

**Amendments to Rule 452A01.C. (Minimum Fluctuations) for
Options on Three-Month Eurodollar Futures**

Effective Monday, 18 January 2016, for trade date Tuesday, 19 January 2016, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will amend CME Rule 452A01.C. (“Minimum Fluctuations”) for options on Three-Month Eurodollar futures (CME Rulebook Chapter 452A, Clearing Code: ED, CME Globex Code: GE, Trading Floor Code: ZE).

The purpose of the amendments certified herein is to clarify organization and presentation of Rule 451A01.C. in respect of contract minimum price increments. The amendments change neither the substance nor the meaning of the Rule. In respect of outright transactions, the amendments reorganize the Rule text to elucidate the relationship between option minimum price increment and option term to expiry. In respect of intra-market option spreads, the amended Rule text provides a more rigorous account of conditions in which an intra-market spread is eligible to trade in reduced minimum price increments.

Appendix A displays such amendments in blackline format. Appendix B presents the Rule text as amended.

Please refer questions to:

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Appendix A -- Chapter 452A for Options on Three-Month Eurodollar Futures

Amendments to CME Rule 452A01.C. – Blackline Format

(Additions are underlined. Deletions are ~~struck through~~.)

452A01.C. Minimum Fluctuations

~~The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point (1 basis point) shall represent \$25 per option contract. For example, a quote of 0.35 represents an option price of \$875 (35 basis points x \$25 per option contract).~~

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point shall represent one (1) basis point per annum in terms of the three-month Eurodollar time deposit rate for such option's Underlying Futures Contract (Rule 452A01.D.), and shall be equal to \$25 per option contract. For example, a quote of 0.35 IMM Index points represents an option price of \$875 (equal to 35 basis points x \$25 per basis point per option contract).

Minimum price fluctuations shall be as follows --

~~1. Contract Month Whose Underlying Futures Contract is the Nearest Expiring Futures Contract Month~~

~~The minimum fluctuation shall be 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick).~~

~~2. All Other Contract Months~~

~~The minimum fluctuation shall be 0.005 IMM Index point (\$12.50 per option contract, also known as one-half tick). Trades may also occur at a price of 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.~~

~~Further, options that expire in the nearest or second nearest March quarterly contract months (Rule 452A01.D.1.) or the nearest or second nearest non-March quarterly contract months (Rule 452A01.D.2.), and that are trading at a premium of no more than 0.05 IMM Index points, may trade in increments of 0.0025 IMM index points.~~

~~Further, for any option spread or combination that trades at a net premium of no more than 0.05 IMM Index points, and that comprises options that expire only in the nearest or second nearest March quarterly months (Rule 452A01.D.1.) or the nearest or second nearest non-March quarterly months (Rule 452A01.D.2.), the options comprised within such spread or combination may trade in increments of 0.0025 IMM index points.~~

~~For the purpose of Rule 813. Settlement Prices, the minimum fluctuation shall be 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick)~~

1. Quarterly Options (Rule 452A01.D.1.) Expiring in the Nearest March Quarterly Month

Where such options are for the nearest monthly option expiration date (Rule 452A01.J.), the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where such options are not for the nearest monthly option expiration date, then:

Where any such option trades outright at a premium not greater than 0.05 IMM Index points the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

2. Quarterly Options (Rule 452A01.D.1.) Expiring in the Second-Nearest March Quarterly Month and All Serial Options (Rule 452A01.D.2.)

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

3. Mid-Curve Options

~~The minimum fluctuation shall be 0.005 IMM Index point (\$12.50 per option contract, also known as one-half tick). Trades may also occur at a price of 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick), whether or not such trades result in the liquidation of positions for both parties to the trade.~~

3. All Other Quarterly Options (Rule 452A01.D.1.) and All Mid-Curve Options (Rule 452A01.D.3.)

For all Mid-Curve options and for all Quarterly options, excluding those Quarterly options that expire in the nearest March Quarterly month or the second-nearest March Quarterly month, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract), provided that trade may occur at a price level of 0.0025 IMM Index point (equal to \$6.25 per option contract), whether or not such trade results in liquidation of positions for both parties to such trade.

