



Special Executive Report

DATE: January 27, 2022
SER#: 8916
SUBJECT: Administrative Amendments to Five (5) Foreign Exchange (FX) Options Contracts to Clarify the Underlying Futures Contract

Effective Sunday, February 13, 2022 for trade date Monday, February 14, 2022, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend Rule XXXA01.D. ("Underlying Futures Contract") of the five (5) foreign exchange (FX) options contracts listed in the table below (the "Contracts") to explicitly state that quarterly and serial options always deliver into the nearest listed quarterly futures contract (collectively, the "Rule Amendments").

Contact Title	CME Rulebook Chapter	CME Globex and CME ClearPort Code
Options on British Pound Sterling/U.S. Dollar (GBP/USD) Futures	251A	GBU
Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures	252A	CAU
Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures	253A	JPU
Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures	255A	ADU
Options on Euro/U.S. Dollar (EUR/USD) Futures	261A	EUU

Specifically, the Rule Amendments more clearly state weekly options deliver into the nearest quarterly futures contract except for weekly options that are listed between the quarterly option expiration and the quarterly futures expiration. In this case, the underlying futures contract is the next nearest quarterly futures contract.

The Rule Amendments are provided in Exhibit A below.

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Exhibit A
CME Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 251A
Options on British Pound Sterling/U.S. Dollar (GBP/USD) Futures

251A01. OPTION CHARACTERISTICS

251A01.D. Underlying Futures Contract

1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly ~~except for~~ options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, ~~the week prior to a quarterly futures termination. For options expiring the week prior to a quarterly futures termination,~~ the underlying futures contract is the next nearest quarterly futures contract.

[Remainder of Rule is unchanged.]

Chapter 252A
Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures

252A01. OPTIONS CHARACTERISTICS

252A01.D. Underlying Futures Contract

1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly ~~except for~~ options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, ~~the week prior to a quarterly futures termination. For options expiring the week prior to a quarterly futures termination,~~ the underlying futures contract is the next nearest quarterly futures contract.

[Remainder of Rule is unchanged.]

Chapter 253A
Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures

253A01. OPTIONS CHARACTERISTICS

253A01.D. Underlying Futures Contract

1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly ~~except for~~ options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, ~~the week prior to a quarterly futures termination.~~

~~For options expiring the week prior to a quarterly futures termination, the underlying futures contract is the next nearest quarterly futures contract.~~

[Remainder of Rule is unchanged.]

Chapter 255A

Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures

255A01. OPTIONS CHARACTERISTICS

255A01.D. Underlying Futures Contract

1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly ~~except for options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the week prior to a quarterly futures termination.~~ For options expiring the week prior to a quarterly futures termination, the underlying futures contract is the next nearest quarterly futures contract.

[Remainder of Rule is unchanged.]

Chapter 261A

Options on Euro/U.S. Dollar (EUR/USD) Futures

261A01. OPTIONS CHARACTERISTICS

261A01.D. Underlying Futures Contract

1. Quarterly and Serial Options

The underlying futures contract is the nearest futures contract in the March quarterly cycle (i.e., March, June, September and December) that has not yet terminated trading.

2. Weekly Options

The underlying futures contract is the nearest quarterly futures contract following the options expiration, with the exception that for weekly ~~except for options expiring between the quarterly option expiration and the nearest quarterly futures termination of trading date, the week prior to a quarterly futures termination.~~ For options expiring the week prior to a quarterly futures termination, the underlying futures contract is the next nearest quarterly futures contract.

[Remainder of Rule is unchanged.]