

Chapter 600

Cleared OTC Non-Deliverable Forward FX Products

60001. SCOPE OF CHAPTER

The scope of this Chapter is limited in application to FX Products. Procedures for trading FX Products and for clearing and settling FX Contracts and any other matters not specifically covered herein shall be governed by the other Chapters of these Rules, including Chapter 8-F (Over-the-Counter Derivative Clearing) to the extent applicable.

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

Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the FX Definitions. For the purposes of any FX Contract, references in the FX Definitions to:

a "Confirmation" shall be deemed to refer and apply to the terms of such FX Contract; and

a "Trade Date" shall be deemed to refer to the Acceptance Date of such FX Contract.

60002. DEFINITIONS

Acceptance Conditions

With respect to a FX Contract, the acceptance for clearing by both FX Clearing Members of a FX Product submitted for clearing and the acceptance by CME Clearing of such FX Product for clearing.

Acceptance Date

With respect to a FX Contract, the date on which the Acceptance Conditions are satisfied.

Acceptance Time

With respect to a FX Contract, the time at which the Acceptance Conditions are satisfied.

Clearing Business Day

With respect to a FX Contract, any day on which CME Clearing is open to process and settle FX Contracts.

Clearing Effective Date

With respect to a FX Contract the Clearing Effective Date shall be:

- (a) the Acceptance Date for such FX Contract, if the Acceptance Time for such FX Contract is prior to 6.45 p.m. New York time on a Clearing Business Day; and
- (b) the Clearing Business Day immediately following the Acceptance Date for such FX Contract, if the Acceptance Time for such FX Contract is on or after 6.45 p.m. New York time on a Clearing Business Day.

Contract Elections

For any FX Product submitted to and accepted for clearing by CME Clearing as a FX Contract, any reference to the "Trade Date" shall be considered a reference to the "Acceptance Date", pursuant to Rule 60001., and each of the following Contract Elections must be made by the corresponding FX Participant in comportment with the contract specifications of Chapter 601 and the Relevant EMTA Template Terms for such FX Product:

1. Reference Currency
2. Notional Amounts (for which such FX Participant must specify either (a) a Notional Amount and a Reference Currency Notional Amount or (b) a Forward Rate and either a Notional Amount or a Reference Currency Notional Amount)
3. Whether the FX Clearing Participant is acting as a Reference Currency Buyer or a Reference Currency Seller
4. Whether CME Clearing is acting as a Reference Currency Seller or a Reference Currency Buyer
5. Settlement Date
6. Valuation Date

EMTA

EMTA Inc., the trade association for the emerging markets that was formerly known as the Emerging Markets Traders Association, or a recognized successor thereto.

EMTA Template Terms

With respect to a given FX Product, the EMTA Template Terms shall be all terms prescribed by EMTA for the confirmation of such FX Product in the relevant Currency Pair.

FX Clearing Member

An OTC FX Clearing Member that is authorized to submit FX Products to CME Clearing for clearing pursuant to these Rules.

FX Contract

A FX Product that has been accepted for clearing by CME Clearing.

FX Definitions

The 1998 FX and Currency Options Definitions (including Annex A thereto) as published and amended from time to time by the International Swaps and Derivatives Association, Inc. ("ISDA") and EMTA.

FX Participant

A market participant on whose behalf a FX Clearing Member holds a position in a FX Contract.

FX Product

At any time, a non-deliverable "forward" foreign exchange ("FX") transaction:

- (a) which is executed between counterparties on an over-the-counter ("OTC") basis (including, for the avoidance of doubt, any such transaction executed through a swap execution facility or other trading platform),
- (b) in which the counterparties agree to the exchange ("delivery") of the relevant Currency Pair at a maturity date greater than one or two business days in the future, and
- (c) which is designated by CME Clearing as eligible for clearing at such time.

Relevant EMTA Template Terms

With respect to a given FX Contract, the EMTA Template Terms for the FX Product corresponding to such FX Contract that are in effect on the Acceptance Date of such FX Contract, except to the extent otherwise provided in the Rules. For the avoidance of doubt, if a second EMTA Template for such FX Product becomes effective after the Acceptance Date of such FX Contract, such second EMTA Template shall not apply to the terms of such FX Contract, nor shall it amend the Relevant EMTA Template Terms of such FX Contract, unless otherwise specified by CME Clearing.

Termination Date

The Termination Date of a FX Product shall be the maturity date of such FX Product, as agreed by the counterparties, provided that such maturity date shall occur no sooner than 2 calendar days, and no later than 2 years and 2 calendar days, after the Clearing Business Day on which such FX Product is submitted for clearing to CME Clearing.

