

Amendments to Settlement Procedures for U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures Contracts

Effective Sunday, June 10, 2018 for trade date Monday, June 11, 2018, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") shall amend the settlement procedures for U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures and E-Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures Contracts noted in the table below (the "Contracts") and related rules in Chapter 7 ("Delivery Facilities and Procedures (collectively the "Rule Amendments") to convert the Contracts to cash-settlement from physical delivery effective Sunday, June 10, 2018 for trade date Monday, June 11, 2018 effective with the August 2018 contract month and beyond. The Contracts are available for trading on CME Globex and for submission for clearing via CME ClearPort.

Contract Title	CME Rulebook Chapter	Commodity Code
U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures	284L	CNH
E-Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures	344L	MNH

At the request of market participants, the Exchange is amending the contracts to change the settlement procedures from physical delivery to cash settlement. Cash settlement will be on the second Hong Kong business day before the third Wednesday of the contract month. The cash settlement rate will be reported by the Treasury Market Association rate (TMA rate) as CNY CNHKK ("CNY03").

The TMA rate is an indication of the US Dollar (USD)/Chinese Renminbi Yuan spot rate in the Hong Kong wholesale FX market (CNY(HK)) at around 11:00 am Hong Kong time, calculated based on eligible transactions sourced from contributing brokers, and expressed as the amount of Chinese Renminbi Yuan per one US Dollar. Eligible USD/CNY(HK) spot transaction(s) are those executed through an Approved Money Broker with a dedicated FX spot business, having a transacted amount of at least US\$1 million, and transacted between 10:45 am and 11:15 am Hong Kong time.

The calculation methodology volume-weights the median of the eligible transactions that have reached the calculation agent by 11:25 am Hong Kong time (i.e. 10 minutes after the 30-minute window ends at 11:15 am) and are deemed to be correct for calculation. Eligible Transactions are also subject to tolerance checks (with pre-determined thresholds) with the intent of determining benchmark rates that are reflective of the underlying market at a given time.

The Exchange has advised impacted open interest holders of the proposed amendments. As noted, the Exchange is implementing the amendments at the request of market participants and the holders of open interest have not expressed objection to the proposed amendments. Appendix 1 provides the Rule Amendments in blackline format for contract months commencing with the August 2018 contract month and beyond.

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Appendix 1

CME Rulebook Chapters

(Additions are underscored, deletions are ~~struckthrough~~.)

Commencing with the August 2018 Contract Month and Beyond

Chapter 284L

U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures

284L01.E. Termination of Trading

Futures trading shall terminate at 11:00 a.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month. ~~If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Hong Kong and Exchange business day unless the Exchange holiday falls on Monday in which case futures trading shall terminate on the next following common Hong Kong and Exchange business day.~~

284L02. SETTLEMENT PROCEDURES

284L02.A. Physical Delivery

1. Procedures

~~In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.~~

2. Delivery Days

~~Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City. If an Exchange holiday falls on a Monday preceding the third Wednesday of the contract month, delivery shall be made on the first business day following the third Wednesday of the contract month in the country of delivery that is not a bank holiday in Chicago or New York City. Subject to Rule 744 and at the sole discretion of the Chief Executive Officer, President or Chief Operating Officer or their delegate, delivery may be extended an additional business day or days in order to accommodate availability of offshore Chinese renminbi. In such case, invocation of this clause may be deemed a delivery obligation failure and acted upon in accordance with Rule 743.B.~~

284L02.B. ~~[Reserved]~~ Cash Settlement

All U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The CME U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the "CNY CNHKK" (CNY03), which is the "U.S. Dollar per Offshore Chinese renminbi" spot exchange rate, for settlement in two business days, reported by the Treasury Markets Association, Hong Kong (www.tma.org.hk) as its USD/CNY (HK) Spot Rate at approximately 11:30 a.m., Hong Kong time rounded to four decimal places.

