

Chapter 700

SECURITY FUTURES PRODUCT LISTING STANDARDS

70000. SCOPE OF CHAPTER

This chapter is limited in application to initial and maintenance listing standards for Security Futures Products (“SFPs”) listed on Chicago Mercantile Exchange (the “Exchange”).

70001. SINGLE SECURITY FUTURES – INITIAL LISTING STANDARDS

For a Security Futures Product, that is physically settled, to be eligible for initial listing, the security underlying the futures contract must meet each of the following requirements:

1. It must be a common stock, an American Depositary Receipt (“ADR”) representing common stock or ordinary shares, a share of an exchange traded fund (“ETF Share”), a trust issued receipt (“TIR”) or a share of a registered closed-end management investment company (“Closed-End Fund Share”).
2. It must be registered under Section 12 of the Securities Exchange Act of 1934 (as amended from time to time, the “Exchange Act”), and its issuer must be in compliance with any applicable requirements of the Exchange Act.
3. It must be listed on a national securities exchange or traded through the facilities of a national securities association and reported as a “national market system” security as set forth in Rule 11Aa3-1 under the Exchange Act (“NMS security”).
4. There must be at least seven million shares or receipts evidencing the underlying security outstanding that are owned by persons other than those required to report their security holdings pursuant to Section 16(a) of the Exchange Act.

INTERPRETATION OF REQUIREMENT 4 AS APPLIED TO RESTRUCTURE SECURITIES

In the case of an equity security that a company issues or anticipates issuing as the result of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction (“Restructure Security”), the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, it determines that, on the product’s intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an exchange or automated quotation system that is subject to an initial listing requirement of no less than seven million publicly owned shares.

In the case of a Restructure Security issued or distributed to the holders of the equity security that existed prior to the ex-date of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction (“Original Equity Security”), the Exchange may consider the number of outstanding shares of the Original Equity Security prior to the spin-off, reorganization, recapitalization, restructuring or similar corporate transaction (“Restructuring Transaction”).

5. In the case of an underlying security other than an ETF Share, TIR or Closed-End Fund Share, there must be at least 2,000 security holders.

INTERPRETATION OF REQUIREMENT 5 AS APPLIED TO RESTRUCTURE SECURITIES

If the security under consideration is a Restructure Security, the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, the Exchange determines that, on the product’s intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an exchange or automated quotation system that is subject to an initial listing requirement of at least 2,000 shareholders. In the case of a Restructure Security issued or distributed to the holders of the Original Equity Security, the Exchange may consider the number of shareholders of the Original Equity Security prior to the Restructuring Transaction.

6. In the case of an underlying security other than an ETF Share, TIR or Closed-End Fund Share, it must have had total trading volume (in all markets in which the underlying security is traded)

of at least 2,400,000 shares or receipts evidencing the underlying security in the preceding 12 months.

INTERPRETATION OF REQUIREMENT 6 AS APPLIED TO RESTRUCTURE SECURITIES

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may “look back” to the trading volume history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- a. The Restructure Security has an aggregate market value of at least \$500 million;
- b. The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;
- c. The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds \$50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or
- d. The revenues attributed to the business represented by the Restructure Security equal or exceed \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

For purposes of determining whether the Look-Back Test is satisfied, the term “Relevant Percentage” means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security’s closing price on its primary market on the last business day prior to the date on which the Restructure Security is selected as an underlying security for a SFP (“Selection Date”), or the Restructure Security’s opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer’s (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the trading volume history of an Original Equity Security for any trading day unless it also relies upon the market price history for that trading day.

In addition, once the Exchange commences to rely upon a Restructure Security’s trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the Original Equity Security for any trading day thereafter.

7. In the case of an underlying security that is an ETF Share, TIR or Closed-End Fund Share, it must have had a total trading volume (in all markets in which the underlying security has traded) of at least 2,400,000 shares or receipts evidencing the underlying security in the preceding 12 months.
8. If the underlying security is a “covered security as defined under Section 18(b)(1)(A) of the Securities Act of 1933, the market price per share of the underlying security has been at least \$3.00 for the previous five consecutive business days preceding the date on which the Exchange commences to list and trade the Security Futures Product on said underlying security. For purposes of this provision, the market price of such underlying security is measured by the closing price reported in the primary market in which the underlying security is traded.

INTERPRETATION OF REQUIREMENT 8 AS APPLIED TO RESTRUCTURE SECURITIES

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may “look back” to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- a. The Restructure Security has an aggregate market value of at least \$500 million;
- b. The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;
- c. The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or
- d. The revenues attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

For purposes of determining whether the Look-Back Test is satisfied, the term “Relevant Percentage” means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security’s closing price on its primary market on the last business day prior to the Selection Date, or the Restructure Security’s opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer’s (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Restructure Securities Issued in Public Offering or Rights Distribution: In determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement 8, the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades “regular way” on an exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades “regular way” prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least \$3.00.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the Exchange commences to rely upon a Restructure Security’s trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter.

