

Chapter 452

Three-Month Eurodollar Futures

45200. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in Three-Month Eurodollars. The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

45201. COMMODITY SPECIFICATIONS

Each futures contract shall be for a Eurodollar Interbank Time Deposit having a principal value of \$1,000,000 with a three-month term to maturity.

45202. FUTURES CALL

45202.A. Trading Schedule¹

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

45202.B. Trading Unit

The size of the unit of trading shall be Eurodollar Interbank Time Deposits in the amount of \$1,000,000.

45202.C. Price Increments²

Bids and offers shall be quoted in terms of the IMM Index, 100.00 00 minus the three-month Eurodollar interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 7.20 percent shall be quoted as 92.8000.)

1. The Nearest Expiring Contract Month

Minimum fluctuations of the IMM Index shall be in multiples of .0025 Index points, equal to \$6.25 per contract. For each .0025 increase in the Index, the Clearing House shall credit \$6.25 per contract to those clearing members holding open long positions and debit \$6.25 per contract from those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit \$6.25 per contract from those clearing members holding open long positions and credit \$6.25 per contract to those clearing members holding open short positions.

2. All Contract Months Excluding the Nearest Expiring Contract Month

Minimum fluctuations of the IMM Index shall be in multiples of .005 Index points, equal to \$12.50 per contract. For each .005 increase in the Index, the Clearing House shall credit \$12.50 per contract to those clearing members holding open long positions and debit \$12.50 per contract from those clearing members holding open short positions. For each .005 decline in the Index the Clearing House shall debit \$12.50 per contract from those clearing members holding open long positions and credit \$12.50 per contract to those clearing members holding open short positions.

45202.D. Position Accountability³

A person owning or controlling more than 10,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Three-Month Eurodollar futures, this rule is superseded by the option position accountability rule.

45202.E. Accumulation of Positions⁴

¹ Revised December 2001.

² Revised January 1997; March 1997; August 1998; November 2000; May 2002; February 2003; May 2003.

³ Effective July 5, 1983; Revised March 1990; January 1992.

⁴ Effective July 5, 1983; Revised September 1986.

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.

45202.F. [Reserved]

45202.G. Termination of Trading¹

Futures trading shall terminate at 11:00 a.m. London Time* on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.

*This is 5:00 a.m. Chicago Time except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

45202.H. Contract Modifications

Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law pertaining to the trading, clearing or delivery of Eurodollars, 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 subjected to such government orders.

45203. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

45203.A. Final Settlement Price²

The final settlement price of an expiring contract shall be 100 minus the three-month Eurodollar interbank time deposit rate determined at the British Bankers' Association (BBA) LIBOR fixing on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery. The value of such three-month Eurodollar interbank time deposit rate shall be rounded to the nearest 1/10,000th of a percentage point per annum. Tie values, ie, any such values ending in .00005 shall be rounded up. For example, a Three-Month BBA LIBOR fixing value of 8.65625 percent would be rounded up to 8.6563 percent, and then subtracted from 100 to determine a contract final settlement price of 91.3437.

45203.B. Final Settlement³

Clearing members holding open positions in a 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.

45204. FAILURE TO PERFORM

If the clearing member with a delivery commitment 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. A clearing member shall be liable to the clearing member to which it was matched on the failing transaction for any loss sustained. 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.

45205. [RESERVED]

45206. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

45207.-29. [RESERVED]

¹ Revised January 1997.

² Revised February 1991; January 1997.

³ Revised June 1992.

45230. SCOPE OF CLEARED ONLY FUTURES RULE¹

Unless otherwise noted below, the following Rules supersede the Rules presented earlier in this chapter. All other contract specifications remain the same as presented earlier in this chapter.

