



Special Executive Report

DATE: September 18, 2019

SER#: 8448

SUBJECT: **Administrative Amendments to Eight (8) Micro Foreign Exchange (FX) Futures Contracts**

Effective Sunday, October 13, 2019 for trade date Monday October 14, 2019 and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will implement administrative amendments to eight (8) micro foreign exchange ("FX") futures contracts (the "Rule Amendments").

Specifically, the Rule Amendments will harmonize both the naming convention used to reference Micro FX futures contracts and the rules in relation to position limits. The Rule Amendments are administrative in nature and are intended to harmonize all of CME's FX futures product contracts rulebook chapters.

The Rule Amendments with additions underscored and deletions ~~struck through~~ may be viewed in Appendix A below.

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APPENDIX A CME Rulebook (additions underscored; deletions ~~struck through~~)

Chapter 290 E-micro Micro British Pound Sterling/U.S. Dollar (GBP/USD) Futures

29000. SCOPE OF CHAPTER

This chapter is limited in application to E-micro Micro British pound sterling/U.S. dollar futures. In addition to this chapter, E-micro Micro British pound sterling/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro GBP/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 291 ~~E-micro~~Micro Australian Dollar/U.S. Dollar (AUD/USD) Futures

29100. SCOPE OF CHAPTER

This chapter is limited in application to ~~E-micro~~Micro Australian dollar/U.S. dollar futures. In addition to this chapter, ~~E-micro~~Micro Australian dollar/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro AUD/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 292 ~~E-micro~~Micro Euro/U.S. Dollar (EUR/USD) Futures

29200. SCOPE OF CHAPTER

This chapter is limited in application to ~~E-micro~~Micro Euro/U.S. dollar futures. In addition to this chapter, ~~E-micro~~Micro Euro/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro EUR/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 293 ~~E-micro~~Micro Canadian Dollar/U.S. Dollar (CAD/USD) Futures

29300. SCOPE OF CHAPTER

This chapter is limited in application to ~~E-micro~~Micro Canadian dollar/U.S. dollar futures. In addition to this chapter, ~~E-micro~~Micro Canadian dollar/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro CAD/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 294 ~~E-micro~~Micro Japanese Yen/U.S. Dollar (JPY/USD) Futures

29400. SCOPE OF CHAPTER

This chapter is limited in application to ~~E-micro~~Micro Japanese yen/U.S. dollar futures. In addition to this chapter, ~~E-micro~~Micro Japanese yen/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro JPY/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 295 ~~E-micro~~Micro Swiss Franc/U.S. Dollar (CHF/USD) Futures

29500. SCOPE OF CHAPTER

This chapter is limited in application to ~~E-micro Micro~~ Swiss franc/U.S. dollar futures. In addition to this chapter, ~~E-micro Micro~~ Swiss franc/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro CHF/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 296 **~~E-micro Micro~~ Indian Rupee/U.S. Dollar (INR/USD) Futures**

29600. SCOPE OF CHAPTER

This chapter is limited in application to ~~E-micro Micro~~ Indian rupee/U.S. dollar futures. In addition to this chapter, ~~E-micro Micro~~ Indian rupee/U.S. dollar futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Futures contracts covered by this chapter may be referred to as Micro INR/USD Futures.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

Chapter 344L **~~E-micro Micro~~ U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures**

344L00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in ~~E-micro Micro~~ U.S. dollar versus offshore Chinese renminbi (for example, held in Hong Kong or any other country outside of the People's Republic of China designated by CME Clearing).¹ The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

Futures contracts covered by this chapter may be referred to as Micro USD/CNH Futures.

344L01. FUTURES CALL

344L01.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Board of Directors.

344L01.B. Trading Unit

The unit of trading shall be 10,000 U.S. dollars.

344L01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.0001 offshore Chinese renminbi (RMB) per U.S. dollar, equivalent to 1 RMB per contract.

344L01.D. Position Limits and Position Accountability

1. ~~Authority – Position Limits and Position Accountability may be applicable, as defined by Rule 560, and as per the following:~~
2. ~~Aggregation – For purposes of this Rule, where applicable:~~
 - ~~• futures;~~
 - ~~• options on futures;~~

¹ The Chinese renminbi ("RMB" or "people's currency") is denominated in the unit "yuan" (also known by symbol "CNY"). However, Chinese renminbi held offshore in Hong Kong is also known by symbol "CNH."

- ~~E-mini futures,~~
- ~~E-micro futures,~~
- ~~cleared only spot, forward and swaps (combinations of spot and forwards or two maturity forwards),~~
- ~~cleared only options on spot and forwards; and~~
- ~~in addition, where applicable, the analogous reciprocal versions of the aforementioned contracts for the respective foreign exchange pairs,~~

~~shall be aggregated with all products utilizing that foreign exchange (FX) pair, where Chinese renminbi is domiciled outside of the People's Republic of China, regardless of quoting conventions. The baseline for this aggregation shall be the denomination of the underlying fullsize Offshore CME USD/RMB futures contract. Contract equivalents shall be determined through the conversion of the notional value (or contract size times the number of contracts in standardized products).~~

3. ~~Contract Equivalent~~ For purposes of this Rule, a contract shall be deemed to be the equivalent of 10,000 U.S. dollars in notional value or 1/10th the size of a full-size contract.
4. ~~Position Limit~~ A participant shall not own or control more than the aggregated equivalent of 1,000 CME full-size contracts (100,000,000 U.S. dollars in notional value), in all months combined, net long or short, at any time, or no more than 500 CME full-size contracts (50,000,000 U.S. dollars in notional value), in the delivery month contract, net long or short, on or after the day one week prior to the termination of trading day.
5. ~~Exemptions~~ The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559. However, during the last five business days of trading in the delivery month contract, there shall be no exemption from the position limit allowed for the nearby expiring contract month.
6. ~~Reserved~~

~~The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.~~

~~A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

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.

344L01.F. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

344L01.G. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

344L02. SETTLEMENT PROCEDURES

Cash Settlement

All ~~E-micro 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 in CNH. The CME ~~E-micro Micro~~ U.S. dollar/offshore Chinese renminbi futures contract

Final Settlement Price shall be equal to the “CNY CNHHK” (CNY03),” which is the “Offshore Chinese renminbi per U.S. Dollar” 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 CNHHK (“CNY03”) Rate is Unavailable for a Given Day**

In the event that the CNY CNHHK (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 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 CNHHK (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 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 CNHHK (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. DISCLAIMER

The USD/CNY(HK) Spot Rate published by the Treasury Markets Association of Hong Kong on its website is subject to the disclaimer and copyright notice regarding information set out on its website which may be viewed [HERE](#).