

Chapter 61 Eris US Dollar Swap Futures

61100. SCOPE OF CHAPTER

This chapter is limited in application to trading of Eris US Dollar (“USD”) Swap futures (“futures” or “contract”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall indicate Chicago time.

61101. CONTRACT SPECIFICATIONS

61101.A Contract Structure

\$100,000 notional principal whose value is based upon the difference between a stream of semi-annual fixed interest payments and a stream of quarterly floating interest payments based on USD 3-month ICE LIBOR[®], over a term to maturity. The contract structure is subject to the following contract elections:

1. **Long Futures Position Holder:** Fixed Rate Receiver, Floating Rate Payer
2. **Short Futures Position Holder:** Fixed Rate Payer, Floating Rate Receiver
3. **Fixed Rate:** Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (i.e., one quarter of one percent) per annum when such futures contract is initially listed for trading
4. **Underlying Swap Tenors:** 2-Year, 3-Year, 4-Year, 5-Year, 7-Year, 10-Year, 12-Year, 15-Year, 20-Year, 30-Year
5. **Currency:** US Dollars
6. **Notional Amount:** \$100,000
7. **Fixed Rate Leg Reset Frequency:** Semi-Annual
8. **Fixed Rate Day Count Convention:** 30/360
9. **Floating Rate Leg Reset Frequency:** Quarterly
10. **Floating Rate Day Count Convention:** Actual/360
11. **Business Days:** New York and London
12. **Business Day Convention:** Modified Following, with adjustment of period end dates
13. **Effective Dates:** Quarterly IMM Dates (3rd Wednesday of each March, June, September, December)
14. **Cash Flow Alignment Date (“CFAD”):** The date determined by adding the number of Underlying Swap Tenor years to the Effective Date, used for aligning all fixed and floating Reset Dates, and for determination of the Maturity Date.
15. **Maturity Date:** The final date to which fixed and floating amounts accrue. The last date of the contract. Maturity Date is determined by applying the Modified Following rule to the Cash Flow Alignment Date. Eris Price Alignment Amount (PAA) accrues up to and including the Maturity Date. The Maturity Date may also be referred to as Termination Date.
16. **Last Trading Day:** Exchange business day immediately preceding Maturity Date
17. **Underlying Tenor:** The duration of time from the Effective Date to the Cash Flow Alignment Date.
18. **Remaining Tenor:** The duration of time from today to the Cash Flow Alignment Date.
19. **Reset Dates:** Dates utilized to determine fixed and floating amounts throughout the life of the Contract. Reset Dates define the beginning and end of fixed and floating interest accrual periods. Floating Rate Reset Dates facilitate the determination of the USD 3-month ICE LIBOR[®] Fixing Dates. Reset Dates will be the day of the month of Cash Flow Adjustment Date each March, June, September and December, subject to adjustment according to the Business Day Convention (Modified Following).
20. **First USD 3-month ICE LIBOR[®] Fixing Date:** 2 London business days prior to the Effective Date.
21. **Other USD 3-month ICE LIBOR[®] Fixing Dates:** For all periods other than the first floating rate period, the LIBOR Fixing Date is 2 London business days prior to each Reset Date.
22. **Floating Rate Index:** USD 3-month ICE LIBOR[®] announced by the ICE Benchmark Administration Limited (IBA).

61102. TRADING SPECIFICATIONS

61102.A. Trading Schedule

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

61102.B. Trading Unit

The unit of trading shall be contracts that meet Contract Structure (CBOT Rule 61101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

61102.C. Price Increments

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract.

The minimum price fluctuations for each available tenor shall be:

