



Special Executive Report

S-7210

October 15, 2014

Amendments to Seven (7) CME Cleared OTC Foreign Exchange Contracts

Effective Sunday, October 19, 2014 for trade date Monday, October 20, 2014, and pending all relevant CFTC regulatory review periods, the Chicago Mercantile Exchange Inc. (CME or Exchange) will amend contracts for seven (7) OTC currency pairs. These FX contracts are listed for submission for clearing through CME ClearPort as follows:

Rulebook Chapter 270H - Cleared OTC USD/RMB Spot, Forwards and Swaps (Commodity Code: USDCNY)

Rulebook Chapter 271H - Cleared OTC USD/KRW Spot, Forwards and Swaps (Commodity Code: USDKRW)

Rulebook Chapter 279H - Cleared OTC USD/INR Spot, Forwards and Swaps (Commodity Code: USDINR)

Rulebook Chapter 280H - Cleared OTC USD/MYR Spot, Forwards and Swaps (Commodity Code: USDMYR)

Rulebook Chapter 281H - Cleared OTC USD/IDR Spot, Forwards and Swaps (Commodity Code: USDIDR)

Rulebook Chapter 282H - Cleared OTC USD/TWD Spot, Forwards and Swaps (Commodity Code: USDTWD)

Rulebook Chapter 283H - Cleared OTC USD/PHP Spot, Forwards and Swaps (Commodity Code: USDPHP)

CME is amending rules for USD/RMB and the USD/KRW Cleared OTC Spot, Forwards and Swaps to remove an outdated Interpretation reference regarding fallback procedures and will work with EMTA and other OTC organizations to make sure CME is aligned in the event a rate is not determined or published.

CME is also amending the fallback procedures for several CME Cleared OTC Spot, Forwards and Swaps chapters to change the reference for fallback procedures from CME Rule 701 Declarations of Force Majeure to CME Rule 812 Final Settlement Price in the event a rate is not determined or published. Rule 812 allows CME to establish a final settlement price in the event the final settlement price cannot be determined and alternative settlement procedures are not otherwise specified in the relevant product chapter.

Exhibits 1-7 provide the amendments to CME Chapters 270H, 271H, 279H, 280H, 281H, 282H and 283H respectively in blackline format.

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EXHIBIT 1

Additions are underlined, deletions are ~~struck through~~

Chapter 270H Cleared OTC U.S. Dollar/ Chinese Renminbi (USD/RMB) Spot, Forwards and Swaps

270H.02. CASH SETTLEMENT
270H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for a valid value date for cash settlement in one Business Day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be determined as the reciprocal of the Final Settlement Price determined per the procedures set forth in Rule 27002.B., Cash Settlement, rounded to the nearest integral multiple of the minimum price increment as identified per Rule 270H.01.C., Minimum Price Increments.

All open positions for that valid value date for cash settlement will be cash settled in the clearing-unit currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency, and divided by the Final Settlement Price for the valid value date for cash settlement.

In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

270H.02.B. ~~Procedures if No Cash Settlement Price is Available~~ [Reserved]

~~In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by CME, and in order to minimize basis risk, the Exchange shall determine a Final Settlement Price as the reciprocal of the Final Settlement Price determined per procedures set forth in the INTERPRETATION TO CHAPTER 270.~~

EXHIBIT 2

Additions are underlined, deletions are ~~struck through~~

Chapter 271H Cleared OTC U.S. Dollar/Korean Won (USD/ KRW) Spot, Forwards and Swaps

271H.02. CASH SETTLEMENT
271H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for a valid value date for cash settlement in one Business Day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be determined as the reciprocal of the Final Settlement Price per the procedures set forth in Rule 27102.B., Cash Settlement, rounded to the nearest integral multiple of the minimum price increment as identified per Rule 271H.01.C., Minimum Price Increments.

All open positions for that valid value date for cash settlement will be cash settled in the clearing-unit currency based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing, times the notional value of the transaction in the clearing unit currency and divided by the Final Settlement Price for the valid value date for cash settlement.

