



## Special Executive Report

S-7977

August 9, 2017

### **Amendments to the Options on the Mexican Peso/US Dollar ("MXN/USD") Futures Contract to Convert from American- to European-Style Exercise and Temporary Suspension of Trading**

Effective Sunday, August 27, 2017 for trade date Monday, August 28, 2017, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange ("CME" or "Exchange") will amend Rule 256A03.A. ("Exercise of Option by Buyer") to change the exercise style of the Options on the Mexican Peso/US Dollar ("MXN/USD") Futures contract listed below (the "Contracts") from American- to European-style exercise commencing with the January 2018 options and beyond. In addition, and with the exception of contract months with open interest, the Exchange will immediately suspend trading of the Contracts temporarily until Sunday, August 27, 2017 for trade date Monday, August 28, 2017 (collectively, the "Rule Amendments").

Contract	Commodity Code	CME Rulebook Chapter
Option on Mexican Peso/US Dollar (MXN/USD) Futures	CME Globex: 6M	256A
	CME ClearPort: MP	
	Open Outcry: MO	
	Weekly CME Globex: 1M-5M	
	Weekly CME ClearPort: 1M-5M	
	Weekly Open Outcry: 1M-5M	

**Footnote:**

Effective Sunday, August 27, 2017 for trade date Monday, August 28, 2017, CME will convert options on the Mexican Peso/US Dollar ("MXN/USD") futures contract from American- to European-style exercise starting with the January 2018 option contract month.

Appendix A provides amendments to Rule 256A03.A. in blackline format to reflect amendments effective from August 28, 2017 through December 31, 2017 as well as the amendments to Rule 256A03.A. effective on January 1, 2018.

Appendix B summarizes the final expiry calendar for existing American-style exercise options on the MXN/USD futures contract.

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## Appendix A

### CME Rulebook

#### Options on the Mexican Peso/US Dollar ("MXN/USD") Futures Contract

(Additions are underlined; deletions are ~~struck through~~.)

#### Chapter 256A

#### Options on Mexican Peso/U.S. Dollar ("MXN/USD") Futures (Effective August 28, 2017 through December 31, 2017)

#### 256A03. 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 Mexican peso/U.S. dollar futures.

##### 256A03.A. Exercise of Option by Buyer

##### (FOR ALL OPTIONS UP TO AND INCLUDING DECEMBER 2017 OPTIONS)

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 Mexican peso/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. 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.

##### (FOR ALL OPTIONS COMMENCING WITH JANUARY 2018 OPTIONS AND BEYOND)

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.

## **Appendix A (continued)**

### **Chapter 256A Options on Mexican Peso/U.S. Dollar ("MXN/USD") Futures (Effective January 1, 2018)**

#### **256A03. 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 Mexican peso/U.S. dollar futures.

##### **256A03.A. Exercise of Option by Buyer**

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.

## Appendix B

### Final Expiry Calendar for Existing American-Style Exercise Options on the Mexican Peso/US Dollar (“MXN/USD”) Futures Contract

Contract Month	W / M / Q	Underlying Futures Expiry	First Trade Date	Last Trade Date
201708W3	Weekly	201709	7/17/17	8/18/2017
201708W4	Weekly	201709	7/24/17	8/25/2017
201709W1	Weekly	201709	7/31/17	9/1/2017
201709	Quarterly	201709	9/12/16	9/8/2017
201709W3	Weekly	201712	8/14/17	9/15/2017
201709W4	Weekly	201712	8/21/17	9/22/2017
201709W5	Weekly	201712	8/28/17	9/29/2017
201710	Monthly	201712	10/10/16	10/6/2017
201710W2	Weekly	201712	9/4/17	10/13/2017
201710W3	Weekly	201712	9/18/17	10/20/2017
201710W4	Weekly	201712	9/25/17	10/27/2017
201711	Monthly	201712	11/7/16	11/3/2017
201711W2	Weekly	201712	10/2/17	11/10/2017
201711W3	Weekly	201712	10/16/17	11/17/2017
201711W4	Weekly	201712	10/23/17	11/24/2017
201712W1	Weekly	201712	10/30/17	12/1/2017
201712	Quarterly	201712	12/12/16	12/8/2017
201712W3	Weekly	201803	11/13/2017	12/15/2017
201712W4	Weekly	201803	11/20/2017	12/22/2017
201712W5	Weekly	201803	11/27/2017	12/29/2017