



Special Executive Report

S-8930

February 18, 2022

Reminder Regarding Compliance with Certain Exchange Rules in Connection with the Execution and Reporting of Open Outcry Spread and Combination Transactions on the Trading Floor

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is reminding market participants that the execution of spread and combination transactions via open outcry on the Exchange's trading floor must be done in accordance with Rule 542. ("Simultaneous Spread and Combination Transactions"), Rule 528. ("Price Reporting") and Rule 512. ("Reporting Infractions").

Specifically, Rule 542. states that spread and combination transactions involving options on interest rate futures contracts trading at tick prices other than those explicitly defined in the Rule are not allowed. Therefore, spread and combination transactions executed via open outcry on the trading floor must be executed at the appropriate minimum price increments, as defined in the contract specifications. Execution of such spread and combination transactions referenced at a price below the minimum price increment is explicitly prohibited.

Market participants who create spreads or combinations designed to achieve a price below the minimum price increment must quote and execute such transactions via open outcry as independent outright, spread or combination transactions at the allowable price increments and report those transactions accurately and in accordance with Rule 528.

Additionally, the trading floor community is required, pursuant to Rule 512. and Rule 528., to accurately notify the designated Exchange official of the price at which trades have been consummated. Therefore, the price at which a trade is verbally executed via open outcry on the trading floor is the price that must be reported to the Exchange official.

Please note that while this is a reminder to the trading floor, market participants must ensure that all trades, regardless of the venue of execution, adhere to the minimum price increments of the product specifications.

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