9. If the underlying security is not a “covered security as defined under Section 18(b)(1)(A) of the Securities Act of 1933, the market price per share of the underlying security has been at least \$7.50 for the previous five consecutive business days preceding the date on which the Exchange commences to list and trade the Security Futures Product on said underlying security. For purposes of this provision, the market price of such underlying security is

measured by the closing price reported in the primary market in which the underlying security is traded.

INTERPRETATION OF REQUIREMENT 9 AS APPLIED TO RESTRUCTURE SECURITIES

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may “look back” to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- a. The Restructure Security has an aggregate market value of at least \$500 million;
- b. The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;
- c. The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or
- d. The revenues attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

For purposes of determining whether the Look-Back Test is satisfied, the term “Relevant Percentage” means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security’s closing price on its primary market on the last business day prior to the Selection Date, or the Restructure Security’s opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer’s (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Restructure Securities Issued in Public Offering or Rights Distribution: In determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement 9, the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades “regular way” on an exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades “regular way” prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least \$7.50.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the Exchange commences to rely upon a Restructure Security’s trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter.

10. If the underlying security is an ADR:
- a. The Exchange must have an effective surveillance sharing agreement with the primary exchange in the home country where the stock underlying the ADR is traded;
 - b. The combined trading volume of the ADR and other related ADRs and securities in the U.S. ADR market, or in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 50% of the combined worldwide trading volume in the ADR, the security underlying the ADR, other classes of common stock related to the underlying security, and ADRs overlying such other stock over the three-month period preceding the dates of selection of the ADR for futures trading ("Selection Date");
 - c.
 - (1) The combined trading volume of the ADR and other related ADRs and securities in the U.S. ADR market, and in markets where the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 20% of the combined worldwide trading volume in the ADR and in other related ADRs and securities over the three-month period preceding the Selection Date;
 - (2) The average daily trading volume for the ADR in the U.S. markets over the three-month period preceding the Selection Date is at least 100,000 receipts; and
 - (3) The daily trading volume for the ADR is at least 60,000 receipts in the U.S. markets on a majority of the trading days for the three-month period preceding the Selection Date.
- Or
- d. The Securities and Exchange Commission and Commodity Futures Trading Commission have otherwise authorized the listing.
11. The Exchange will not list for trading any SFP where the underlying security is a Restructure Security that is not yet issued and outstanding, regardless of whether the Restructure Security is trading on a "when issued" basis or on another basis that is contingent upon the issuance or distribution of securities.

70002. SINGLE SECURITY FUTURES – MAINTENANCE LISTING STANDARDS

1. The Exchange will not open for trading any SFP, that is physically settled, with a new delivery month, and may prohibit any opening purchase transactions in the SFP already trading, to the extent it deems such action necessary or appropriate, unless the underlying security meets each of the following maintenance requirements; provided that, if the underlying security is an ETF Share, TIR or Closed-End Fund Share, the applicable requirements for initial listing of the related SFP (as described in Rule 70001 above) shall apply in lieu of the following maintenance requirements:
 - a. It must be registered under Section 12 of the Exchange Act.
 - b. There must be at least 6,300,000 shares or receipts evidencing the underlying security outstanding that are owned by persons other than those who are required to report their security holdings pursuant to Section 16(a) of the Exchange Act.
 - c. There must be at least 1,600 securityholders.
 - d. It must have had an average daily trading volume (across all markets in which the underlying security is traded) of least 82,000 shares or receipts evidencing the underlying security in each of the preceding 12 months.

INTERPRETATION OF REQUIREMENT 1.d AS APPLIED TO RESTRUCTURE SECURITIES

If a Restructure Security is approved for a SFP trading under the initial listing standards in Rule 70001, the average daily trading volume history of the Original Equity Security (as defined in Rule 70001) prior to the commencement of trading in the Restructure Security (as defined in Rule

70001), including “when-issued” trading, may be taken into account in determining whether this requirement is satisfied.

- e. The market price per share or receipt of the underlying security has not closed below \$3.00 on the previous trading day to the Expiration Day of the nearest expiring Contact on the underlying security. The market price per share of the underlying security will be measured by the closing price reported in the primary market in which the underlying security traded.

INTERPRETATION OF REQUIREMENT 1.e AS APPLIED TO RESTRUCTURE SECURITIES

If a Restructure Security is approved for SFP trading under the initial listing standards per Rule 70001, the market price history of the Original Equity Security prior to the commencement of trading in the Restructure Security, including “when-issued” trading, may be taken into account in determining whether this requirement is satisfied.

