



## Special Executive Report

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S-8230

September 4, 2018

### **Initial Listing of the Quarterly IMM SONIA Futures Contract and the MPC SONIA Futures Contract**

Effective Sunday, September 30, 2018, for trade date Monday, October 1, 2018, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will list the Quarterly IMM SONIA Futures contract (Commodity Code: SON; Rulebook Chapter: 470) and the MPC SONIA Futures contract (Commodity Code: MPC; Rulebook Chapter: 471) for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort.

Exhibit 1 summarizes contract specifications for Quarterly IMM SONIA Futures. Exhibit 2 summarizes contract specifications for MPC SONIA Futures. Exhibit 3 sets forth the applicable Exchange fees.

Please refer questions to:

Ted Carey	<a href="mailto:ted.carey@cmegroup.com">ted.carey@cmegroup.com</a>	212 299 2020
Kim Eysers	<a href="mailto:kim.eyers@cmegroup.com">kim.eyers@cmegroup.com</a>	312 559 4992
Jonathan Kronstein	<a href="mailto:jonathan.kronstein@cmegroup.com">jonathan.kronstein@cmegroup.com</a>	312 930 3472
Agha Mirza	<a href="mailto:agha.mirza@cmegroup.com">agha.mirza@cmegroup.com</a>	212 299 2833
David Reif	<a href="mailto:david.reif@cmegroup.com">david.reif@cmegroup.com</a>	312 648 3839
Mark Rogerson	<a href="mailto:mark.rogerson@cmegroup.com">mark.rogerson@cmegroup.com</a>	44 20 3379 3795
Frederick Sturm	<a href="mailto:frederick.sturm@cmegroup.com">frederick.sturm@cmegroup.com</a>	312 930 1282

## Exhibit 1 -- Contract Specifications for Quarterly IMM SONIA Futures

Unless otherwise noted, all times of day are Chicago time ("CT").

<b>Trading Unit</b>	Compounded daily SONIA interest during contract Reference Quarter, such that each basis point per annum of interest = £25 per contract.  <b>Contract Reference Quarter:</b> For a given contract, interval from (and including) 3 <sup>rd</sup> Wed of 3 <sup>rd</sup> month preceding Delivery Month, to (and not including) 3 <sup>rd</sup> Wed of Delivery Month.
<b>Price Basis</b>	Contract-grade IMM Index: $100 \text{ minus } R$ $R$ = Compounded daily SONIA interest during contract Reference Quarter. (See <b>Delivery</b> .)  <i>Example:</i> Contract price of 97.2850 IMM Index points signifies $R = 2.715$ percent per annum.
<b>Contract Size</b>	£2,500 x contract-grade IMM Index
<b>Minimum Price Increment</b>	<i>Any Contract with Four Months or Less Until Last Day of Trading:</i> 0.0025 IMM Index points (¼ basis point per annum) equal to £6.25 per contract  <i>All Other Contracts:</i> 0.005 IMM Index points (½ basis point per annum) equal to £12.50 per contract
<b>Listing Schedule</b>	Nearest 20 March Quarterly months (Mar, Jun, Sep, Dec). Initial nearby listed contract: Contract Month = Dec 2018 ( <i>i.e.</i> , Delivery Month = Mar 2019).  For each contract, <i>Contract Month</i> is the month in which Reference Quarter begins. <i>Example:</i> For the Dec 2018 contract, Reference Quarter starts on IMM Wed of Dec 2018 and ends with Termination of Trading on IMM Wed of Mar 2019, the contract Delivery Month.
<b>Termination of Trading</b>	<i>Last Day of Trading:</i> 3 <sup>rd</sup> Wed of Delivery Month. <i>Termination of Trading:</i> 9:00am London time on Last Day of Trading.
<b>Delivery</b>	By cash settlement, by reference to Final Settlement Price, on 3 <sup>rd</sup> Wed of Delivery Month.  <b>Final Settlement Price:</b> Contract-grade IMM Index (100 minus $R$ ) evaluated on the basis of realized SONIA values during contract Reference Quarter:  $R = [ \prod_{i=1 \dots n} \{1 + (d_i/365) * (r_i/100)\} - 1 ] \times (365/D) \times 100$ $n = \text{Number of UK banking days in the Reference Quarter}$ $i \sim \text{Running variable indexing UK banking days during Reference Quarter, } i = 1, 2, \dots, (n-1), n.$ $\prod_{i=1 \dots n} \text{denotes the product of values indexed by the running variable, } i = 1, 2, \dots, n.$ $r_i = \text{SONIA value for } i^{\text{th}} \text{ UK banking day}$ $d_i = \text{Number of calendar days to which } r_i \text{ applies}$ $D = \sum_i d_i \text{ (ie, number of calendar days in Reference Quarter)}$
<b>Trading and Clearing Hours</b>	CME Globex and CME ClearPort: 5pm to 4pm CT, Sun-Fri.
<b>CME Globex Matching Algorithm</b>	Allocation (A Algorithm, with Top Order Allocation = 100% and Pro Rata Allocation = 100%)
<b>Position Reporting and Accountability</b>	<i>Reporting Level:</i> 500 contracts <i>Accountability Threshold:</i> 1,000 contracts
<b>Block Trade Minimum</b>	100 contracts
<b>Commodity Code</b>	SON

## Exhibit 2 -- Contract Specifications for MPC SONIA Futures

Unless otherwise noted, all times of day are Chicago time (CT).

