

Chapter 204A

USD Malaysian Crude Palm Oil Calendar Swap (Cleared Only)

204A00. SCOPE OF CHAPTER

This chapter is limited in application to the clearing of USD Malaysian Crude Palm Oil Calendar Swaps, where the parties to the transaction are “Eligible Contract Participants” as defined in Commodity Exchange Act Section 1a(18). Transactions in USD Malaysian Crude Palm Oil Calendar Swaps shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in USD Malaysian Crude Palm Oil Calendar Swaps shall also be subject to the provisions of Chapter 8-F of the CME Rulebook.

204A01. CONTRACT SPECIFICATIONS

204A01.A. Unit of Clearing

The unit of clearing shall be 25 metric tons.

204A01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which USD Malaysian Crude Palm Oil Calendar Swaps may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

204A01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of USD \$0.25 per metric ton which shall equal USD \$6.25 per contract. Contracts shall not be made on any other price basis.

204A01.D. Months Cleared

Clearing of USD Malaysian Crude Palm Oil Calendar Swaps is regularly conducted in all 12 months, but shall be permitted in the current delivery month and any succeeding months. The number of months in which clearing may occur shall be at the discretion of the Exchange.

204A01.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.

204A01.F. Last Day of Clearing

The last day of clearing of USD Malaysian Crude Palm Oil Calendar Swaps deliverable in the current delivery month shall be the final settlement day as prescribed in Rule 204A05.

204A01.G. Liquidation during the Delivery Month

After clearing of USD Malaysian Crude Palm Oil Calendar Swaps in the current delivery month has ceased, in accordance with Rule 204A01.F. of this chapter, outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 204A02.

204A02. CASH SETTLEMENT

Final settlement under these rules shall be on the final settlement day (as described in Rule 204A05) and shall be accomplished by cash settlement. Clearing members holding open positions in USD Malaysian Crude Palm Oil Calendar Swaps at the time of termination of clearing shall make payment to and receive payment through the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 204A03.).

204A03. FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST MONTH OF TRADING

The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the swap contract month converted to USD and rounded to the nearest \$0.25 using the KL REF USD/MYR spot rate, which appears on Thomson Reuters Screen MYRFIX2 Page at approximately 3:30 p.m. Kuala Lumpur time.

For example, final settlement for a January USD Malaysian Crude Palm Oil Calendar Swap would be the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest \$0.25 using the KL REF USD/MYR spot rate at approximately 3:30 p.m. Kuala Lumpur time.

Daily settlement during the last month of clearing shall be the cumulative average of each settlement price of the corresponding Bursa Malaysia Derivatives Berhad FCPO futures contract and converted to USD and rounded to the nearest \$0.25 weighting the current day's settlement price across each remaining clearing day.

Settlement prices shall be generated each CME business day using the most recent available values from Bursa Malaysia Derivatives Berhad and the most recent KL REF USD/MYR spot rate. However, any settlement prices generated on a CME business day that is not also a Bursa Malaysia Derivatives Berhad business day will not be counted toward final settlement.

Additionally, there will be no daily settlement prices generated on non-CME business days that are Bursa Malaysia Derivatives Berhad business days, but the Bursa Malaysia Derivatives Berhad settlement prices generated on such days will count toward final settlement and daily settlement during the last month of clearing.

204A04. DAILY SETTLEMENT PRICE**FOR ALL CONTRACT MONTHS BEGINNING WITH JULY 2017**

Daily settlement other than settlement on the final settlement day or during the last month of clearing (as described in Rule 204A03) shall be the settlement price of the Bursa Malaysia Derivatives Berhad FCPO futures contract that is the third-forward month from the swap month converted to USD using USD/MYR forward rates equating to and interpolating between the closest date(s) to the last business day of the contract's expiration month and published at contract settlement time and rounded to the nearest \$0.25. Daily settlement prices shall be generated each business day the CME is open using the most recent available Bursa Malaysia Derivatives Berhad FCPO futures prices and the latest available USD/MYR forward rates published at contract settlement time.

The Exchange may list USD Malaysian Crude Palm Oil Calendar Swaps before corresponding Bursa Malaysia Derivatives Berhad FCPO futures contracts are listed. In such cases, daily settlements will be based on interpolation between contracts that are listed.

204A05. FINAL SETTLEMENT DAY

The final settlement day shall be on the last CME business day of the swap contract month. However, should there be a Bursa Malaysia Derivatives Berhad business day during the swap contract month that follows the last CME business day of the swap contract month, then final settlement shall be on the first CME business day of the month following the swap contract month.

204A06. DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.