1. Futures Final Settlement Price when the CNY CNHKK ("CNY03") Rate is Unavailable for a Given Day

In the event that the CNY CNHKK (CNY03) rate is determined in the sole discretion of the Exchange to be unavailable on the termination of trading day, then final settlement of the CME U.S. dollar/offshore Chinese renminbi futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. Upon the publication of the CNY CNHKK (CNY03) rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME U.S. dollar/offshore Chinese renminbi futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the CNY CNHKK (CNY03) rate, CME shall otherwise determine the Final Settlement Price.

2. Procedures after 14-Day Deferral Period

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then Rule 812 shall apply to determine the Final Settlement Price.

284L03. ~~FAILSAFE CURRENCY AVAILABILITY PROCEDURES FOR DAILY SETTLEMENT~~

~~At the sole discretion of the Chief Executive Officer, President or Chief Operating Officer or their delegate, following review of available information concerning supplies of offshore Chinese renminbi, obligations for daily settlement price variation (pays and collects) denominated in offshore Chinese renminbi may be made in an appropriate amount of U.S. dollars or other convertible currency. The Chief Executive Officer, President or Chief Operating Officer or their delegate, shall determine the applicable conversion rate of offshore Chinese renminbi to U.S. dollars or other convertible currency based upon current published spot foreign exchange market rates. Any such invocation of this clause may be deemed analogous to a delivery obligation failure and acted upon in accordance with Rule 743.B.~~

284L04. DECLARATIONS OF FORCE MAJEURE

~~(Refer to Rule 701—DECLARATIONS OF FORCE MAJEURE)~~

Chapter 344L

E-Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures

344L01.E. Termination of Trading

~~Futures trading shall terminate at 11:00 a.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is an Exchange holiday, futures trading shall terminate on the next preceding common Hong Kong and Exchange business day unless the Exchange holiday falls on Monday in which case futures trading shall terminate on the next following common Hong Kong and Exchange business day.~~

344L02. SETTLEMENT PROCEDURES

344L02.A. Physical Delivery

1. Procedures

~~In addition to the procedures and requirements contained in this chapter, delivery procedures shall be governed by the rules set forth in Chapter 7.~~

2. Delivery Days

~~Delivery shall be made on the third Wednesday of the contract month. If that day is not a business day in the country of delivery or is a bank holiday in either Chicago or New York City, then delivery shall be made on the next day which is a business day in the country of delivery and is not a bank holiday in Chicago or New York City. If an Exchange holiday falls on a Monday preceding the third Wednesday of the contract month, delivery shall be made on the first business day following the third Wednesday of the contract month in the country of delivery that is not a bank holiday in Chicago or New York City. Subject to Rule 744 and at the sole discretion of the Chief Executive Officer, President or Chief Operating Officer or their delegate, delivery may be extended an additional business day or days in order to accommodate availability of offshore Chinese renminbi. In such case, invocation of this clause may be deemed a delivery obligation failure and acted upon in accordance with Rule 743.B.~~

344L02.B. ~~Reserved~~ Cash Settlement

All E-micro U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The CME E-micro U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the “CNY CNH HK” (CNY03),” which is the “U.S. Dollar per Offshore Chinese renminbi” spot exchange rate, for settlement in two business days, reported by the Treasury Markets Association, Hong Kong (www.tma.org.hk) as its USD/CNY (HK) Spot Rate at approximately 11:30 a.m., Hong Kong time rounded to four decimal places.

1. Futures Final Settlement Price when the CNY CNH HK (“CNY03”) Rate is Unavailable for a Given Day

In the event that the CNY CNH HK (CNY03) rate is determined in the sole discretion of the Exchange to be unavailable on the termination of trading day, then final settlement of the CME E-micro U.S. dollar/offshore Chinese renminbi futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. Upon the publication of the CNY CNH HK (CNY03) rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME E-micro U.S. dollar/offshore Chinese renminbi futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the CNY CNH HK (CNY03) rate, CME shall otherwise determine the Final Settlement Price.

2. Procedures after 14-Day Deferral Period

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then Rule 812 shall apply to determine the Final Settlement Price.

