



## Special Executive Report

S-8459

October 15, 2019

### Initial Listing of Twenty-Four (24) Options on Three-Month SOFR Futures

Effective January 5, 2020, for first trade date of Monday, January 6, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will list twenty-four (24) options on Three-Month SOFR Futures contracts (the "Contracts") (Rulebook Chapter: 460A) for open outcry trading on the CME trading floor, trading on the CME Globex electronic trading platform, and for submission for clearing via CME ClearPort, as noted below.

Options on Three-Month SOFR Futures	SR3
Three-Month Mid-Curve Options on Three-Month SOFR Futures	TS2
Six-Month Mid-Curve Options on Three-Month SOFR Futures	TS3
Nine-Month Mid-Curve Options on Three-Month SOFR Futures	TS4
One-Year Mid-Curve Options on Three-Month SOFR Futures	S0
Weekly One-Year Mid-Curve Options on Three-Month SOFR Futures - Week 1	S01
Weekly One-Year Mid-Curve Options on Three-Month SOFR Futures - Week 2	S02
Weekly One-Year Mid-Curve Options on Three-Month SOFR Futures - Week 3	S03
Weekly One-Year Mid-Curve Options on Three-Month SOFR Futures - Week 4	S04
Weekly One-Year Mid-Curve Options on Three-Month SOFR Futures - Week 5	S05
Two-Year Mid-Curve Options on Three-Month SOFR Futures	S2
Weekly Two-Year Mid-Curve Options on Three-Month SOFR Futures - Week 1	S21
Weekly Two-Year Mid-Curve Options on Three-Month SOFR Futures - Week 2	S22
Weekly Two-Year Mid-Curve Options on Three-Month SOFR Futures - Week 3	S23
Weekly Two-Year Mid-Curve Options on Three-Month SOFR Futures - Week 4	S24
Weekly Two-Year Mid-Curve Options on Three-Month SOFR Futures - Week 5	S25
Three-Year Mid-Curve Options on Three-Month SOFR Futures	S3
Weekly Three-Year Mid-Curve Options on Three-Month SOFR Futures - Week 1	S31
Weekly Three-Year Mid-Curve Options on Three-Month SOFR Futures - Week 2	S32
Weekly Three-Year Mid-Curve Options on Three-Month SOFR Futures - Week 3	S33
Weekly Three-Year Mid-Curve Options on Three-Month SOFR Futures - Week 4	S34
Weekly Three-Year Mid-Curve Options on Three-Month SOFR Futures - Week 5	S35
Four-Year Mid-Curve Options on Three-Month SOFR Futures	S4
Five-Year Mid-Curve Options on Three-Month SOFR Futures	S5

Exhibit 1 summarizes specifications for the Contracts. Applicable Exchange fees are shown in Exhibit 2.

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## Exhibit 1 -- Contract Specifications

Unless otherwise noted, all times of day are Chicago time ("CT").

