



Special Executive Report

DATE: July 17, 2020
SER#: 8621
SUBJECT: Expansion of the Strike Price Listing Schedule of the Options on Bitcoin Futures Contract

Effective Sunday, August 2, 2020 for trade date Monday, August 3, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend Rule 350A.1. ("Options Characteristics") of the Options on Bitcoin Futures Contract (the "Contract") (Rulebook Chapter 350A; CME Globex and CME ClearPort Code: BTC) to expand the strike price listing schedule for trading on the CME Globex electronic trading platform ("CME Globex") and for submission for clearing via CME ClearPort as more specifically described in the table below.

Contract Title	Current Listing Schedule	Expanded Listing Schedule
Options on Bitcoin Futures	All contract months:	All contract months:
	100000 point strike	100000 point strike
	10000 point strike increments from 10000-600% above the ATM strike price	10000 point strike increments from 10000-600% above the ATM strike price
	1000 point strike increments from 1000-400% above the ATM strike price	1000 point strike increments from 1000-400% above the ATM strike price
		Dynamic strike creation in 25 point strike increments
	Nearest two contract months:	Nearest four contract months:
	500 point strike increments from 50% below to 50% above the ATM strike price and 100 point strike increments from 20% below to 10% above the ATM strike price	500 point strike increments from 50% below to 50% above the ATM strike price
		Nearest three contract months:
		100 point strike increments from 30% below to 30% above the ATM strike price
		Nearest two contract months:
	If underlying future price falls below 5000, 50 point strike increments from 20% below to 10% above the ATM strike price	If underlying future price falls below 5000, 50 point strike increments from 20% below to 10% above the ATM strike price

Amendments to Rule 350A.1. are provided in Exhibit 1 below in blackline format.

For additional information, please contact:

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EXHIBIT 1
CME Rulebook
Chapter 350A
Options on Bitcoin Futures
(additions underlined, deletions ~~[struck through]~~)

350A01. OPTION CHARACTERISTICS

350A01.E. Exercise Prices

1. Regularly-Listed Exercise Prices

Monthly Options

On any Business Day, the Exchange shall ensure that Monthly put and call options are listed for trading at all eligible exercise prices, as follows:

100000 Point Exercise Prices

For Monthly options exercisable into a given Underlying Futures Contract (Rule 350A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at the 100000 exercise price level.

10000 Point Exercise Prices

For Monthly options exercisable into a given Underlying Futures Contract (Rule 350A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10000 Index points (e.g., 10000, 20000, 30000) and that lie within a range from 10000 Index points to 600 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 10000.

1000 Point Exercise Prices

For Monthly options exercisable into a given Underlying Futures Contract (Rule 350A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 1000 Index points (e.g., 9000, 10000, 11000) and that lie within a range from 1000 Index points to 400 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 1000.

500 Point Exercise Prices

For options exercisable into Underlying Futures Contracts for ~~either the nearest or the second-nearest~~ each of the four nearest Underlying Futures Contract Months, the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 500 Index points (e.g., 9500, 10000, 10500) and that lie within a range from 50 percent below to 50 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 500.

100 Point Exercise Prices

For options exercisable into Underlying Futures Contracts for ~~either the nearest or the second-nearest~~ each of the three nearest Underlying Futures Contract Months, the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 100 Index points (e.g., 9500, 9600, 9700) and that lie within a range from ~~[20]~~ 30 percent below to ~~[40]~~ 30 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 100.

50 Point Exercise Prices

For options exercisable into Underlying Futures Contracts for either the nearest or the second-nearest Underlying Futures Contract Months, if the daily settlement price of such Underlying Futures Contract on the preceding Business Day is below 5000 price points, then the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 50 Index points (e.g., 4850, 4900, 4950) and that lie within a range from 20 percent below to 10 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 50.

Additional exercise prices may be listed on a discretionary basis on any Business Day up to and including the termination of trading in such options.

2. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 25 Index points. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

[Remainder of rule unchanged.]