1. 2-Year Eris USD Swap Futures
 - a. 0.002 of one point, equal to \$2 per contract
 - b. 0.001 of one point, equal to \$1 per contract for the 4 quarterly IMM contract months that are closest to the Maturity Date
2. 3-Year Eris USD Swap Futures
 - a. 0.002 of one point, equal to \$2 per contract
 - b. 0.001 of one point, equal to \$1 per contract for the 6 quarterly IMM contract months that are closest to the Maturity Date
3. 4-Year Eris USD Swap Futures
 - a. 0.005 of one point, equal to \$5 per contract
 - b. 0.001 of one point, equal to \$1 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date
4. 5-Year Eris USD Swap Futures
 - a. 0.005 of one point, equal to \$5 per contract
 - b. 0.001 of one point, equal to \$1 per contract for the 12 quarterly IMM contract months that are closest to the Maturity Date
5. 7-Year Eris USD Swap Futures
 - a. 0.010 of one point, equal to \$10 per contract
 - b. 0.002 of one point, equal to \$2 per contract for the 12 quarterly IMM contract months that are closest to the Maturity Date
6. 10-Year Eris USD Swap Futures
 - a. 0.010 of one point, equal to \$10 per contract
 - b. 0.002 of one point, equal to \$2 per contract for the 12 quarterly IMM contract months that are closest to the Maturity Date
7. 12-Year Eris USD Swap Futures
 - a. 0.010 of one point, equal to \$10 per contract
 - b. 0.002 of one point, equal to \$2 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date
8. 15-Year Eris USD Swap Futures
 - a. 0.010 of one point, equal to \$10 per contract
 - b. 0.002 of one point, equal to \$2 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date
9. 20-Year Eris USD Swap Futures
 - a. 0.020 of one point, equal to \$20 per contract
 - b. 0.005 of one point, equal to \$5 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date
10. 30-Year Eris USD Swap Futures
 - a. 0.020 of one point, equal to \$20 per contract
 - b. 0.005 of one point, equal to \$5 per contract for the 20 quarterly IMM contract months that are closest to the Maturity Date

Contracts shall not be made on any other price basis.

61102.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

61102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

61102.F. Termination of Trading

Trading in an expiring contract shall terminate at the close of trading on the Business Day immediately preceding the Maturity Date of the contract delivery month.

61103. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

61103.A. Maturity Date Final Settlement Price

The Final Settlement Price on the Maturity Date of each contract shall be as follows:

$$S_{\text{final}} = 100 + B_{\text{final}} - C_{\text{final}}$$

S_{final} = Settlement price at maturity

B_{final} = Historical fixed and floating amounts since contract inception through maturity

C_{final} = Eris PAA, at maturity

The Exchange and CME Clearing calculate Final Settlement Price to 4 decimals of precision (e.g., 100.1234).

Eris PAA is a cumulative value calculated daily by applying the secured overnight financing rate (SOFR) to the contract's NPV, using an Actual/360 day-count convention.

Eris PAA will start accruing on the first trade date.

61103.B. Final Settlement

Clearing members holding open positions in a contract at the time of termination of trading in such 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.

61103.C. Daily Settlement Price

The Daily Settlement Price shall be as follows:

$$S_t = 100 + A_t + B_t - C_t$$

S_t = Settlement Price at time t

A_t = Net Present Value (NPV) of the future cash flows at time t, based on discounting

B_t = Value of the historical fixed and floating amounts since contract inception

C_t = Eris Price Alignment Amount (or Eris PAA)

The Exchange and CME Clearing calculate Daily Settlement Price to 4 decimals of precision (e.g., 100.1234).

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 61

The Exchange has entered into an agreement with ICE Benchmark Administration Limited which permits the Exchange to use ICE LIBOR as the Floating Rate Index as the basis for determining the interest rate of the quarterly Floating Rate Leg of Eris US Dollar Swap futures contracts and to refer to ICE LIBOR in connection with creating, marketing, trading, clearing, settling and promoting Eris US Dollar Swap futures contracts. ICE LIBOR[®] is a registered trademark of Intercontinental Exchange Holdings, Inc. and is used under licence.

Eris US Dollar Swap futures contracts are not in any way sponsored, endorsed, sold or promoted by ICE Benchmark Administration Limited, and ICE Benchmark Administration Limited has no obligation or liability in connection with the trading of any such contracts. ICE LIBOR is compiled and calculated solely by ICE Benchmark Administration Limited. However, ICE Benchmark Administration Limited shall not be liable (whether in negligence or otherwise) to any person for any error in ICE LIBOR, and ICE Benchmark Administration Limited shall not be under any obligation to advise any person of any error therein.

ICE BENCHMARK ADMINISTRATION LIMITED MAKES NO WARRANTY, EXPRESS OR IMPLIED, EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF ICE LIBOR

AND/OR THE FIGURE AT WHICH ICE LIBOR STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. ICE BENCHMARK ADMINISTRATION LIMITED MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR USE WITH RESPECT TO ERIIS US DOLLAR SWAP FUTURES CONTRACTS.