

Chapter 10C

Corn Calendar Swaps (Clearing Only)

10C00. SCOPE OF CHAPTER

This chapter is limited in application to the clearing of Corn Calendar Swaps, where the parties to the transaction are "Eligible Swap Participants" as defined in Commodity Futures Trading Commission Regulation 35.1(b)(2). Transactions in Corn Calendar Swaps shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Corn Calendar Swaps shall also be subject to the provisions of Chapter 8-F of the CME Rulebook.

10C01. CONTRACT SPECIFICATIONS

10C01.A. Unit of Clearing

The unit of clearing shall be 5,000 bushels of Corn.

10C01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Corn Calendar Swaps may be submitted to the Clearing House.

Positions shall be initiated or closed out using off-exchange transactions.

10C01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of one quarter of one cent (\$0.0025) per bushel which shall equal \$12.50 per contract. Contracts shall not be made on any other price basis.

10C01.D. Months Cleared

Clearing of Corn Calendar Swaps is regularly conducted in all twelve months, but shall be permitted in the current delivery month plus any succeeding months. The number of months in which clearing may occur at one time shall be at the discretion of the Exchange. The Corn futures contract corresponding to each Corn Calendar Swap shall be the futures contract closest to the basis swap expiration.

10C01.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 13,500 contracts net long or net short in any single contract month.
2. 22,000 contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

10C01.F. Last Day of Clearing

The last day of clearing of Corn Calendar Swaps deliverable in the current delivery month shall be the final settlement day as prescribed in Rule 10C05.

10C01.G. Liquidation during the Delivery Month

After clearing of Corn Calendar Swaps in the current delivery month has ceased, in accordance with Rule 10C01.F. of this chapter, outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 10C02.

10C02. DELIVERY

Delivery against Corn Calendar Swaps must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 10C05.) and shall be accomplished by cash settlement.

Clearing members holding open positions in Corn Calendar Swaps at the time of termination of clearing shall make payment to and receive payment through the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 10C03.).

10C03. FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST MONTH OF TRADING¹

The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the corresponding CBOT Corn futures contract for each clearing day in the month prior to the contract month. For example, final settlement for a July Corn Calendar Swap would be the cumulative average of the daily settlement prices for the July CBOT Corn futures contract during the month of June.

Daily settlement during the last month of clearing shall be the cumulative average of each settlement price of the corresponding Corn futures contract weighting the current day's settlement price across each remaining clearing day. For example, the calculation of the daily settlement price for a July Corn Calendar Swap on the third business day in June in a June with 20 clearing days and with respective settlement prices for the corresponding July Corn futures at \$4.00, \$4.10, and \$4.20 per bushel would weight the average of \$4.00 and \$4.10 (\$4.05) at 2/20ths and weight the current day's settlement of \$4.20 at 18/20ths. In this example, settlement on the third day of clearing in the final month of clearing would be \$4.185 per bushel.

10C04. DAILY SETTLEMENT PRICE

Daily settlement other than settlement on the final settlement day or during the last month of clearing (as described in Rule 10C03) shall be the settlement price for the corresponding CBOT Corn futures contract on that day.

10C05. FINAL SETTLEMENT DAY

The final settlement day shall be defined as the last business day of the month prior to the contract month.

10C06. DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.

¹ Revised October 2010.