

## Chapter 358B

### BTIC+ and TACO+ Futures on E-mini Standard and Poor's 500 Stock Price Index Futures

#### 358B00. SCOPE OF CHAPTER

This chapter is limited in application to BTIC+ and TACO+ Futures on E-mini Standard and Poor's 500 Stock Price Index futures ("E-mini S&P 500 Index futures" or "ES futures"). In addition to this Chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.

Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.

##### 358B00.A. Market Decline

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

##### 358B00.B. Primary Listing Exchange

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the U.S. Securities and Exchange Commission ("SEC"), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

##### 358B00.C. Regulatory Halt

For the purposes of this chapter a Regulatory Halt shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### 358B01. CONTRACT SPECIFICATIONS

##### 358B01.A. Contract Grade

The Basis Trade at Index Close ("BTIC") transaction assigned in fulfillment of any expiring Nearby BTIC+ Futures on E-mini S&P 500 Index Futures ("Nearby BTIC+ on ES") contract or expiring Deferred BTIC+ Futures on E-mini S&P 500 Index Futures ("Deferred BTIC+ on ES") contract, as defined below, and the Basis Trade at Cash Open ("TACO") transaction assigned in fulfillment of any expiring TACO+ Futures on E-mini S&P 500 Index Futures ("TACO+ on ES") contract, as defined below, shall be in accordance with Rules 524.B., Rule 35806.B, and Rule 35806.C.

##### 1. Nearby BTIC+ on ES

The contract grade for an expiring Nearby BTIC+ on ES futures contract made under these Rules shall be a BTIC transaction in one (1) ES futures contract for delivery in the first March Quarterly month (March, June, September, or December) following the Delivery Date specified by the Exchange for such Nearby BTIC+ on ES futures contract, pursuant to Rule 358B02.E.

##### 2. Deferred BTIC+ on ES

The contract grade for an expiring Deferred BTIC+ on ES futures contract made under these Rules shall be a BTIC transaction in one (1) ES futures contract for delivery in the second March Quarterly month following the Delivery Date, specified by the Exchange for such Deferred BTIC+ on ES futures contract, pursuant to Rule 358B02.E.

##### 3. TACO+ on ES

The contract grade for an expiring TACO+ on ES futures contract made under these Rules shall be a TACO transaction in one (1) ES futures contract for delivery in the first March Quarterly month following the Delivery Date specified by the Exchange for such TACO+ on ES futures contract, pursuant to Rule 358B02.E.

##### 358B01.B. Delivery

Delivery shall apply to all positions in expiring futures contracts that remain open following termination of

trading (Rule 358B02.G.). For any such futures contract, delivery shall occur on the Business Day specified by the Exchange when such futures contract is listed by the Exchange for trading.

To each long (short) position in an expiring futures contract in delivery, CME Clearing shall assign a long (short) position of one Contract Grade ES futures contract, pursuant to Rule 358B01.A., at a price level equal to the Final Settlement Price of such expiring futures contract, in accordance with Rule 358B03.A.

The BTIC transaction assigned in fulfillment of (i) an expiring Nearby BTIC+ on ES futures contract or (ii) an expiring Deferred BTIC+ on ES futures contract shall be priced in BTIC terms. The TACO transaction assigned in fulfillment of an expiring TACO+ on ES futures contract shall be priced in TACO terms.

## **358B02. TRADING SPECIFICATIONS**

### **358B02.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange, *provided that* there shall be no trading in futures contracts when trading is halted in the Primary Futures Contract Month for E-mini S&P 500 Stock Price Index futures pursuant to Rule 35802.I.

In accordance with Rule 35802.I. the Exchange shall determine, in its sole discretion, the ES futures delivery month that represents such Primary Futures Contract Month.

### **358B02.B. Trading Unit**

For any given futures contract, the trading unit shall be one ES futures contract (CME Chapter 358).

### **358B02.C. Price Increments**

Bids and offers shall be quoted in ES futures contract price points ("price points"), in accordance with Rule 35802.C. The minimum price fluctuation shall be 0.05 price points, equal to \$2.50 per contract.

