Chapter 504
Brent Crude Oil Futures-Style Margin Option

504100. SCOPE OF CHAPTER
This chapter is limited in application to put and call options on Brent Crude Oil Last Day Financial Futures (BZ) contract. In addition to the rules of this chapter, transactions in options on Brent Crude Oil Last Day Financial Futures shall be subject to the general rules of the Exchange insofar as applicable.

504101. OPTION CHARACTERISTICS
The number of months open for trading at a given time shall be determined by the Exchange.

504101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

504101.B. Trading Unit
A Brent Crude Oil Futures-Style Margin put or call option contract traded on the Exchange represents an option to assume a short or long position in the underlying Brent Crude Oil Last Day Financial Futures (BZ) contract traded on the Exchange.

504101.C. Price Increments
Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of one (1) cent per barrel. A cabinet trade may occur at a price of $0.001 per barrel, or $1.00 per contract.

504101.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.

504101.E. Termination of Trading
A Brent Crude Oil Futures-Style Margin Option contract on the Exchange shall expire at the close of trading three business days prior to the expiration of the underlying Brent Crude Oil Last Day Financial Futures contract. The expiration date shall be announced prior to the listing of the option contract.

504101.F. Type Option
The option is an American-style option.

504102. EXERCISE PRICES
Transactions shall be conducted for option contracts as set forth in Rule 300.20.

504103. SPECIAL PRICE FLUCTUATION LIMITS
At the commencement of each trading day, the contract shall be subject to special 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.

504104. SETTLEMENT VARIATION AND OPTION VALUE
Settlement variation rules for futures-style margin options conform to those set forth for non-options stipulated in NYMEX Rule 814. As such, when a clearing member or its customers is long or short any amount of any commodity for a settlement cycle, as indicated by Clearing House records, settlement for any outstanding exposure shall be made with the Clearing House based on the settlement price for that settlement cycle. For futures-style margin options, each clearing member and its customers shall pay to, or collect from, the Clearing House any loss or profit, as the case may be, represented by the difference between (x) the settlement price of the futures-style margin option for such settlement cycle and (y) the settlement price of the futures-style margin option for the prior settlement cycle (or, for the first settlement cycle after the purchase/sale of such option, the price at which the option was purchased or sold).
504105. OPTION EXERCISE

Notice of exercise must be delivered by a Clearing Member to the Clearing House not later than 2:30 p.m. Central Time on the expiration date. Notice of exercise shall be given to the Clearing House in such form and manner as the Clearing House shall prescribe.