344L03. FAILSAFE CURRENCY AVAILABILITY PROCEDURES FOR DAILY SETTLEMENT

At the sole discretion of the Chief Executive Officer, President or Chief Operating Officer or their delegate, following review of available information concerning supplies of offshore Chinese renminbi, obligations for daily settlement price variation (pays and collects) denominated in offshore Chinese renminbi may be made in an appropriate amount of U.S. dollars or other convertible currency. The Chief Executive Officer, President or Chief Operating Officer or their delegate, shall determine the applicable conversion rate of offshore Chinese renminbi to U.S. dollars or other convertible currency based upon current published spot foreign exchange market rates. Any such invocation of this clause may be deemed analogous to a delivery obligation failure and acted upon in accordance with Rule 743.B.

344L04. DECLARATIONS OF FORCE MAJEURE

(Refer to Rule 701 – DECLARATIONS OF FORCE MAJEURE)

CHAPTER 7 DELIVERY FACILITIES AND PROCEDURES

NON-CLS (LEGACY) CURRENCY DELIVERIES

737. FOREIGN CURRENCY BUYER'S DUTIES

737.E. Physical Delivery U.S. Dollar/Offshore Chinese Renminbi (“RMB”) Contracts [Reserved]

A clearing member representing a customer that intends to accept delivery of a Physical Delivery U.S. Dollar / Offshore Chinese Renminbi Contract in liquidation of his position shall, no later than 10:00 a.m. Central Time (CT) on the business day succeeding the last day of trading, present to the Clearing House a Buyer's Non-CLS Delivery Commitment for U.S. Dollar / Offshore Chinese Renminbi Contracts. In addition by 1:00 p.m. CT on the first day preceding the delivery day that is a business day common to the Exchange, Chicago banks and New York City banks, the clearing member representing a customer that intends to accept delivery of a Physical Delivery U.S. Dollar/Offshore Chinese Renminbi Contract in liquidation of his position shall either deposit, or present a Bank Order to Pay, an amount in the minimum fluctuation currency of Offshore Chinese Renminbi equal to the contract value based on the settlement price on the last day of trading. Such deposit shall be in the form of same-day funds to an account at a bank designated by the Clearing House. The bank Order to Pay shall be in a form approved by the Clearing House, and shall promise to pay same-day funds in offshore Chinese Renminbi on the delivery day.

In addition, by 10:00 a.m. local time in the country of delivery on the delivery day, the clearing member representing a customer accepting delivery of a Physical Delivery U.S. Dollar /Offshore Chinese Renminbi Contract in liquidation of his position shall deposit, in same-day funds to an account at a bank designated by the Clearing House, an amount in the minimum fluctuation currency of offshore Chinese Renminbi equal to the contract value based on the applicable settlement price on the last day of trading.

738. FOREIGN CURRENCY SELLER'S DUTIES

737.D. Physical Delivery U.S. Dollar/Offshore Chinese Renminbi (“RMB”) Contracts [Reserved]

The clearing member representing a customer making delivery of a Physical Delivery U.S. Dollar/ Offshore Chinese Renminbi Contract, in liquidation of his position shall, no later than 10:00 a.m. on the business day succeeding the last day of trading, present to the Clearing House a Seller's Non-CLS Delivery Commitment for U.S. Dollar/ Offshore Chinese Renminbi Contracts. In addition, by 1:00 p.m. on the first day preceding the delivery day that is a business day common to the Exchange, Chicago banks and New York City banks, the clearing member shall either deposit, or present a Bank Order to Pay, an amount equal to the trading unit of U.S. Dollars for the U.S. Dollar/ Offshore Chinese Renminbi Contract. Such deposit shall be in the form of same-day funds to an account at a bank designated by the Clearing House. The Bank Order to Pay shall be in a form approved by the Clearing House, and shall promise to pay same-day funds on the delivery day. The Seller shall have made all provisions necessary to receive delivery of the minimum fluctuation currency (offshore Chinese Renminbi) within the country of issuance. The Seller's clearing member shall be responsible for delivering the trading unit currency (U.S. Dollars) on the delivery date to a bank designated by the Clearing House. The Exchange reserves the right to eliminate the requirement for sellers to post a Bank Order to Pay in the event that such requirement is no longer deemed necessary to secure the delivery.

