

Special Executive Report

S-8237

September 26, 2018

Acceptance of Clearing of USD Overnight Index Swaps (OIS) on Secured Overnight Funding Rate (SOFR) Interest Rate Index

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") shall amend CME Chapter 901 ("Interest Rate Swaps Contract Terms") to provide for the acceptance of USD overnight index swaps ("OIS") on the Secured Overnight Funding Rate (SOFR) denominated in USD (the "Contracts"). USD overnight index swaps on the SOFR interest rate index will be available for submission for clearing via CME ClearPort.

CME Group will launch clearing for SOFR-based interest rate swaps for both the outright OIS and Basis Swaps to facilitate trading between SOFR and the existing benchmarks.

Exchange fees in connection with the Contracts may be viewed [HERE](#).

Exhibit 1 below provides the specifications of the Contracts.

Exhibit 2 below provides the amendments to CME Chapter 901 ("Interest Rate Swaps Contract Terms") in blackline format.

Please direct questions regarding this notice to:

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EXHIBIT 1
Contract Specifications

Secured Overnight Financing Rate Data

Product Type	OIS: Fixed versus SOFR Basis: USD LIBOR versus SOFR EFFR versus SOFR
Floating Rate Index	USD-SOFR-COMPOUND
Maximum Maturity	30 Years
Settlement Convention	USD will be settled on a next day (T+1) basis
Forecasting and Discounting Curve	USD SOFR Curve
Price Alignment Rate	USD SOFR
Reset Calendar	US Gov Securities
Payment Calendar	New York (USNY)

SOFR OIS (SOFR vs. fixed)

Product Type	OIS
Currency	USD
Floating Rate Index	USD-SOFR-COMPOUND
Floating Index Tenor	1D
Maximum Maturity	30 Years
Payment Offset	2D on SOFR Leg, 0D or 2D on Fixed Leg

SOFR vs. USD-LIBOR Basis Swap

Product Type	Basis
Currency	USD
Floating Rate Index	USD-LIBOR-BBA vs USD-SOFR-COMPOUND
Floating Index Tenor	LIBOR = 1M, 3M, 6M
Maximum Maturity	30 Years
Payment Offset	2D on SOFR Leg, 0D or 2D on Fixed Leg

SOFR vs Fed Funds Basis Swap

Product Type	Basis
Currency	USD
Floating Rate Index	USD-Federal Funds H.15-OIS-COMPOUND vs USD-SOFR-COMPOUND

Floating Index Tenor	1D
Maximum Maturity	30 Years
Payment Offset	2D on SOFR Leg, 2D on EFFR Leg

EXHIBIT 2

CME Rulebook (additions underlined)

Chapter 901 **Interest Rate Swaps Contract Terms**

90102.E. Rate Options

90102.E.1. Interest Rate Swaps Rate Options

With respect to an IRS Contract, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options or combination of Rate Options:

1. USD-LIBOR-BBA
2. USD-Federal Funds-H.15-OIS-COMPOUND
3. USD-Federal Funds-H. 15-LIBOR-BBA
4. EUR-EURIBOR-Reuters
5. EUR-EURIBOR-Telerate (as defined in the 2000 ISDA Definitions, as published by ISDA)
6. EUR-EONIA-OIS-COMPOUND
7. GBP-LIBOR-BBA
8. GBP-WMBA-SONIA-COMPOUND
9. JPY-LIBOR-BBA
10. JPY-TONA-OIS-COMPOUND
11. CHF-LIBOR-BBA
12. CAD-BA-CDOR
13. CAD-CORRA-OIS-COMPOUND
14. AUD-BBR-BBSW
15. AUD-LIBOR-BBA
16. AUD-AONIA-OIS-COMP
17. SEK-STIBOR-SIDE
18. DKK-CIBOR-DKNA13
19. DKK-CIBOR2-DKNA13
20. NOK-NIBOR-NIBR
21. HKD-HIBOR-HKAB
22. NZD-BBR-FRA
23. SGD-SOR-VWAP
24. HUF-BUBOR-Reuters
25. PLN-WIBOR-WIBO
26. CZK-PRIBOR-PRBO
27. ZAR-JIBAR-SAFEX
28. MXN-TIIE-Banxico
29. **USD-SOFR-COMPOUND**