<b>Trading Unit</b>	Compounded daily SONIA interest during contract Reference Interval, such that each basis point per annum of interest = £25 per contract.  <b>Reference Interval:</b> For a given contract, interval from (and including) the scheduled Bank of England Monetary Policy Committee ("MPC") announcement date preceding the Delivery Month, to (and not including) the scheduled MPC announcement date in the Delivery Month.
<b>Price Basis</b>	Contract-grade IMM Index: 100 minus R R = Compounded daily SONIA interest during contract Reference Interval. (See <b>Delivery</b> .)
<b>Contract Size</b>	£2,500 x contract-grade IMM Index
<b>Minimum Price Increment</b>	<i>Nearby Contract:</i> 0.0025 IMM Index points (¼ basis point per annum) equal to £6.25 per contract <i>All Other Contracts:</i> 0.005 IMM Index points (½ basis point per annum) equal to £12.50 per contract
<b>Listing Schedule</b>	Nearest four (4) Reference Intervals for which Bank of England has published MPC announcement dates. First nearby listed contract: Contract Month = Sep 2018 ( <i>i.e.</i> , Delivery Month = Nov 2018).  For each contract, <i>Contract Month</i> is the month in which Reference Interval begins. <i>Example:</i> For the Sep 2018 contract, Reference Interval starts on (and includes) Thursday, September 13, 2018, and ends with (and does not include) Thursday, November 1, 2018, the contract Delivery Month.
<b>Termination of Trading</b>	<i>Last Day of Trading:</i> Scheduled MPC announcement date in Delivery Month, as published by BOE. <i>Termination of Trading:</i> 9:00am London time on Last Day of Trading.
<b>Delivery</b>	By cash settlement, by reference to Final Settlement Price, on first UK banking day immediately following conclusion of contract Reference Interval (typically, the scheduled MPC announcement date in the Delivery Month).  <b>Final Settlement Price:</b> Contract-grade IMM Index (100 minus R) evaluated on the basis of realized SONIA values during Contract Reference Interval:  $R = [ \prod_{i=1}^n \{1 + (d_i/365) * (r_i/100)\} - 1 ] \times (365/D) \times 100$ $n = \text{Number of UK banking days in the Reference Interval}$ $i \sim \text{Running variable indexing UK banking days during Reference Interval, } i = 1, 2, \dots, (n-1), n.$ $\prod_{i=1}^n \text{denotes the product of values indexed by the running variable, } i = 1, 2, \dots, n.$ $r_i = \text{SONIA value for } i^{\text{th}} \text{ UK banking day}$ $d_i = \text{Number of calendar days to which } r_i \text{ applies}$ $D = \sum_i d_i \text{ (ie, number of calendar days in Reference Interval)}$
<b>Trading and Clearing Hours</b>	CME Globex and CME ClearPort: 5pm to 4pm CT, Sun-Fri.
<b>CME Globex Matching Algorithm</b>	Allocation (A Algorithm, with Top Order Allocation = 100% and Pro Rata Allocation = 100%)
<b>Position Reporting and Accountability</b>	<i>Reporting Level:</i> 500 contracts <i>Accountability Threshold:</i> 1,000 contracts
<b>Block Trade Minimum</b>	100 contracts
<b>Commodity Code</b>	MPC

**Exhibit 3 –**
**Exchange Fees per Side per Contract for Quarterly IMM SONIA Futures and MPC SONIA Futures**

Fees are charged per side (both buy and sell side) per contract.	Venue/Transaction Type	Interest Rate	
		Futures	
		Front Months	Back Months <sup>(1)</sup>
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Delivery	\$0.09	
	CME Globex	\$0.19	\$0.14
	EFPI EFR Block*	\$0.29	\$0.24
Rule 106.D Lessees Rule 106.F Employees	Delivery	\$0.30	
	CME Globex	\$0.37	\$0.32
	EFPI EFR Block*	\$0.50	\$0.45
Rule 106.R Electronic Corporate Member (For other than CME Globex EFPI EFR Block - See Non-Members)	CME Globex	\$0.49	\$0.44
	EFPI EFR Block*	\$0.90	\$0.85
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Delivery	\$0.49	
	CME Globex	\$0.49	\$0.44
	EFPI EFR Block*	\$0.69	\$0.64
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants	Delivery	\$0.50	
	CME Globex	\$0.50	
	EFPI EFR Block*	\$0.66	
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex EFPI EFR Block - See Non-Members)	CME Globex	\$0.50	
	EFPI EFR Block*	\$0.90	
Members Trading Outside of Division (For other than CME Globex During ETH - See Non-Members)	CME Globex - During ETH Only	\$0.80	\$0.75
Non-Members	Delivery	\$0.70	
	CME Globex	\$1.25	\$0.95
	CME Globex - Bundles	\$0.80	
	EFPI EFR Block*	\$1.35	\$1.05

Processing Fees	Fee
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge**	\$0.05
Facilitation Fee	\$0.40

\*Exchange fees for Block transactions will be reduced and equivalent to CME Globex transaction fees through September 30, 2019.

\*\*Give-Up Surcharge processing fee will be waived through September 30, 2019.