Subject to the preceding two paragraphs, if the Seller's Non-CLS Delivery Commitment for U.S. Dollar/ Offshore Chinese Renminbi Contracts is received later than 10:00 a.m. on the last day of trading, but not later than 1:00 p.m. on the same day, the seller's clearing member shall be assessed a fine on a per-contract basis, the amount to be determined by Exchange staff. Any deliveries memoranda or instructions received subsequent to 1:00 p.m. on the same day, may be deemed a delivery obligation failure and acted upon in accordance with Rule 743.B.

740. PAYMENTS

The Clearing House shall designate a bank in each foreign country into which foreign currency shall be delivered. These banks shall notify the Clearing House when foreign currency funds have been received. In the case of Currency Contracts, the foreign currency delivery for each customer shall equal the net short value of positions in that foreign currency. Values for positions in contracts with minimum fluctuations denominated in U.S. dollars shall be the contract size. Values for positions in contracts with minimum fluctuations in foreign currency shall be the contract value based on the settlement price on the last day of trading. In the case of Currency Contracts, the Clearing House shall, promptly after receipt of notification that foreign currency funds have been received, transfer the U.S. dollar funds previously deposited by the foreign currency buyer's clearing member to the account of the foreign currency seller's clearing member.

For the U.S. Dollar/ Turkish Lira and Euro/ Turkish Lira Contracts, respectively, the Clearing House shall designate a bank in the U.S. and the European Union into which the trading unit currency (respectively, U.S. Dollars or Euro) shall be delivered. These banks shall notify the Clearing House when the trading unit currency funds have been received. In the case of these Currency Contracts, the U.S. Dollar or Euro delivery for each selling customer shall equal the net short value of positions in those currencies. Values for buyer's positions in contracts with minimum fluctuations in Turkish Lira shall be the contract value based on the settlement price on the last day of trading (settlement price times contract size per contract). In the case of U.S. Dollar/ Turkish Lira and Euro/ Turkish Lira Contracts, the Clearing House shall, promptly after receipt of notification that Turkish Lira funds have been received, transfer the U.S. dollar or Euro funds, respectively, that were previously deposited by the seller's clearing member to the account of the buyer's clearing member.

~~For the U.S. Dollar/Offshore Chinese Renminbi Contracts, the Clearing House shall designate a bank in the U.S. into which the trading unit currency (U.S. Dollars) shall be delivered. This bank shall notify the Clearing House when the trading unit currency funds have been received. In the case of these Currency Contracts, the U.S. Dollar delivery for each selling customer shall equal the net short value of positions in those currencies. Values for buyer's positions in contracts with minimum fluctuations in offshore Chinese Renminbi shall be the contract value based on the settlement price on the last day of trading (settlement price times contract size per contract). In the case of U.S. Dollar/ Offshore Chinese Renminbi Contracts, the Clearing House shall, promptly after receipt of notification that Offshore Chinese Renminbi funds have been received, transfer the U.S. dollar funds, that were previously deposited by the seller's clearing member to the account of the buyer's clearing member. See also CME Rule 744.~~

744. FAILSAFE CURRENCY AVAILABILITY PROCEDURES FOR PHYSICAL DELIVERY

~~At the sole discretion of the Chief Executive Officer or President or their delegate, following review of available information concerning supplies of offshore Chinese renminbi (RMB), obligations of physical delivery of offshore Chinese renminbi may be made in an appropriate amount of U.S. dollars in the United States or other convertible currency in the respective country of issue, or obligations of physical delivery of offshore Chinese renminbi may be satisfied by cash settlement or other means of settlement pursuant to Rule 230. The Chief Executive Officer or President or their delegate shall determine the applicable conversion rate of offshore Chinese renminbi (RMB) to U.S. dollars or other convertible currency based upon current published spot foreign exchange market rates. Any such invocation of this clause may be deemed a delivery obligation failure and acted upon in accordance with Rule 743.B. In the alternative, at sole discretion of the Chief Executive Officer or President or their delegate, following review of available information concerning supplies of offshore Chinese renminbi (RMB), obligations of physical delivery of offshore Chinese renminbi may be extended an additional business day or days. Any such invocation of this clause may be deemed a delivery obligation failure and acted upon in accordance with Rule 743.B.~~

7454.-759. [RESERVED]