

TO: Clearing Member Firms

FROM: CME Clearing

DATE: March 12, 2020

ADVISORY #: 20-095

SUBJECT: **UPDATED INFORMATION: CME Group to Close Chicago Trading Floor as a Precaution and Trading Floor Q&A**

{This advisory is an update to Advisory Notice #20-093}

We announced last night that we will be closing the CME Group trading floor at the close of business Friday, March 13 as a precaution to reduce large gatherings that can contribute to the spread of corona virus and in line with the advice of medical professionals.

Below and in the attached Q&A is further guidance:

- All members, member firms, and their employees should consider what information they will need to conduct business remotely. This could include customer contact information and any personal property stored on the floor.
- Full-sized equity index contracts including S&P 500 futures and options on futures will continue to be available on CME Globex only during overnight trading hours. During regular trading hours, market participants can manage S&P pit-based product exposure with available products listed on CME Globex and, pursuant to Rule 855 (Offsetting Positions for Different-Sized Contracts), may request their clearing member firm to offset full-sized and mini- or micro-sized positions in the ratios specified in the Rule 855 Table accessible via a link in Chapter 8 of the Rulebook.

The health and safety of our CME Group community remains a top priority.

Thank you for your support. We will continue to provide updates later today.

**CME Group Closes Chicago Trading Floor as a Precaution
Trading Community Q&A
March 12, 2020**

1. Why are you closing the trading floor? When will it close?

The health and safety of our CME Group community continues to be our top priority. We will close our Chicago trading floor as of the close of business Friday, March 13, 2020 as a precaution to reduce large gatherings that can contribute to the spread of coronavirus in line with the advice of medical professionals.

2. Has a case of coronavirus been confirmed on the trading floor or in the building?

No. CME Group is taking this step out of an abundance of caution.

3. Do you plan to close the trading floor permanently?

The reopening of the trading floor will be evaluated as more medical guidance on the coronavirus becomes available.

4. How can I trade the standard S&P contract when the floor is closed?

Full-sized equity index contracts including S&P 500 futures and options on futures will continue to be available on CME Globex only during overnight trading hours. During regular trading hours, market participants can manage S&P pit-based product exposure with available products listed on CME Globex and, pursuant to Rule 855 (Offsetting Positions for Different-Sized Contracts), may request their clearing member firm to offset full-sized and mini- or micro-sized positions in the ratios specified in the Rule 855 Table accessible via a link in Chapter 8 of the Rulebook.

Ex-pit transactions on Standard S&P 500 contracts will still be permitted - this includes block trades and EFRPs for options and only EFRPs for futures.

5. How can I trade S&P Flex Options when the floor is closed?

For those S&P Flex Options that were previously initiated and listed, participants will be able to trade them electronically on CME Globex or via a block trade. Effective immediately, you will not be able to initiate any new S&P Flex Options.

6. How will CME Direct operate when the floor is closed? How will I get access?

There will be no changes to how CME Direct operates today. For more information on CME Direct and how to get access, visit <http://www.cmegroup.com/trading/cme-direct.html>.

7. What are the rules and procedures on pre-execution discussions?

The Market Regulation Advisory Notices related to pre-execution rules and procedures are available at <https://www.cmegroup.com/rulebook/rulebook-harmonization.html>. Market Regulation Advisory Notices related to block trading are available at: <https://www.cmegroup.com/rulebook/files/cme-group-Rule-526.pdf>.

8. What will happen to unfilled orders including Good-Til-Canceled (GTC) orders?

All unfilled orders, including GTCs, should be returned to either the qualifying clearing member or originating firms by the close of business this Friday, March 13.

9. Who should I contact if I need access to the trading floor?

As of close of business Friday, March 13, 2020, access to the trading floor will not be permitted.

10. How can I facilitate customer orders routed to the pit for execution?

Member firms and floor brokers facilitating any customer orders currently routed to the floor for pit execution should have alternative plans in place to handle the execution of those orders either on CME Globex or via permissible noncompetitive execution methods (block trades and EFRPs). This includes any orders that have been placed with floor brokers for pit execution that have not currently been filled. You should engage with your qualifying clearing member firm to determine whether they will permit you to execute customer orders remotely after Friday.

11. Will block thresholds be changed for any products?

For full-sized Standard S&P 500 options on futures, the minimum block threshold will be lowered to 50 contracts while the trading floor is closed. Please note that each leg of a spread must satisfy this minimum threshold. For S&P Flex options, the block trade minimum will be established at 50 contracts.

12. What happens to outrades?

Clearing House will work with outrade clerks and brokers to match all activity via phone. Broker Trade View will be available to view trades via CME Group Portal. Please contact ccs@cmegroup.com or 312.207.2525 with questions.

13. Will brokerage reports still be available?

Yes, all brokerage reports are available in Enterprise Reporting Tool (EREP) which is available online. For access issues, please contact EASE.

14. What happens to the trade vendor devices for trade submission on the floor?

All trade entry vendor devices utilized on the trading floor will be restricted effective Monday, March 16.

15. Will post-trade activity be allowed on pit trades in clearing post-closure?

Yes, post-trade activity will be available as usual.