In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

271H.02.B. Procedures if No Cash Settlement Price is Available [Reserved]

~~In the event that the Final Settlement Price for a valid value date for cash settlement cannot be published on a given day by CME, and in order to minimize basis risk, the Exchange shall determine a Final Settlement Price per procedures set forth in the INTERPRETATION TO CHAPTER 271.~~

EXHIBIT 3

Additions are underlined, deletions are ~~struck through~~

**Chapter 279H
Cleared OTC U.S. Dollar/ Indian Rupee (USD/INR) Spot, Forwards and Swaps**

279H.02. CASH SETTLEMENT

279H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in two Business Days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "INR RBIB (INR01)," which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 p.m. Mumbai time (about 1:00 a.m. Central Time in the winter and 2:00 a.m. Central Time in the summer) . This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. Reuters quotes this RBI USD/INR spot rate on its page RBIB. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "INR RBIB (INR01)," for the valid value date for cash settlement in two Business Days, is as follows: MMMMM, DD - YYYY is 47.2143 INR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 47.7152 INR per USD for a notional amount of 100,000 USD, then the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$1,060.91 (*i.e.*, $47.2143 \text{ INR per USD} - 47.7152 \text{ INR per USD} = (-0.5009 \text{ INR per USD} \times 100,000 \text{ USD}) / 47.2143 \text{ INR per USD} = -\$1,060.91$). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$1,060.91.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

~~In the event that the "INR RBIB (INR01)" Indian rupee per U.S. dollar rate is not published on a valid date for cash settlement, then Force Majeure shall be in effect.~~

EXHIBIT 4

Additions are underlined, deletions are ~~struck through~~

**Chapter 280H
Cleared OTC U.S. Dollar/ Malaysian Ringgit (USD/MYR) Spot, Forwards and Swaps**

280H.02. CASH SETTLEMENT

280H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in two Business Days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement

Price shall be equal to the "MYR PPKM (MYR03)," which is the "Malaysian ringgit per U.S. dollar" spot exchange rate spot rate at 11:10 a.m. Kuala Lumpur time (9:10 p.m. CT on the preceding evening), expressed as the amount of Malaysian ringgit per one U.S. dollar, for settlement in two Business Days, reported by Persatuan Pasaran Kewangan Malaysia (ACI - Malaysia), which appears on Thomson Reuters Screen MYRFIX2 Page at approximately 11:10 a.m., Kuala Lumpur time, on that Rate Calculation Date, rounded to four (4) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Malaysian ringgit versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "MYR PPKM (MYR03)," for the valid value date for cash settlement in two Business Days, is as follows: MMYMM, DD - YYYY is 3.012300 MYR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 3.030801 MYR per USD for a notional amount of 100,000 USD, then the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$614.18 (*i.e.*, $3.012300 \text{ MYR per USD} - 3.030801 \text{ MYR per USD} = (-0.018501 \text{ MYR per USD} \times 100,000 \text{ USD}) / 3.012300 \text{ MYR per USD} = -\614.18). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$614.18.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

~~In the event that the "MYR PPKM (MYR03)" Malaysian ringgit per U.S. dollar rate is not published on a valid date for cash settlement, then Force Majeure shall be in effect.~~

EXHIBIT 5

Additions are underlined, deletions are ~~struck through~~

Chapter 281H

Cleared OTC U.S. Dollar/ Indonesian Rupiah (USD/IDR) Spot, Forwards and Swaps

281H.02. CASH SETTLEMENT

281H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in two Business Days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "IDR JISDOR Rate (IDR04)," which is the "Indonesian rupiah per U.S. dollar" spot exchange rate spot rate at 10:00 a.m. Jakarta time (9:00 or 10:00 p.m. CT on the preceding evening), expressed as the amount of Indonesian rupiah per one U.S. dollar, for settlement in two Business Days, reported by Bank Indonesia (or its successor as administrator or sponsor of that rate), which appears on Thomson Reuters Screen JISDOR Page at approximately 10:00 a.m., Jakarta time, on that Rate Calculation Date, rounded to two (2) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indonesian rupiah versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "IDR JISDOR (IDR04)," for the valid value date for cash settlement in two Business Days, is as follows: MMYMM, DD - YYYY is 8612.00 IDR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 8682.45 IDR per USD for a notional amount of 100,000 USD, then the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$818.04 (*i.e.*, $8612.00 \text{ IDR per USD} - 8682.45 \text{ IDR per USD} = (-70.45 \text{ IDR per USD} \times 100,000 \text{ USD}) / 8612.00 \text{ IDR per USD} = -\818.04). Similarly, the Clearing House on the Business Day

following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$818.04.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

