



Special Executive Report

DATE: August 15, 2023

SER#: 9235

SUBJECT: **Amendments to the Block Trade Minimum Quantity Threshold for Foreign Exchange ("FX") Inter-Commodity Option Combinations**

Effective Sunday, September 10, 2023 for trade date Monday, September 11, 2023, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend the block trade minimum quantity threshold for all foreign exchange ("FX") inter-commodity option combinations such that the sum of the quantities of the legs of the transaction must meet the larger of the threshold requirements for block trades as detailed in Exhibit A below (collectively, the "Rule Amendments").

Currently the block trade minimum quantity threshold requirement for inter-commodity option combinations on CME is that each leg of the spread must meet the larger of the minimum quantity threshold requirements for the underlying products.

The Rule Amendments are intended to harmonize the block trade minimum quantity threshold levels of FX Intra- and Inter-Commodity option combinations.

Amendments to the Block Minimum Thresholds Table are provided in Appendix A below.

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Appendix A

Block Minimum Thresholds Table

Additions are highlighted in red underline; deletions are highlighted in ~~red strikethrough~~.

Block Trade Minimum Thresholds and Reporting Times for Spreads and Combination Transactions

	CME and CBOT Products	NYMEX and COMEX Products
<u>Intra-Commodity Options</u> Spreads and <u>Options</u> Combinations	<p><i>Each leg of the spread</i> must meet the designated minimum quantity threshold.</p> <p>** Exceptions apply in:</p> <ul style="list-style-type: none"> i) Foreign Exchange Options; and; ii) Dairy Options. 	<p>The <i>sum</i> of the quantities of the legs of the transaction must meet the minimum block quantity threshold</p>
<u>Inter-Commodity Options</u> Spreads and <u>Options</u> Combinations	<p><i>Each leg of the spread</i> must meet the <i>larger</i> of the threshold requirements for the underlying products.</p> <p>**** Exceptions apply in:</p> <ul style="list-style-type: none"> i) Short Term Interest Rate Options; ii) Dairy Options; and iii) Select Grain Options; <u>and</u> iv) Foreign Exchange Options. 	<p>The <i>sum</i> of the quantities of the legs of the transaction must meet the <i>larger</i> of the threshold requirements for the underlying products</p>

** Exception for Intra-Commodity Options Spreads and Options Combinations

i) Intra-Commodity Foreign Exchange Options

For intra-commodity Foreign Exchange options spreads and options combinations, the sum of the quantities of the legs of the transaction must meet the minimum block quantity threshold.

**** Exception for Inter-Commodity Options Spreads and Options Combinations

iv) Inter-Commodity Foreign Exchange Options

For inter-commodity Foreign Exchange options spreads and options combinations, the *sum* of the quantities of the legs of the transaction must meet the *larger* of the threshold requirements for the underlying products