CME Group

Special Executive Report

S-8019 **November 8, 2017**

Amendments to
CME Three-Month Eurodollar Futures and Options,
CME One-Month Eurodollar Futures and Options, and
CBOT 30-Day Federal Funds Futures and Options Contracts

Effective on Monday, November 27, 2017, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") will implement administrative amendments to terms and conditions of CME Three-Month Eurodollar Futures and Options, CME One-Month Eurodollar Futures and Options, and CBOT 30-Day Federal Funds Futures and Options contracts (the "Contracts") (collectively, the "Rule Amendments") as follows –

CME Rulebook Chapter 452 for Three-Month Eurodollar futures (CME Clearing Code: ED, CME Globex Code: GE),

CME Rule 452A01.C. ("Minimum Fluctuations") for options on Three-Month Eurodollar futures (CME Clearing Code: ED, CME Globex Code: GE, Open Outcry Put Code: PE, Open Outcry Call Code: CE),

CME Rulebook Chapter 453 for One-Month Eurodollar futures (CME Clearing Code: EM, CME Globex Code: GLB), and

CME Rule 453A01.C. ("Minimum Fluctuations") for options on One-Month Eurodollar futures (CME Clearing Code: EM, Open Outcry Code: OL)

CBOT Rulebook Chapter 22 for 30-Day Federal Funds futures (CME Clearing Code: 41, CME Globex Code: ZQ)

CBOT Rule 22A01.C. ("Minimum Fluctuations") for options on 30-Day Federal Funds futures (CME Clearing Code: 41, CME Globex Code: OZQ, Open Outcry Put Code: FFP, Open Outcry Call Code: FFC).

The Exchanges are implementing such Rule Amendments in order to:

(1) *Clarify definition of contract size.* In each instance, the Rule Amendments sharpen the focus of contract terms upon two closely-related features:

- the futures contract's underlying IMM (ie, "100 minus Rate") Index in its role as the price basis, both for such futures and for companion options, and

- the futures contract's underlying reference interest rate in its role as the link between the futures contract's trading unit and the IMM Index that serves as the futures contract's price measure.

(2) *Refine the description of contract grade*. The CME Rule Amendments replace anachronistic language, dating from when the LIBOR benchmarks that underlie CME Three-Month Eurodollar futures and CME One-Month Eurodollar futures were administered by the British Bankers' Association, with language that adheres more closely to the current Libor Code of Conduct as administered by ICE Benchmark Administration Ltd.

(3) *Clarify the nature of futures final settlement price determination*. The CBOT Rule Amendments clarify that, in the calculation of the final settlement price of an expiring CBOT 30-Day Federal Funds futures contract, the daily effective federal funds rate value for the last day of such contract's delivery month shall be as first published, *ie*, that the contract final settlement price shall not be subject to revision in the event that a revised last-day-of-month value is published subsequently.

The Rule Amendments will not alter in any way the trading characteristics or the economic value of the Contracts.

The Rule Amendments in blackline format and clean version may be viewed HERE.

Please refer questions to:

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