

## Chapter 358B

### Euro Denominated E-mini Standard and Poor's 500 Stock Price Index Futures

#### **358B00. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the Euro denominated E-Mini Standard and Poor's 500 Stock Price Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### **358B01. COMMODITY SPECIFICATIONS**

Each Euro denominated E-Mini Standard and Poor's 500 Stock Price Index futures contract shall be valued at €50.00 times the Standard and Poor's 500 Stock Price Index. The Standard and Poor's Stock Price Index is a value-weighted composite index of 500 stocks.

#### **358B02. FUTURES CALL**

##### **358B02.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

##### **358B02.B. Trading Unit**

The unit of trading shall be €50.00 times the Standard and Poor's 500 Stock Price Index.

##### **358B02.C. Price Increments**

Bids and offers shall be quoted in terms of the Standard and Poor's 500 Stock Price Index. The minimum fluctuation of the futures contract shall be .25 index points, equivalent to €12.50 per contract. Trades may also occur in multiples of .05 index points, for Euro denominated E-Mini S&P 500 futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

##### **358B02.D. Position Limits**

A person shall not own or control more than 20,000 contracts net long or net short in all contract months combined.

##### **358B02.E. 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.

##### **358B02.F. Exemptions**

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, (2) other positions exempted pursuant to Rule 559, and (3) cash-substitute positions described in Rule 35806.

##### **358B02.G. Termination of Trading**

Futures trading shall terminate at the regularly scheduled start of trading at the NYSE on the day scheduled for the determination of the Final Settlement Price.

##### **358B02.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading of a contract. If any US governmental 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.

##### **358B02.I. Price Limits, Trading Halts, and/or Trading Hours**

Daily price limits and trading halts of the Euro denominated E-Mini S&P 500 Stock Price Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For the purpose of this rule, the primary E-Mini futures contract shall be defined as the nearest

Euro denominated E-Mini S&P 500 futures contract month. The Equity Price Limit Committee shall have the responsibility of determining whether the primary futures contract is limit offered.

For the first day of trading in a newly listed contract, the implied settlement price will be the most recent daily settlement for the S&P 500 futures contract whose expiration date matches that of the newly listed contract.

**Price Limits:** For purposes of rules determining price limits and trading halts, RTH and ETH refer to, respectively, the Regular Trading Hours and the Electronic Trading Hours of the Standard and Poor's 500 Stock Price Index Futures.

At the open of RTH, there shall be Price Limits corresponding to a 10.0%, 20.0% and 30.0% decline below the Reference RTH Price.

The Price Limits shall be calculated at the beginning of each calendar quarter, based upon the average closing price (P) of the S&P 500 futures contract whose expiration date matches that of the current primary E-Mini futures contract, during the month prior to the beginning of the quarter and rounded, as follows.

5.0% Price Limit	equals	One half of the 10% Price Limit rounded down to nearest integral multiple of 1 index point
10.0% Price Limit	equals	10% of P rounded down to nearest integral multiple of 10 index points
20.0% Price Limit	equals	2 times the 10.0% Price Limit
30.0% Price Limit	equals	3 times the 10.0% Price Limit

When the primary futures contract is limit offered at the 10.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the next applicable Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 20.0% Price Limit, a 10-minute period shall commence. If the primary futures contract is not limit offered at the end of the 10-minute period, trading will continue with the 30% Price Limit in effect. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 30% Price Limit shall apply to such reopening. The 30% Price Limit shall represent the Total Daily Price Limit.<sup>1</sup>

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the Euro denominated E-Mini S&P 500 Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the Dow Jones Industrial Average, has been declared in the primary securities market,

<sup>1</sup> Revised October 2011.

and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the E-Mini Euro denominated S&P 500 Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>1</sup>:** If either a trading halt was in effect or the primary futures contract was locked at a limit at the close of trading, then the opening time of trading on GLOBEX® shall be delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of Euro denominated E-mini S&P 500 futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on Globex, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

### **358B03. SETTLEMENT PROCEDURES**

Delivery under the E-Mini Euro denominated Standard and Poor's 500 Stock Price Index Futures contract shall be by cash settlement.

#### **358B03.A. Final Settlement Price**

The Final Settlement Price shall be a special quotation of the Standard & Poor's 500 Stock Price Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month.

If the Standard & Poor's 500 Stock Price Index is not scheduled to be published on the third Friday of the contract month, the Final Settlement Price shall be determined on the first earlier day for which the Index is scheduled to be published.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

#### **358B03.B. Final Settlement**

Clearing members holding open positions in Euro denominated E-Mini Standard and Poor's 500 Stock Price Index futures contracts at the time of termination of trading in that contract shall make

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<sup>1</sup> Revised January 2009.

payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

#### **358B04. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

#### **358B05. FAILURE TO PERFORM**

If a clearing member fails to perform all acts required by this chapter, then that clearing member shall be deemed as failing to perform, which may be punishable as a major violation. The Board shall determine and assess losses sustained, taking into account the settlement price, interest earnings foregone, and such other factors as it deems appropriate. The Board may also assess such penalties as it deems appropriate in addition to damages.

#### **358B06. CASH-SUBSTITUTE POSITIONS**

For purposes of this rule, the term "cash-substitute positions" means long positions which are economically appropriate to the management of risks in the conduct and management of a commercial enterprise engaged substantially in the cash equities market, and whose underlying commodity value does not exceed the sum of:

1. Cash set aside in an identifiable manner, or unencumbered short-term US Treasury obligations or other US dollar denominated, high-quality, short-term debt instruments so set aside, plus any funds deposited as performance bond on such positions; and
2. Accrued profits on such positions held at the futures commission merchant.

A clearing member shall not carry a cash-substitute account which by itself or in accumulative total with other accounts of the owner exceeds the speculative position limits of Rule 35802.D., unless the President approves and unless the applicant has applied to the Division of Market Regulation on forms provided by the Exchange, wherein he requests a maximum number of positions, fully explains the nature and extent of his business, and states under oath that:

1. The intended positions will be cash-substitute positions.
2. The positions are kept in a special account on the books of a clearing member.
3. The prospective applicant will comply with whatever limitations are applied by the Exchange with regard to said positions.
4. The applicant agrees to submit immediately a supplemental statement explaining any change in circumstances affecting his position.
5. The applicant complies with all other Exchange rules and requirements.
6. The positions are moved in an orderly manner in accordance with sound commercial practices, and are not initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes. The applicant does not use said positions in an attempt to violate or avoid Exchange rules, or otherwise impair the good name or dignity of the Exchange.

The President shall, on the basis of the applicant and supplemental information which the Exchange may request, determine whether the positions shall be approved as cash-substitute positions. The President may impose such limitations as are commensurate with the liquidity of the markets and with the applicant's business needs, financial ability and personal integrity. The President and the Business Conduct Committee may, from time to time, review approvals and, for cause, revoke said approvals or place limitations thereon.

The applicant may appeal any decision of the President or the Business Conduct Committee to the Board.

The applicant shall be exempt from emergency orders reducing speculative limits or restricting trading but only to the extent provided in such order and only if the approvals required by this rule are secured by the applicant.

(End Chapter 358)

**INTERPRETATIONS & SPECIAL NOTICES  
RELATING TO CHAPTER 358B**

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