CME Group

Special Executive Report

DATE: **June 21, 2021**

SER#: **8799**

SUBJECT: **Amendments to CME Chapter iii. ("CME Definitions"), CME Chapter 300. ("CME WM/Reuters OTC Spot, Forward and Swap Contracts"), CME Chapter 300A. ("CME WM/Reuters OTC Options Contracts"), CME Chapter 600. ("Cleared OTC Non-Deliverable Forward FX Products"), and CME Chapter 601. ("Cleared OTC Non-Deliverable Forward FX Contract Terms") to Amend the Valid Value Date for Delivery or Cash Settlement of an FX OTC Cleared Transactions**

Effective Monday, July 5, 2021 for trade date Tuesday, July 6, 2021, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend CME Chapter iii. ("CME Definitions"), CME Chapter 300. ("CME WM/Reuters OTC Spot, Forward and Swap Contracts"), CME Chapter 300A. ("CME WM/Reuters OTC Options Contracts") CME Chapter 600. ("Cleared OTC Non-Deliverable Forward FX Products"), and CME Chapter 601. ("Cleared OTC Non-Deliverable Forward FX Contract Terms") to amend the valid value date for delivery or cash settlement of an FX OTC cleared transactions (collectively, the "Rule Amendments").

Specifically, CME is amending the Value Date for Delivery or Cash Settlement of an FX Cleared Transaction definition to use the value date as submitted on the trade submission. In addition, Rule 300.01.C. ("Valid Value Dates for Cash Settlement"), Rule 300A.01.C. ("Valid Value Dates for Cash Settlement"), Rule 60002. ("Definitions") and Rule 60102.E. ("Valuation Dates for Final Settlement Price Determination") are being amended to effectuate this change.

CME is adding a flexible value date support for trade submission within a specified business date range for OTC FX Contracts. With this enhancement, CME will use the value date as submitted on the trade submission. If no value date is submitted on the trade submission, CME will derive the value date based on the fixing calendars and static calendar setup.

Exhibit 1 provided below sets forth the Rule Amendments with additions underscored and deletions ~~overstruck~~. Exhibit 2, also provided below, provides the related OTC FX contracts.

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Exhibit 1
CME Rulebook

(additions <u>underscored</u>; deletions ~~struck through~~)

Chapter iii.
CME DEFINITIONS

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VALID VALUE DATE FOR DELIVERY OR CASH SETTLEMENT OF AN FX OTC CLEARED TRANSACTION

"Cleared only" foreign exchange (FX) over-the-counter (OTC) cleared transactions shall be delivered or cash settled for any valid value date mutually agreed to by buyer and seller, including all applicable standard valid value dates for delivery or cash settlement in futures offered for "trading and clearing." ~~In general, for any currency pair, a valid value date shall be any business day that is a banking business day in the countries of issue for both currencies.~~

(End Definitions)

Chapter 300
CME WM/Reuters OTC Spot, Forward and Swap Contracts

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300.01. CONTRACT SPECIFICATIONS

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300.01.C. Valid Value Dates for Cash Settlement

CME WMR Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. ~~In general, for any currency pair, a valid value date shall be any Business Day that is a banking Business Day in the countries of issue for both currencies.~~

[Remainder of Rule Unchanged.]

Chapter 300A
CME WM/Reuters OTC Options Contracts

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300A.01. CONTRACT SPECIFICATIONS

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300A.01.C. Valid Value Dates for Cash Settlement

CME WMR Option Contracts shall be cash settled for any valid value date mutually agreed to by buyer and seller, and accepted by the Exchange for the applicable currency pair as a valid value date(s) for cash settlement and clearing. ~~In general, for any currency pair, a valid value date shall be any Business Day that is a banking Business Day in the countries of issue for both currencies.~~

[Remainder of Rule Unchanged.]

Chapter 600
Cleared OTC Non-Deliverable Forward FX Products

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60002. DEFINITIONS

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Contract Elections

For any FX Product submitted to and accepted for clearing by CME Clearing as a FX Contract, any reference to the "Trade Date" shall be considered a reference to the "Acceptance Date", pursuant to Rule 60001., and each of the following Contract Elections must be made by the corresponding FX Participant in comportment with the contract specifications of Chapter 601 and the Relevant EMTA Template Terms for such FX Product:

1. Reference Currency
2. Notional Amounts (for which such FX Participant must specify either (a) a Notional Amount and a Reference Currency Notional Amount or (b) a Forward Rate and either a Notional Amount or a Reference Currency Notional Amount)

3. Whether the FX Clearing Participant is acting as a Reference Currency Buyer or a Reference Currency Seller

4. Whether CME Clearing is acting as a Reference Currency Seller or a Reference Currency Buyer

~~5. Settlement Date~~

~~6~~5. Valuation Date

[Remainder of Rule Unchanged.]