Any option spread or combination that comprises one or more such Other Quarterly Options or Mid-Curve Options shall trade in minimum price increments of 0.005 IMM Index points.

4. Option Spreads and Combinations

All option spreads and combinations shall trade in minimum price increments of 0.005 IMM Index points, subject to the following exceptions:

- (a) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if (i) such option spread or combination comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.), and (ii) all such options are for the nearest monthly option expiration date.
- (b) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if such option spread or combination (i) trades at a net premium not greater than 0.05 IMM Index points and not less than -0.05 IMM Index points and (ii) comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.) and/or Quarterly Options Expiring in the Second-Nearest March Quarterly Month (Rule 452A01.C.2.) and/or Serial Options (Rule 452A01.C.2.).

~~For the purpose of Rule 813—Settlement Prices, the minimum fluctuation shall be 0.0025 IMM Index point (\$6.25 per option contract, also known as one-quarter tick).~~

~~If options are quoted in volatility terms, the minimum fluctuations shall be 0.05 percent.~~

For the purpose of Rule 813 for Settlement Prices, the minimum price fluctuation for all options shall be 0.0025 IMM Index point (equal to \$6.25 per option contract).

Where the price of an option is quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Appendix B -- Chapter 452A for Options on Three-Month Eurodollar Futures

CME Rule 452A01.C. as Amended

452A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point shall represent one (1) basis point per annum in terms of the three-month Eurodollar time deposit rate for such option's Underlying Futures Contract (Rule 452A01.D.), and shall be equal to \$25 per option contract. For example, a quote of 0.35 IMM Index points represents an option price of \$875 (equal to 35 basis points x \$25 per basis point per option contract).

Minimum price fluctuations shall be as follows --

1. Quarterly Options (Rule 452A01.D.1.) Expiring in the Nearest March Quarterly Month

Where such options are for the nearest monthly option expiration date (Rule 452A01.J.), the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where such options are not for the nearest monthly option expiration date, then:

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

2. Quarterly Options (Rule 452A01.D.1.) Expiring in the Second-Nearest March Quarterly Month and All Serial Options (Rule 452A01.D.2.)

Where any such option trades outright at a premium not greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.0025 IMM Index points (equal to \$6.25 per option contract).

Where any such option trades outright at a premium greater than 0.05 IMM Index points, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract).

3. All Other Quarterly Options (Rule 452A01.D.1.) and All Mid-Curve Options (Rule 452A01.D.3.)

For all Mid-Curve options and for all Quarterly options, excluding those Quarterly options that expire in the nearest March Quarterly month or the second-nearest March Quarterly month, the minimum price fluctuation shall be 0.005 IMM Index points (equal to \$12.50 per option contract), provided that trade may occur at a price level of 0.0025 IMM Index point (equal to \$6.25 per option contract), whether or not such trade results in liquidation of positions for both parties to such trade.

Any option spread or combination that comprises one or more such Other Quarterly Options or Mid-Curve Options shall trade in minimum price increments of 0.005 IMM Index points.

4. Option Spreads and Combinations

All option spreads and combinations shall trade in minimum price increments of 0.005 IMM Index points, subject to the following exceptions:

- (a) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if (i) such option spread or combination comprises only Quarterly Options

Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.), and (ii) all such options are for the nearest monthly option expiration date.

- (b) An option spread or combination may trade in minimum price increments of 0.0025 IMM Index points if such option spread or combination (i) trades at a net premium not greater than 0.05 IMM Index points and not less than -0.05 IMM Index points and (ii) comprises only Quarterly Options Expiring in the Nearest March Quarterly Month (Rule 452A01.C.1.) and/or Quarterly Options Expiring in the Second-Nearest March Quarterly Month (Rule 452A01.C.2.) and/or Serial Options (Rule 452A01.C.2.).

For the purpose of Rule 813 for Settlement Prices, the minimum price fluctuation for all options shall be 0.0025 IMM Index point (equal to \$6.25 per option contract).

Where the price of an option is quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.