

## Chapter 452

### Three-Month Eurodollar Futures

#### 45200. SCOPE OF CHAPTER

This chapter is limited in application to Three-Month Eurodollar 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.

#### 45201. CONTRACT SPECIFICATIONS

Each contract is valued at \$2,500 times the contract-grade IMM Index (Rule 45202.C.).

#### 45202. TRADING SPECIFICATIONS

##### 45202.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.

##### 45202.B. Trading Unit

For a contract for a given delivery month, the unit of trading shall be interest on an unsecured U.S. dollar-denominated wholesale bank funding transaction, with term to maturity of three months (“three-month term”), for spot settlement on the third Wednesday of such delivery month, expressed as an interest rate per annum for which (i) such interest rate shall accrue on the basis of the actual number of days spanned by such three-month term, divided by a 360-day year, and (ii) each basis point per annum of such interest rate shall be worth \$25 per futures contract.

##### 45202.C. Price Increments

Contract prices shall be quoted in terms of the IMM Index (“Index”), 100.0000 minus the interest rate per annum corresponding to the three-month unsecured U.S. dollar-denominated wholesale bank funding transaction specified in Rule 45202.B. (For example, an interest rate of 2.055 percent per annum shall be quoted as an Index value of 97.9450.)

##### 1. The Nearest Expiring Contract Month

The minimum price fluctuation shall be 0.0025 Index points, equal to \$6.25 per contract.

##### 2. All Contract Months Excluding the Nearest Expiring Contract Month

The minimum price fluctuation shall be 0.005 Index points, equal to \$12.50 per contract.

##### 45202.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.

##### 45202.E. 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.

**45202.F. [Reserved]**

**45202.G. Termination of Trading**

Trading in an expiring contract shall terminate at 11:00 a.m. London time on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.

**45202.H. [Reserved]**

**45203. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

**45203.A. Final Settlement Price**

Subject to Rule 45236, the final settlement price of an expiring contract shall be 100.0000 minus the three-month U.S. dollar ICE LIBOR wholesale funding rate ("rate") for the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery. Such rate shall be as determined, and as first published, by ICE Benchmark Administration Limited. The value of such rate, so published, shall be rounded to the nearest 0.0001 percentage points per annum. Tie values, i.e., any such values ending in 0.00005, shall be rounded up. (For example, a rate of 8.65625 percent would be rounded up to 8.6563 percent, and then subtracted from 100.0000 to determine a contract final settlement price of 91.3437.)

**45203.B. Final Settlement**

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

**45204.-35. [RESERVED]**

**45236. REFERENCE RATE FALLBACK EVENT PROCEDURE**

**45236.A. Fallback Announcement**

With respect to the rate in Rule 45203.A., in the event of any of:

(i) a public statement or publication of information by or on behalf of the administrator of the rate announcing that it has ceased or will cease to provide the rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the rate, the central bank for the currency of the rate, an insolvency official with jurisdiction over the administrator for the rate, a resolution authority with jurisdiction over the administrator for the rate or a court or an entity with similar insolvency or resolution authority over the administrator for the rate, which states that the administrator of the rate has ceased or will cease to provide the rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the rate; or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the rate announcing that:

(A) the regulatory supervisor has determined that such rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such rate is intended to measure and that representativeness will not be restored, and

(B) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts,

(a "USD 3M LIBOR Fallback Announcement"), the Exchange shall utilize the process in Rule 45236.B.

**45236.B. Eurodollar Fallback Effective Date**

In the event of a USD 3M LIBOR Fallback Announcement, with effect from the date of:

- (i) the first date on which the rate is no longer provided; or
- (ii) the first date on which the rate is non-representative by reference to the most recent statement or publication referred to in Rule 45236.A(iii) and even if the rate continues to be provided on such date,

(the "Eurodollar Fallback Effective Date"), the Exchange shall convert open positions in the contract on the Eurodollar Fallback Effective Date into corresponding positions in another Exchange contract in accordance with the process in Rule 45236.C.

**45236.C. Fallback Procedure**

On the Eurodollar Fallback Effective Date, each open position in the contract shall be terminated at the most recent daily settlement price for the contract on the Eurodollar Fallback Effective Date and replaced with a corresponding open position in CME Three-Month SOFR Futures (Chapter 460) (a "Replacement Position").

The Replacement Position shall be assigned to a position holder by the Exchange in accordance with the following procedure:

- (i) the Replacement Position in CME Three-Month SOFR Futures shall be equal in trading unit size and direction to the position in the contract and with the same delivery month; and
- (ii) the price at which the Replacement Position is assigned to the position holder (the "Assignment Price") shall be determined by the Exchange and shall be equal to:

(A) the most recent daily settlement price for the contract on the Eurodollar Fallback Effective Date,

plus

(B) a value adjustment amount which shall be equal to the Spread Adjustment for the rate in Rule 45203.A. published by Bloomberg Index Services Limited and calculated in accordance with industry agreed conventions for fallback events for over-the counter swaps referencing the rate in Rule 45203.A.

**45236.D. Clearing of the Replacement Position**

Clearing of the Replacement Position shall be subject to the Rules for CME Three-Month SOFR Futures (Chapter 460), including for the avoidance of doubt the determination of daily and final settlement prices in respect of each Replacement Position, from the Eurodollar Fallback Effective Date.

**45236.E. Termination of Trading**

On the Eurodollar Fallback Effective Date, trading in the contract shall be terminated and the contract shall no longer be available for trading on the Exchange with immediate effect.

(End Chapter 452)

**INTERPRETATIONS AND SPECIAL NOTICES  
RELATING TO CHAPTER 452**

The Exchange has entered into an agreement with ICE Benchmark Administration Limited which permits the Exchange to use ICE LIBOR as the basis for settling Three-Month Eurodollar futures contracts and to refer to ICE LIBOR in connection with creating, marketing, trading, clearing, settling and promoting Three-Month Eurodollar futures contracts.

Three-Month Eurodollar 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.

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