

CME Rulebook Chapter 503 Three-Month Euribor Futures

50300. SCOPE OF CHAPTER

This chapter is limited in application to trading in Three-Month Euribor futures. 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.

50301. COMMODITY SPECIFICATIONS

Each futures contract shall be for a euro interbank time deposit having a principal value of approximately €1,000,000 with a three-month term to maturity.

50302. FUTURES CALL

50302.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 Exchange.

50302.B. Trading Unit

The size of the unit of trading shall be euro interbank time deposits in the approximate amount of €1,000,000.

50302.C. Price Increments

Bids and offers shall be quoted in terms of the IMM Index, 100.0000 minus the three-month euro interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 2.55 percent shall be quoted as 97.4500.)

50302.C.1. 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.

50302.C.2. 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.

50302.D. Position Accountability

A person owning or controlling more than 10,000 contracts net long or net short in all contract delivery 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 Euribor futures, this rule is superseded by the option position accountability rule.

50302.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.

50302.F. [Reserved]**50302.G. Termination of Trading****50302.G.1. Last Day of Trading**

Trading in an expiring contract shall terminate at 11:00 a.m. Central Europe Time* on the second Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) System business day immediately preceding the third Wednesday of such contract's named month of delivery.

*11:00 a.m. Central Europe Time is 4:00 a.m. Chicago Time, except when Daylight Savings Time is in effect in either, but not both, the Central Europe Time Zone or Chicago.

50302.G.2. Provision for Adjustment to Last Day of Trading

If, at any time after close of trading on the second Exchange business day prior to the day scheduled for Last Day of Trading (Rule 50302.G.1.), it becomes known to the Exchange that such day scheduled for Last Day of Trading will not be a TARGET System business day, then the TARGET System business day next following such day shall become the Last Day of Trading.

50302.G.3. Exclusions

If, at any time after close of trading on the second Exchange business day prior to the day scheduled for Last Day of Trading, it becomes known to the Exchange that the day which would have been the TARGET System business day immediately preceding the third Wednesday of the month will not be a TARGET System business day, then such event shall not affect the Last Trading Day, which shall remain as scheduled in accord with Rules 50302.G.1. and 50302.G.2.

50302.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 three-month EURIBOR® (Rule 50303.A.), 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.

50303. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

50303.A. Final Settlement Price

The final settlement price of an expiring contract shall be 100 minus the three-month euro interbank time deposit rate (three-month EURIBOR®) determined at the EURIBOR-EBF fixing on the second TARGET System business day immediately preceding the third Wednesday of such contract's delivery month.

Such three-month EURIBOR® value shall be rounded to the nearest 1/1,000th of a percentage point per annum. Tie values, ie, any such values ending in .0005, shall be rounded down. For example, a three-month EURIBOR® fixing value of 2.7185 percent would be rounded down to 2.718 percent, and then subtracted from 100 to determine a contract final settlement price of 97.282.

50303.B. Final Settlement

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.

50304. 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 Exchange shall determine and assess losses sustained, taking into account the settlement price, interest earnings foregone, and such other factors as it deems appropriate. The Exchange may also assess such penalties as it deems appropriate in addition to damages.

50305. [RESERVED]

50306. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

50307.-29. [RESERVED]

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 503

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