- f. If the underlying security is an ADR and was initially deemed appropriate for SFP trading per Rule 70001.10.b or Rule 70001.10.c., the Exchange will not open for trading SFPs having additional delivery months on the ADR unless:
 - (1) The percentage of worldwide trading volume in the ADR and other related securities that takes place in the U.S. and in markets with which the Exchange has in place effective surveillance sharing agreements for any consecutive three-month period is: (1) at least 30%, without regard to the average daily trading volume in the ADR; or (2) at least 15% when the average U.S. daily trading volume in the ADR for the previous three months is at least 70,000 receipts;
 - (2) The Exchange has in place an effective surveillance sharing agreement with the primary exchange in the home country where the security underlying the ADR is traded; or
 - (3) The Securities and Exchange Commission and Commodity Futures Trading Commission have otherwise authorized the listing.
- 1. The Exchange will not open trading in a SFP with a new delivery month unless:
 - a. The issuer of the underlying security satisfies applicable Exchange Act reporting requirements, or corrects any failure within 30 days after the date the report was due to be filed; and
 - b. The underlying security is listed on a national securities exchange or is principally traded through the facilities of a national securities association and is designated as an NMS security.
 - c. The underlying security is registered under Section 12 of the Securities Exchange Act of 1934 (as amended from time to time, the “Exchange Act”), and its issuer is in compliance with applicable requirements of the Exchange Act.
- 2. If prior to the withdrawal from trading of a SFP covering an underlying security that has been found not to meet the Exchange’s requirements for continued approval, the Exchange determines that the underlying security again meets the Exchange’s requirements, the Exchange may open for trading new delivery months in such SFP and may lift any restriction on opening purchase transactions.
- 3. Whenever the Exchange announces that approval of an underlying security has been withdrawn for any reason or that the Exchange has been informed that the issuer of an underlying security has ceased to be in compliance with Exchange Act reporting requirements, each Clearing Member and Exchange Member (as such terms are defined in the Rules of the Exchange as in effect from time to time) shall, prior to effecting any transaction in SFPs with respect to such underlying security for any customer, inform such customer of such fact and that the Exchange may prohibit further transactions in such SFPs as it determines is necessary and appropriate.

70003. SFPs BASED ON INDEX COMPOSED OF TWO OR MORE SECURITIES – INITIAL LISTING STANDARDS

For a SFP based on an index, that is physically settled, composed of two or more securities to be eligible for initial listing, the index must:

1. Meet the definition of a narrow-based security index in Section 1a(35) of the Commodity Exchange Act and Section 3(a)(55) of the Exchange Act; and
2. Meet the following requirements:
 - a. It must be capitalization-weighted, modified capitalization-weighted, price-weighted or equal dollar-weighted or, in the case of an index underlying physically settled security futures products only, approximately equal dollar-weighted.

INTERPRETATION OF REQUIREMENT 2.a. AS APPLIED TO APPROXIMATELY EQUAL DOLLAR-WEIGHTED INDICES UNDERLYING PHYSICALLY SETTLED SFPs.

In the case of a physically settled SFP based on an approximately equal dollar-weighted index composed of one or more securities, each component security will be weighted equally based on its market price on the Selection Date, subject to rounding up or down the number of shares or receipts evidencing such security to the nearest multiple of 100 shares or receipts.

- a. Its component securities must be registered under Section 12 of the Exchange Act.
- b. Subject to e and l below, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements for listing a single-security future, as set forth in Rule 70001.
- c. Each component security in the index must have a minimum market capitalization of at least \$75 million, except that each of the lowest weighted securities in the index that in the aggregate account for no more than 10% of the weight of the index may have a minimum market capitalization of only \$50 million.
- d. The average daily trading volume in each of the preceding six months for each component security in the index must be at least 45,500 shares or receipts, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index may have an average daily trading volume of only 22,750 shares or receipts for each of the last six months.
- e. Each component security in the index must be listed on a national securities exchange or traded through the facilities of a national securities association and reported as an NMS security.
- f. Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements must not represent more than 20% of the weight of the index.
- g. The current underlying index value must be reported at least once every 15 seconds during the time the SFP is traded on the Exchange.
- h. An equal dollar-weighted index must be rebalanced at least once every calendar quarter, except that an approximately equal dollar-weighted index underlying a physically settled SFP need only be rebalanced as provided in (j) below.
- i. An approximately equal dollar-weighted index underlying a physically settled security futures product must be rebalanced annually if the aggregate value (i.e., the original number of shares multiplied by their current price) of the security position with the highest value is two or more times greater than the aggregate value of the security position with the lowest value in the index for any period of 10 consecutive trading days within the last month preceding the date of determination. In addition, the Exchange may from time to time, but no frequently than quarterly, elect to rebalance any approximately equal dollar-weighted index underlying a physically settled security futures product depending on several factors, including the relative price changes of

the component securities, the levels of volume and open interest in the contracts and input from market participants.