For avoidance of doubt, a BTIC+ or TACO+ futures contract may trade at positive or negative values, or at a value of zero, in accordance with Rules 524.B. and Rules 524.C.

### **358B02.D. 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.

### **358B02.E. Delivery Date**

The Delivery Date for BTIC+ and TACO+ futures shall be the date on which a long (short) position in the corresponding ES future will be assigned to the holder of an open long (short) position in such BTIC+ or TACO+ future. Such Delivery Date shall be as specified by the Exchange.

### **358B02.F. Last Trade Date**

The Last Trade Date for BTIC+ and TACO+ futures shall be the Business Day immediately preceding the Delivery Date for such futures.

### **358B02.G. Termination of Trading**

Trading in expiring (i) Nearby BTIC+ on ES futures and (ii) Deferred BTIC+ on ES futures shall terminate at the regularly scheduled close of trading on the Primary Listing Exchanges on the Last Trade Date (Rule 358B02.F.) for such futures.

Trading in expiring TACO+ on ES futures shall terminate at the regularly scheduled open of trading on the Primary Listing Exchanges on the Last Trade Date (Rule 358B02.F.) for such futures.

### **358B02.H. Contract Modifications**

Contract specifications shall be fixed as of the first day of trading in any futures contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.

### **358B02.I. [Reserved]**

**358B03. SETTLEMENT PROCEDURES****358B03.A. Final Settlement Price**

For a futures contract for a given delivery day, the Final Settlement Price shall be determined on the Last Trade Date.

**358B03.B. Delivery Price**

For a futures contract for a given delivery day, the Delivery Price shall be the Final Settlement Price plus

- (i) the official closing Index level on the Delivery Date for Nearby BTIC+ on ES futures contracts or,
- (ii) the official closing Index level on the Delivery Date for Deferred BTIC+ on ES futures contracts or,
- (iii) the special opening quotation level of the Index on the Delivery Date for TACO+ on ES futures contracts, in accord with CME Rule 35803.A.

**358B03.C. Final Settlement**

1. Clearing members holding a long (short) position in an expiring Nearby BTIC+ on ES futures contract at its Termination of Trading (Rule 358B02.G.) will be assigned a BTIC transaction to buy (sell) an ES futures contract on such Nearby BTIC+ futures contract's Delivery Date. Such BTIC transaction to buy (sell) shall be assigned with a price equal to the Final Settlement Price of such contract. Such assigned BTIC transaction to buy (sell) an ES future will settle in accordance with the BTIC Price Assignment Procedures (Rule 35806.B.1) resulting in the clearing member being assigned a long (short) position in an ES future at the Delivery Price.
2. Clearing members holding a long (short) position in an expiring Deferred BTIC+ on ES futures contract at its Termination of Trading (Rule 358B02.G.) will be assigned a BTIC transaction to buy (sell) an ES futures contract on such Deferred BTIC+ futures contract's Delivery Date. Such BTIC transaction to buy (sell) shall be assigned with a price equal to the Final Settlement Price of such contract. Such assigned BTIC transaction to buy (sell) an ES future will settle in accordance with the BTIC Price Assignment Procedures (Rule 35806.B.1) resulting in the clearing member being assigned a long (short) position in an ES future at the Delivery Price.
3. Clearing members holding a long (short) position in an expiring TACO+ on ES futures contract at its Termination of Trading (Rule 358B02.G.) will be assigned a TACO transaction to buy (sell) an ES futures contract on such TACO+ futures contract's Delivery Date. Such TACO transaction to buy shall be assigned with a price equal to the Final Settlement Price of such contract. Such assigned TACO transaction to buy (sell) an ES future will settle in accordance with the TACO Price Assignment Procedures (Rule 35806.B.2) resulting in the clearing member being assigned a long (short) position in an ES future at the Delivery Price.

**358B04. [RESERVED]****358B05. [RESERVED]****358B06. [RESERVED]****INTERPRETATIONS & SPECIAL NOTICES  
RELATING TO CHAPTER 358B**

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