U.S. Treasury Futures Expiration Procedures

The Exchange will determine the final settlement price for expiring Treasury futures according to the procedure detailed below. All references to time of day are Chicago time.

1. The closing range in the expiring contract will be based upon the prices traded from 12:00:00 noon to 12:01:00 p.m., and will include any bid higher than the traded range, or offer lower than the traded range, that is represented at the close of trading.

2. The following calculation, informed by both outright trade in the expiring contract on e-cbot and trade in the companion reduced-tic spread on e-cbot, will be performed to determine the volume-weighted average price of the expiring contract during the period between 12:00:00 noon and 12:01:00 p.m. on the expiring contract's last day of trading:

   $(w_x/w)*p_x + (w_s/w)*\ p_s$ where

   p_x = volume-weighted average trade price in the expiring contract
   p_s = volume-weighted average price of the expiring contract implied by
   the trade price of the reduced-tic spread and the trade price of the deferred contract nearest to the time of the trade in the reduced-tic spread (but not later than 12:01).

   w_x = cumulative traded volume in the expiring contract
   w_s = cumulative traded volume in the reduced-tic spread
   $w = w_x + w_s$

3. The final settlement price will be the volume-weighted average price as computed in Step 2, rounded to the nearest tradable tic. In the case that the volume-weighted average price is the midpoint between two tradable tics, the price will be rounded to the tic closer to the last trade price in the expiring contract.

   As such, the final settlement price may penetrate unfilled bids or offers and, under certain circumstances, may settle outside of the closing range for outright trades in the expiring contract, as established in Step 1.

4. In the absence of trade in both the expiring contract and the companion reduced-tic spread during the last minute, the settlement price will be the best bid or best offer in the outright expiring contract at 12:00:50 p.m., whichever is closer to the last trade price. If there is not a bid/offer pair in the expiring contract at that time, the settlement price will be the best bid or best offer implied by the reduced-tic spread bid/offer at 12:00:50 p.m., whichever is closer to the last trade price in the outright expiring contract. For any bid or offer to be considered in this scenario, the bid or offer must remain active through contract expiration at 12:01:00.

5. In the absence of (a) trade during the last minute, (b) a bid/offer pair in the expiring contract at 12:00:50 p.m., and (c) a bid/offer pair in the reduced-tic spread at 12:00:50 p.m., the settlement price will be based on the most recent of (a), (b) or (c) occurring prior to 12:00:50 p.m.

6. Notwithstanding the foregoing, if the aforementioned calculations cannot be made or are otherwise determined, in the Exchange's sole discretion, not to be representative of the fair value of the contract, the Exchange will determine the final settlement price. In such a scenario, the Market Operations staff may consult non-conflicted market participants.