45231. CLEARED ONLY FUTURES CHARACTERISTICS**45231.A. Nature of Cleared Only Futures Contracts**

"Cleared only" futures contracts shall be permitted for clearing during such hours, and for final settlement and last day of clearing on such dates, as may be determined by the Exchange. "Cleared only" futures contracts shall be permitted for final settlement and last day of clearing on any London bank business day that is also an Exchange business day, other than the applicable standard dates for final settlement and termination of trading in futures that are offered for "trading and clearing." Cleared only contracts may be assigned to the Clearing House only through the Substitution process per CME Rule 537.

45231.B. Clearing Unit

(Refer to Rule 45202.B Trading Unit.)

45231.C. Price Increments

Positions shall be marked in terms of the IMM Index, 100.0000 minus the three-month Eurodollar interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 7.20 percent shall be quoted as 92.8000.)

Minimum fluctuations of the IMM Index shall be in multiples of .0025 Index points, equal to \$6.25 per contract. For each .0025 increase in the Index, the Clearing House shall credit \$6.25 per contract to those clearing members holding open long positions and debit \$6.25 per contract from those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit \$6.25 per contract from those clearing members holding open long positions and credit \$6.25 per contract to those clearing members holding open short positions.

45231.D. Position Accountability

(Refer to Rule 45202.D. Position Accountability)

45231.E. Accumulation of Positions

(Refer to Rule 45202.E. Accumulation of Positions)

45231.F. [Reserved]**45231.G. Last Day of Clearing**

Clearing of a "cleared only" futures contracts shall terminate at 11:00 a.m. London Time* on any London bank business day that is also an Exchange business day, that is permissible under Rule 45231.A., and that is mutually agreed to by buyer and seller.

* This is 5:00 a.m. Chicago Time except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

45231.H. Contract Modifications

(Refer to Rule 45202.H. Contract Modifications)

45232. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

45232.A. Final Settlement Price

Final settlement price of an expiring "cleared only" futures contract shall be determined on the contract's last day of clearing (Rule 45231.G.). The final settlement price shall be 100 minus the three-month Eurodollar interbank time deposit rate determined at the British Bankers' Association (BBA) LIBOR fixing on the contract's last day of clearing. For example, the final settlement price of a "cleared only" futures contract for last day of clearing on April 1, 2009, will be made with reference to the Three-Month BBA LIBOR that is fixed on April 1, 2009.

The value of such three-month Eurodollar interbank time deposit rate shall be rounded to the

¹ Effective April 2006

nearest 1/10,000th of a percentage point per annum. Tie values, ie, any such values ending in .00005, shall be rounded up. For example, a Three-Month BBA LIBOR fixing value of 8.65625 percent would be rounded up to 8.6563 percent, and then subtracted from 100 to determine a contract final settlement price of 91.3437.

45232.B. Final Settlement

(Refer to Rule 45203.B. Final Settlement)

45233. FAILURE TO PERFORM

(Refer to Rule 45204. FAILURE TO PERFORM)

45234. [RESERVED]

45235. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

(End Chapter 452)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 452**

The Exchange has entered into an agreement with the British Bankers' Association ("BBA") which permits the Exchange to use BBA LIBOR as the basis for settling Three-Month Eurodollar futures contracts and to refer to BBA LIBOR in connection with creating, marketing, trading, clearing, settling and promoting Three-Month Eurodollar futures contracts.

Three-Month Eurodollar futures contracts are not in any way sponsored, endorsed, sold or promoted by the BBA, and the BBA has no obligation or liability in connection with the trading of any such contracts. BBA LIBOR is compiled and calculated solely by the BBA. However, the BBA shall not be liable (whether in negligence or otherwise) to any person for any error in BBA LIBOR, and the BBA shall not be under any obligation to advise any person of any error therein.

THE BBA MAKES NO WARRANTY, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF BBA LIBOR AND/OR THE FIGURE AT WHICH BBA LIBOR STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. THE BBA MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR USE WITH RESPECT TO THREE-MONTH EURODOLLAR FUTURES CONTRACTS.