

Chapter 435

CME Barclays Capital U.S. Aggregate Bond Index Futures

43500. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the Barclays Capital U.S. Aggregate Bond Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

43501. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at \$100.00 times the Barclays Capital U.S. Aggregate Bond Index Value. The Barclays Capital U.S. Aggregate Bond Index Value is equal to the Barclays Capital U.S. Aggregate Bond Index plus 100. The Barclays Capital U.S. Aggregate Bond Index is a total return, value-weighted composite index of U.S. dollar denominated investment grade fixed income instruments.

43502. FUTURES CALL

43502.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.

43502.B. Trading Unit

The unit of trading shall be \$100.00 times the Barclays Capital U.S. Aggregate Bond Index Value.

43502.C. Price Increments

Bids and offers shall be quoted in terms of the Barclays Capital U.S. Aggregate Bond Index Value. The minimum fluctuation of the futures contract shall be 0.20 index points, equivalent to \$20.00 per contract.

43502.D. Position Limits

A person shall not own or control more than 5,000 contracts net long or net short in all contract months combined. For positions involving options on CME Barclays Capital U.S. Aggregate Bond Index futures, this rule is superseded by the option speculative position limit rule.

43502.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.

43502.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 35106.

43502.G. Termination of Trading

Futures trading shall terminate at 2:00 P.M. (Chicago time) on the last business day of the designated contract month

43502.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. 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.

43503. SETTLEMENT PROCEDURES

Delivery under the CME Barclays Capital U.S. Aggregate Bond Index futures contract shall be by cash settlement.

43503.A. Final Settlement Price

The Final Settlement Price shall be the final quotation of the Barclays Capital U.S. Aggregate Bond Index Value determined on the last business day of the contract month, rounded to the nearest

one-hundredth (1/100th) of a percentage point. A Final Settlement Price equal to 1,305.34 is quoted to the nearest one-hundredth (1/100th) of a decimal point. If the Barclays Capital U.S. Aggregate Bond Index is not scheduled to be published on the last business day 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.

43503.B. Final Settlement

Clearing members holding open positions in a CME Barclays Capital Aggregate Index futures contract at the time of termination of trading in that contract shall make 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. The final settlement day shall be the first business day following the Termination of Trading day.

43504. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

43505. 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.

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 435

LIMITATION OF LIABILITY AND DISCLAIMER

The CME Barclays Capital U.S. Aggregate Bond Index futures contract is not sponsored, endorsed, sold or promoted by Barclays Capital Inc. ("Barclays"). Barclays makes no representation or warranty, express or implied, to the owners of the CME Barclays Capital U.S. Aggregate Bond Index futures contract or any member of the public regarding the advisability of investing in securities generally or in the CME Barclays Capital U.S. Aggregate Bond Index futures contract particularly or the ability of the Barclays Capital U.S. Aggregate Bond Index to track general commodity market performance. Barclays' only relationship to the Chicago Mercantile Exchange Inc. (together with its affiliates, "CME") is the licensing of the Barclays Capital U.S. Aggregate Bond Index which is determined, composed and calculated by Barclay without regard to the CME or the CME Barclays Capital Aggregate Index futures contract. Barclay has no obligation to take the needs of the CME or the owners of the CME Barclays Capital Aggregate Index futures contract into consideration in determining, composing or calculating the Barclays Capital U.S. Aggregate Bond Index. Barclays is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the CME Barclays Capital Aggregate Index futures contract to be issued or in the determination or calculation of the equation by which the CME Barclays Capital Aggregate Index futures contract is to be converted into cash. Barclays has no obligation or liability in connection with the administration, marketing or trading of the CME Barclays Capital Aggregate Index futures contract.

BARCLAYS DOES NOT GUARANTEE THE QUALITY, ACCURACY AND/OR THE COMPLETENESS OF THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX, OR ANY DATA INCLUDED THEREIN, OR OTHERWISE OBTAINED BY CME, OWNERS OF THE CME BARCLAYS CAPITAL AGGREGATE INDEX FUTURES CONTRACT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX IN CONNECTION WITH THE RIGHTS LICENSED HEREUNDER OR FOR ANY OTHER USE. BARCLAYS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX, OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING,

IN NO EVENT SHALL BARCLAYS HAVE ANY LIABILITY FOR (1) THE ACCURACY, COMPLETENESS OR CURRENCY OF THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX OR FOR DELAYS OR OMISSIONS THEREIN, OR FOR INTERRUPTIONS IN THE DELIVERY OF THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX, OR (2) ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Barclays Capital U.S. Aggregate Bond Index and Barclays Capital Aggregate Index are service marks of Barclays Capital Inc.