S. dollar futures.

268A03.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 any day of exercise except on the termination of trading day.~~

~~All Polish zloty/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 269A
Options on Israeli Shekel/U.S. Dollar (ILS/USD) Futures

269A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Israeli shekel/U.S. dollar futures.

269A03.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 any day of exercise except on the termination of trading day.~~

~~All Israeli shekel/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 270A

Options on Chinese Renminbi/U.S. Dollar (RMB/USD) Futures

270A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Chinese renminbi/U.S. dollar 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 any day of exercise except on the termination of trading day.~~

~~All Chinese renminbi options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 271A

Options on Korean Won/U.S. Dollar (KRW/USD) Futures

271A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Korean won/U.S. dollar futures.

271A03.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 any day of exercise except on the termination of trading day.~~

~~All Korean won/U.S. dollar options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 301A
Options on Euro/British Pound Sterling (EUR/GBP) Cross Rate Futures

301A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Euro/British pound sterling cross rate futures.

301A03.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 any day of exercise except on the termination of trading day.~~

~~All Euro/British pound sterling options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 303A
Options on Euro/Japanese Yen (EUR/JPY) Cross Rate Futures

303A03. EXERCISE AND ASSIGNMENT

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

303A03.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 any day of exercise except on the termination of trading day.~~

~~All Euro/Japanese yen options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 304A

Options on Euro/Swiss Franc (EUR/CHF) Cross Rate Futures

304A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Euro/Swiss franc cross rate futures.

304A03.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 any day of exercise except on the termination of trading day.~~

~~All Euro/Swiss franc options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 315A

Options on Czech Koruna/Euro (CZK/EUR) Cross Rate Futures

315A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Czech koruna/Euro cross rate futures.

315A03.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 any day of exercise except on the termination of trading day.~~

~~All Czech koruna/Euro options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 316A
Options on Hungarian Forint/Euro (HUF/EUR) Cross Rate Futures

316A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Hungarian forint/Euro cross rate futures.

316A03.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 any day of exercise except on the termination of Trading Day.~~

~~All Hungarian forint/Euro options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 317A
Options on Polish Zloty/Euro (PLN/EUR) Cross Rate Futures

317A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Polish zloty/Euro cross rate futures.

317A03.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 any day of exercise except on the termination of trading day.~~

~~All Polish zloty/Euro options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

Chapter 318A
Options on Chinese Renminbi/Euro (RMB/EUR) Cross Rate Futures

318A03. EXERCISE AND ASSIGNMENT

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 any day of exercise except on the termination of trading day.~~

~~All Chinese renminbi/Euro options that are in the money and have not been liquidated or exercised prior to the termination of trading, shall be exercised automatically.~~ All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.