~~In the event that the "IDR JSDOR (IDR04)" Indonesian rupiah per U.S. dollar rate is not published on a valid date for cash settlement, then Force Majeure shall be in effect.~~

EXHIBIT 6

Additions are underlined, deletions are ~~struck through~~

Chapter 282H Cleared OTC U.S. Dollar/ Taiwan Dollar (USD/TWD) Spot, Forwards and Swaps

282H.02. CASH SETTLEMENT

282H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in two Business Days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "TWD TAIFX1 (TWD03)" which is the "Taiwan dollar per U.S. dollar" spot exchange rate at 11:00 a.m. Taipei time (9:00 p.m. CT in winter or 10:00 p.m. CT in summer on the preceding evening), expressed as the amount of Taiwan dollar per one U.S. dollar, for settlement in two Business Days, reported by Taipei Forex Inc., which appears on the Reuters screen TAIFX1 page under the heading "Spot" as of 11:00 a.m. Taipei time, rounded to three (3) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Taiwan dollar versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "TWD TAIFX1 (TWD03)," for the valid value date for cash settlement in two Business Days, is as follows: MMMMM, DD - YYYY is 29.195 TWD per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 29.275 TWD per USD for a notional amount of 100,000 USD, then the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$274.02 (*i.e.*, $29.195 \text{ TWD per USD} - 29.275 \text{ TWD per USD} = (-0.080 \text{ TWD per USD} \times 100,000 \text{ USD}) / 29.195 \text{ TWD per USD} = -\274.02). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$274.02.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

~~In the event that the "TWD TAIFX1 (TWD03)" Taiwan dollar per U.S. dollar rate is not published on a valid date for cash settlement, then Force Majeure shall be in effect.~~

EXHIBIT 7

Additions are underlined, deletions are ~~struck through~~

Chapter 283H Cleared OTC U.S. Dollar/ Philippines Peso (USD/PHP) Spot, Forwards and Swaps

283H.02. CASH SETTLEMENT

283H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in one Business Day, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "PHP PDSPEO (PHP06)" which is the "Philippines peso per U.S. dollar" spot exchange rate at 11:30 a.m. Manila time (9:30 p.m. CT in winter or 10:30 p.m. CT in summer on the preceding evening), expressed as the amount of Philippine pesos per one U.S. dollar, for settlement in two Business Days, reported as the weighted average of all foreign exchange transactions done through the electronic Philippine Dealing System (PDS) during the preceding Business Day pursuant to Circular Letter dated July 30, 1992 of the Bangko Sentral ng Pilipinas. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Philippine peso versus U.S. dollars. Reuters quotes this spot rate on its page PDSPEO (PHP06) to the right of the caption "AM WT AVE." All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "PHP PDSPEO (PHP06)," for the valid value date for cash settlement in one Business Day, is as follows: MMMMM, DD - YYYY is 42.673 PHP per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 42.619 PHP per USD for a notional amount of 100,000 USD, then the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing members account for the buyer with US\$126.54 (i.e., 42.673 PHP per USD – 42.619 PHP per USD = +0.054 PHP per USD x 100,000 USD) / 42.673 PHP per USD = +\$126.54.). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing member account for the seller with US\$126.54.

In the event that a Final Settlement Price is not able to be determined as set forth above, the Final Settlement Price will be determined pursuant to Rule 812.

~~In the event that the "PHP PDSPEO (PHP06)" Philippines peso per U.S. dollar rate is not published on a valid date for cash settlement, then Force Majeure shall be in effect.~~