60003. NOTICES

Any notice, document, communication, filing or form to be served on, filed with, made to or provided by CME Clearing to an FX Clearing Member pursuant to the Rules or in relation to any FX Contract or FX Product shall be served, filed, made or provided in accordance with these Rules and the relevant procedures set forth in the CME Clearing Manual from time to time.

Any notice, document, communication, filing or form to be served on, filed with, made to or provided by CME Clearing pursuant to the Rules or in relation to any FX Contract or FX Product shall be served, filed, made or provided in accordance with the Rules and the relevant procedures set forth in CME Clearing Manual from time to time.

Notwithstanding any other provision of these Rules, for so long as CME Clearing is unable to receive or deliver, or an FX Clearing Member is unable to deliver, any notice as a result of a failure, malfunction, suspension, or termination of all or any part of any of the relevant Clearing House systems, the time periods for delivery of any such notice will be tolled and any applicable delivery deadlines shall be extended accordingly.

60004. DISCLAIMERS

Neither ISDA[®] nor EMTA bears any responsibility or liability arising from the reproduction, public display, incorporation, dissemination or reference to all or any of the FX Definitions or the EMTA Template Terms. © 1998 International Swaps and Derivatives Association, Inc., Emerging Markets Traders Association, The Foreign Exchange Committee.

60005. REGISTRATION**60005.A. FX Clearing Members**

A FX Clearing Member must register with CME in order to clear FX Contracts through CME Clearing. FX Clearing Members and FX Participants must complete all applicable on-boarding agreements required by CME Clearing to satisfy the registration process.

60005.B. FX Participants

In order for a FX Participant to participate in the clearing of FX Contracts through CME Clearing, such FX Participant's FX Clearing Member must register the account of such FX Participant with CME prior to submitting FX Products on behalf of such Participant for clearing by CME Clearing and shall comply with any requirements of Rule 8F009. ("Customer Registration").

60005.C Eligible Contract Participant

In order to transact in FX Contracts, a FX Participant must be an eligible contract participant ("ECP") pursuant to at least one of the applicable limbs of the definition provided in Section 1a(18) of the Commodity Exchange Act. A FX Clearing Member that clears FX Contracts must obtain a representation from each FX Participant for which it provides clearing services that such FX Participant is, and will be, an ECP at all times during which clearing services are provided for such FX Participant. If a FX Clearing Member becomes aware that a FX Participant for which it provides clearing services no longer qualifies as an ECP, such FX Clearing Member must notify CME Clearing and work with such FX Participant to close out such FX Participant's open FX Contracts as soon as possible. Violations of this Rule may subject the relevant FX Clearing Member to fines and other disciplinary action.

60005.D. Identification of FX Contracts

Each FX Contract shall be identified with an account number which identifies the originator of such FX Contract and which specifies whether such FX Contract is (i) a proprietary transaction of a FX Clearing Member duly registered with CME Clearing or (ii) a transaction by a FX Participant duly registered with CME Clearing.

60006. SUBMISSION OF FX PRODUCTS TO THE CLEARING HOUSE

60006.A. FX Product Submission Methods

FX Products shall be submitted to CME Clearing for clearing through (a) the CME ClearPort GUI and API, or (b) the CME Clearing migration utility, or (c) any other facility or trade platform approved by CME Clearing from time to time. To the extent not specified elsewhere in these Rules, CME Clearing shall specify the terms and conditions under which FX Products shall be submitted to CME Clearing for clearing.

60006.B. Acceptance of FX Product by CME Clearing and Creation of FX Contract

Any FX Product executed between two counterparties on an OTC basis (i) that is submitted to CME Clearing in accordance with the Rules and with all required elections, (ii) that satisfies the conditions in Rule 8F005. ("Substitution and Timeframe of Acceptance for Clearing"), (iii) that is within the FX Product scope prescribed by CME Clearing, and (iv) for which both corresponding FX Clearing Members have accepted the resultant FX Contract, shall be accepted for clearing and shall result in two FX Contracts in accordance with Rule 8F005.

Notwithstanding any provision to the contrary in the Rules or in the Exchange User License Agreement (as may be amended from time to time), the parties to a bilateral FX Product transaction which has been submitted for clearing, but which has not been accepted for clearing by CME Clearing pursuant to these Rules, may separately agree that such bilateral FX Product transaction (i) is a valid and binding agreement between the parties, (ii) is uncleared and (iii) has no affiliation with CME Clearing.

60006.C. Last Day of Clearing

The last day on which a FX Product may be submitted for clearing in respect of a specified Valuation Date shall be the same Clearing Business Day as such Valuation Date.