<b>Underlying Instrument</b>	Each Option is exercisable into one (1) specified Three-Month SOFR Futures contract (Commodity Code: SR3; Rulebook Chapter 460).
<b>Expiries</b>	<p><i>Quarterly Standard Options:</i> March Quarterly months (Mar, Jun, Sep, Dec) <i>Serial Standard Options:</i> Non-March Quarterly months (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov)</p> <p><i>Quarterly One-, Two-, Three-, Four-, and Five-Year Mid-Curve Options:</i> March Quarterly months <i>Serial One-, Two-, Three-, Four-, and Five-Year Mid-Curve Options:</i> Non-March Quarterly months <i>Weekly One-, Two-, and Three-Year Mid-Curve Options:</i> Specified Fridays</p> <p><i>Quarterly Three-, Six-, and Nine-Month Mid-Curve Options:</i> March Quarterly months <i>Serial Three-, Six-, and Nine-Month Mid-Curve Options:</i> Non-March Quarterly months</p>
<b>Exercise Price Arrays</b>	<p>For options expiring on a given date, for exercise into a given Underlying Instrument, exercise prices at all integer multiples of 0.25 Underlying Instrument price points ("points" or "price points") from 5.50 points above to 5.50 points below current at-the-money exercise price, and at all integer multiples of 0.125 points from 1.50 points above to 1.50 points below current at-the-money exercise price.</p> <p><i>At-the-money exercise price</i> is the Option exercise price closest to previous daily settlement price of the option's Underlying Instrument.</p>
<b>Minimum Option Premium Increment</b>	<p>Quoted in Underlying Instrument price points, at \$2,500 per point per Option contract, as follows:</p> <p><i>Outright -- Quarterly Standard Options expiring in nearest March Quarterly Month</i> 0.0025 points (\$6.25 per contract) if Option is for nearest monthly Option expiration date, else 0.0025 points (\$6.25 per contract) if Option premium is not greater than 0.05 points, and 0.005 points (\$12.50 per contract) if Option premium is greater than 0.05 points.</p> <p><i>Outright -- Quarterly Standard Options expiring in second-nearest March Quarterly Month, Serial Standard Options, and all Three-Month Mid-Curve Options</i> 0.0025 points (\$6.25 per contract) if Option premium is not greater than 0.05 points, and 0.005 points (\$12.50 per contract) if Option premium is greater than 0.05 points.</p> <p><i>Outright -- All other Quarterly Standard Options, and all other Mid-Curve Options</i> 0.005 points (\$12.50 per contract), with Cabinet = 0.0025 points (\$6.25 per contract).</p> <p><b>Option Spreads/Combinations --</b> 0.005 points, provided that it is 0.0025 points if: (1) spread/combination comprises only Quarterly Standard Options expiring in nearest March Quarterly month, and any component Option contract is for nearest monthly Option expiration date, or (2) spread/combination trades at net premium not greater than 0.05 points and not less than -0.05 points, and any component Option contract is a Quarterly Standard Option expiring in nearest or second-nearest March Quarterly Month, or a Serial Standard Option, or a Three-Month Mid-Curve Option.</p>
<b>Termination of Trading</b>	<p>Trading in expiring Options terminates at close of trading -- typically 4pm -- on Last Day of Trading.</p> <p>For all Options excluding Weekly Mid-Curve Options, <b>Last Day of Trading</b> is the Friday preceding the 3rd Wednesday of Option expiry month. For Weekly Mid-Curve Options, Last Day of Trading is any Friday not scheduled for expiration of any Quarterly Standard Option or Serial Standard Option.</p>
<b>Option Exercise</b>	American Style. Option may be exercised by purchaser on any day that Option is traded. Option purchaser's clearing member firm must notify CME Clearing of intention to exercise no later than 5:30pm on day of exercise. All expiring Options outstanding and unexercised at Termination of Trading shall expire at 5:30pm on Last Day of Trading and, absent contrary instruction, shall be automatically exercised.
<b>Position Accountability and Reportability</b>	<p><i>Reportability threshold:</i> 850 contracts for Quarterly Standard Options and Serial Standard Options. 25 contracts for all other.</p> <p><i>Single-Month and All-Month Accountability thresholds:</i> 10,000 contracts.</p>
<b>Trading and Clearing Hours</b>	<p><i>Open Outcry:</i> 7:20am to 2pm, Mon-Fri. <i>CME Globex and CME ClearPort:</i> 5pm to 4pm, Sun-Fri.</p>

<b>CME Globex Algorithm</b>	Threshold Pro-Rata with Lead Market Maker (LMM) (Q Algorithm). Top Order Allocation = 25%. Top Order Min = 50 contracts. Top Order Max = 1,500 contracts.
<b>Block Trade Minima</b>	625 contracts in Asian Trading Hours ("ATH") (4pm–12am, Mon-Fri on Business Days and at all weekend times) 1,250 contracts in European Trading Hours ("ETH") (12am– 7am, Mon-Fri on Business Days) 2,500 contracts in Regular Trading Hours ("RTH") (7am–4pm, Mon-Fri on Business Days)
	<i>Reporting Window:</i> 5 minutes during RTH; 15 minutes during ATH and ETH.

**Exhibit 2 – Exchange fees**

<b>Membership Type</b>	<b>Venue/Transaction Type</b>	<b>Fee</b>
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Open Outcry Delivery	\$0.15
	CME Globex	\$0.22
	EFP EFR Block	\$0.34
	Exe Asn Future From	\$0.14
	Open Outcry Delivery	\$0.30
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.42
	EFP EFR Block	\$0.55
	Exe Asn Future From	\$0.35
	CME Globex	\$0.49
Rule 106.R Electronic Corporate Members (For other than CME Globex EFP EFR Block - See Non-Members)	EFP EFR Block	\$0.84
	Open Outcry Delivery	\$0.49
Rule 106.H and 106.N Firms	CME Globex	\$0.49
	EFP EFR Block	\$0.69
	Exe Asn Future From	\$0.54
	Open Outcry Delivery	\$0.50
International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (Open Outcry at same rate as CME Globex for Interest Rate products only)	CME Globex	\$0.50
	EFP EFR Block	\$0.99
	Exe Asn Future From	\$0.55
	CME Globex	\$0.60
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex EFP EFR Block - See Non-Members)	EFP EFR Block	\$0.84
	CME Globex During ETH Only	\$0.79
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	Open Outcry Delivery	\$0.70
	CME Globex	\$0.89
	CME Globex - Bundles	N/A
	EFP EFR Block	\$0.99
	Exe Asn Future From	\$0.69
Non-Members (Including: CTA/Hedge Fund Incentive Program Participants & CBOE Members)	Open Outcry Delivery	\$0.70
	CME Globex	\$0.89
	CME Globex - Bundles	N/A
	EFP EFR Block	\$0.99
	Exe Asn Future From	\$0.69

<b>Processing Fees</b>	<b>Fee</b>
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.00