Chapter 303A
Options on Euro/Japanese Yen (EUR/JPY) Cross Rate Futures

303A00. SCOPE OF CHAPTER
This chapter is limited in application to options on Euro/Japanese yen cross rate futures. In addition to this chapter, options on Euro/Japanese yen cross rate futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

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Options contracts covered by this chapter may also be referred to as:
EUR/JPY Monthly Options
EUR/JPY Weekly Friday Options

303A01. OPTIONS CHARACTERISTICS

303A01.A Contract Months, Trading Hours, and Trading Halts
Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.

303A01.B. Trading Unit
The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Euro/Japanese yen cross rate futures contract as specified in Chapter 303.

303A01.C. Price Increments
The price of an option shall be quoted in terms of Japanese yen per Euro. Each .01 Japanese yen per Euro (1 point) shall represent 1,250 Japanese yen. For example, a quote of 0.70 represents an option price of 87,500 Japanese yen (70 points x 1,250 Japanese yen per 1 point). The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of .005 (625 Japanese yen, also known as one half tick), .015 (1,875 Japanese yen, also known as one and one half ticks), .025 (3,125 Japanese yen, also known as two and one half ticks), .035 (4,375 Japanese yen, also known as three and one half ticks), and .045 (5,625 Japanese yen, also known as four and one half ticks).

303A01.D. Underlying Futures Contract
The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) whose termination of trading follows the option's last day of trading by more than two Exchange Business Days.

303A01.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.

303A01.F. 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.

303A01.G. [Reserved]

303A01.H. Termination of Trading and Expiration Days for Options
1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")
Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third
Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at 9:00 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day.

3. Weekly Friday Options

Trading in weekly Friday options shall terminate at 9:00 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding paragraphs 1 and 2. If the foregoing date for termination is an Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding Business Day.

303A01.I. Exercise Prices

Regular exercise prices shall be stated in terms of Japanese yen per Euro at intervals of ¥0.5, e.g., ¥138.50, ¥139.00, ¥139.50, etc.

303A02. LISTING OF EXERCISE PRICES

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract as well as at the next twenty-four higher and next twenty-four lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures contract occurs within half a regular exercise price interval of the twenty-fourth highest or twenty-fourth lowest existing regular exercise price, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options Not in the March Quarterly Cycle ("Serial" and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. Options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

303A03. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Euro/Japanese yen cross rate futures. All options on Euro/Japanese yen cross rate futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

303A03.A. Exercise of Option by Buyer

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price". This shall be determined by taking the fixing price for EUR/USD futures (as described in Chapter 261A) and dividing by the fixing price for the JPY/USD futures (as described in Chapter 253A).

An option is in-the-money if the fixing price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

303A03.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the
underlying futures contract on the following Business Day.
The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.
All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.

303A04. [RESERVED]
(End of Chapter 303A)