Chapter 601
Cleared OTC Non-Deliverable Forward FX Contract Terms

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60102. CONTRACT TERMS

60102.E. Valuation Dates for Final Settlement Price Determination

Prior to submission to CME Clearing for clearing, a FX Product ~~shall~~ may be specified for a Final Settlement Price determination on a Valuation Date that is mutually agreed by the relevant FX Participants, and that is accepted by CME Clearing as a valid Valuation Date for the Currency Pair corresponding to such FX Product, in accordance with the Relevant EMTA Template Terms.

[Remainder of Rule Unchanged.]

Exhibit 2

Clearing Code	Globex Code	Product Name
AUDJYC	AUDJYC	Cleared WMR AUD/JPY CSF
AUDUSC	AUDUSC	Cleared WMR AUD/USD CSF
CADJYC	CADJYC	Cleared WMR CAD/JPY CSF
EURADC	EURADC	Cleared WMR EUR/AUD CSF
EURSFC	EURSFC	Cleared WMR EUR/CHF CSF
EURBPC	EURBPC	Cleared WMR EUR/GBP CSF
EURJYC	EURJYC	Cleared WMR EUR/JPY CSF
EURUSC	EURUSC	Cleared WMR EUR/USD CSF
GBPUSC	GBPUSC	Cleared WMR GBP/USD CSF
NZDUSC	NZDUSC	Cleared WMR NZD/USD CSF
USDCAC	USDCAC	Cleared WMR USD/CAD CSF
USDSFC	USDSFC	Cleared WMR USD/CHF CSF
USDCKC	USDCKC	Cleared WMR USD/CZK CSF
USDDKC	USDDKC	Cleared WMR USD/DKK CSF
USDHKC	USDHKC	Cleared WMR USD/HKD CSF
USDHFC	USDHFC	Cleared WMR USD/HUF CSF
USDISC	USDISC	Cleared WMR USD/ILS CSF
USDJYC	USDJYC	Cleared WMR USD/JPY CSF
USDMPC	USDMPC	Cleared WMR USD/MXN CSF
USDNKC	USDNKC	Cleared WMR USD/NOK CSF
USDPZC	USDPZC	Cleared WMR USD/PLN CSF
USDSKC	USDSKC	Cleared WMR USD/SEK CSF
USDSDC	USDSDC	Cleared WMR USD/SGD CSF
USDTBC	USDTBC	Cleared WMR USD/THB CSF
USDTLC	USDTLC	Cleared WMR USD/TRY CSF
USDZRC	USDZRC	Cleared WMR USD/ZAR CSF
AUDUSN	AUDUSN	Cleared WMR AUD/USD CSF
AUDUSN	AUDUSN	Cleared WMR AUD/USD European Option
EURBPN	EURBPN	Cleared WMR EUR/GBP CSF
EURBPN	EURBPN	Cleared WMR EUR/GBP European Option
EURUSN	EURUSN	Cleared WMR EUR/USD CSF
EURUSN	EURUSN	Cleared WMR EUR/USD European Option
GBPUSN	GBPUSN	Cleared WMR GBP/USD CSF
GBPUSN	GBPUSN	Cleared WMR GBP/USD European Option
USDCAN	USDCAN	Cleared WMR USD/CAD European Option
USDCAN	USDCAN	Cleared WMR USD/CAD CSF
USDSFN	USDSFN	Cleared WMR USD/CHF CSF
USDSFN	USDSFN	Cleared WMR USD/CHF European Option
USDJYN	USDJYN	Cleared WMR USD/JPY CSF
USDJYN	USDJYN	Cleared WMR USD/JPY European Option
USDBRL	USDBRL	Cleared OTC USD/BRL NDF
USDCLP	USDCLP	Cleared OTC USD/CLP NDF
USDCNY	USDCNY	Cleared OTC USD/CNY NDF
USDCOP	USDCOP	Cleared OTC USD/COP NDF
USDIDR	USDIDR	Cleared OTC USD/IDR NDF
USDINR	USDINR	Cleared OTC USD/INR NDF
USDKRW	USDKRW	Cleared OTC USD/KRW NDF
USDPEN	USDPEN	Cleared OTC USD/PEN NDF
USDPHP	USDPHP	Cleared OTC USD/PHP NDF
USDRUB	USDRUB	Cleared OTC USD/RUB NDF
USDTWD	USDTWD	Cleared OTC USD/TWD NDF