INTERPRETATION OF REQUIREMENT 2.j. REGARDING PROCEDURES FOR REBALANCING

The date of determination for the mandatory annual rebalancing of a approximately equal dollar-weighted index underlying a physically settled security futures product as described in the first sentence of (j) will initially be the last trading day of the year, except that, if the Exchange has rebalanced such index on an interim basis as described in the second sentence of (j), any following annual rebalancing of such index will occur on the anniversary date of the interim rebalancing. New contracts issued on or after a date on which the corresponding index is rebalanced in accordance with (j) will be based on an index consisting of the original component securities, weighted applying the methodology described under (a) above on the basis of security prices on the rebalancing date. Outstanding contracts will not be affected by any rebalancing.

- a. If the underlying index is maintained by a broker-dealer, the index must be calculated by a third party who is not a broker-dealer, and the broker-dealer must have in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index.
- b. In a capitalization-weighted index, the lesser of: (1) the five highest weighted component securities in the index each have had an average daily trading volume of at least 90,000 shares or receipts over the past six months; or (2) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of securities in the index each have had an average daily trading volume of at least 90,000 shares or receipts over the past six months.

70004. SFPs BASED ON INDEX COMPOSED OF TWO OR MORE SECURITIES – MAINTENANCE LISTING STANDARDS

The Exchange will not open for trading SFPs, that are physically settled, based on an index composed of two or more securities with a new delivery month unless the underlying index:

1. Meets the definition of a narrow-based security index in Section 1a(35) of the Commodity Exchange Act and Section 3(a)(55) of the Exchange Act; and
2. Meets the following requirements:
 - a. Its component securities must be registered under Section 12 of the Exchange Act;
 - b. Subject to (d) and (k) below, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements for listing a single-security future, as set forth in 70001.
 - c. Each component security in the index must have a market capitalization of at least \$75 million, except that each of the lowest weighted component securities that in the aggregate account for no more than 10% of the weight of the index may have a market capitalization of only \$50 million.
 - d. The average daily trading volume in each of the preceding six months for each component security in the index must be at least 22,750 shares or receipts, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index may have an average daily trading volume of at least 18,200 shares or receipts for each of the last six months.
 - e. Each component security in the index must be listed on a national securities exchange or traded through the facilities of a national securities association and reported as an NMS security.
 - f. Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements must not represent more than 20% of the weight of the index.

- g. The current underlying index value must be reported at least once every 15 seconds during the time the SFP is traded on the Exchange.
- h. An equal dollar-weighted index will be rebalanced at least once every calendar quarter, except that an approximately equal dollar-weighted index underlying a physically settled security futures product need only be rebalanced as provided in (i) below.
- i. An approximately equal dollar-weighted index underlying a physically settled security futures product must be rebalanced annually if the aggregate value (i.e., the original number of shares multiplied by their current price) of the security position with the highest value of the security position with the lowest value in the index for any period of 10 consecutive trading days within the last month preceding the date of determination. In addition, the Exchange may from time to time, but not more frequently than quarterly, elect to rebalance any approximately equal dollar-weighted index underlying a physically settled security futures product depending on several factors, including the relative price changes of the component securities, the levels of volume and open interest in the contracts and input from market participants.

INTERPRETATION OF REQUIREMENT 2.i. REGARDING PROCEDURES FOR REBALANCING

In the case of a physically settled SFP based on an approximately equal dollar-weighted index composed of one or more securities, each component security will be weighted equally based on its market price on the Selection Date, subject to rounding up or down the number of shares or receipts evidencing such security to the nearest multiple of 100 shares or receipts.

- a. If the underlying index is maintained by a broker-dealer, the index must be calculated by a third party who is not a broker-dealer, and the broker-dealer must have in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index.
- b. In a capitalization-weighted index, the lesser of: (1) the five highest weighted component securities in the index each have had an average daily trading volume of at least 45,500 shares or receipts over the past six months; and (2) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average daily trading volume of at least 45,500 shares or receipts over the past six months.
- c. The total number of component securities in the index must not increase or decrease by more than 33-1/3% from the number of component securities in the index at the time of its initial listing.

If the foregoing maintenance standards are not satisfied, the Exchange will not open for trading a SFP based on an index composed of two or more securities with a new delivery month, unless it receives the approval of the Securities and Exchange Commission and the Commodity Futures Trading Commission.

(End of Chapter 700)