

DATE: March 12, 2020

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 20-094

SUBJECT: **Harmonization of final settlement prices for expiring out-of-the-money options on April 20, 2020**

On the expiration date of an option, there has long been a difference in the way the final settlement price is published for out-of-the-money strikes between the New York products – NYMEX and COMEX – versus the Chicago ones – CME and CBOT.

In particular, for NYMEX and COMEX options, beginning on expiration date, the final settlement price for out-of-the-money options is assigned as zero. For CME and CBOT options, however, the final settlement price for out-of-the-money strikes is assigned as its “fixed cabinet” value (half the normal tick for CME options, one dollar for CBOT options.)

Effective on **Monday, April 20, 2020**, the behavior for CME and CBOT options will be made consistent with the behavior of NYMEX and COMEX options. Beginning on that date, CME and CBOT options which finish out-of-the-money will be assigned a final settlement price of zero.

Sample settlement price files and SPAN files illustrating the change will be made available shortly, and we will publish an update to this advisory at that time with the details.

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