

## Special Executive Report

---

**DATE:** August 29, 2024

**SER#:** 9406

**SUBJECT:** Amendments to Rules XXXL01.E. ("Termination of Trading"), XXXL02.A. ("Cash Settlement"), and XXXL03. ("Disclaimer") of the U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures and the Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures Contracts Commencing with the October 2024 Contract Month and Beyond

Effective September 19, 2024, and pending all CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will implement amendments to Rules XXXL01.E. ("Termination of Trading") and XXXL02.A. ("Cash Settlement"), and XXXL03. ("Disclaimer") of the U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures and the Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures contracts as set out in the table below (the "Contracts") commencing with the October 2024 contract month and beyond (collectively, the "Rule Amendments").

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter
U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures	CNH	284L
Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures	MNH	344L

Specifically, the Exchange will amend:

1. Rule XXXL01.E. of the Contracts to change the termination of trading time on the last trading day from 11:00 a.m. Hong Kong to 2:00 p.m. Hong Kong time to be aligned with the main options expiry time in Asian Over-the-Counter ("OTC") foreign exchange ("FX") markets;
2. Rule XXXL02.A. of the Contracts to change the final settlement price from the USD/CNY(HK) Spot Rate published by the Treasury Market Association of Hong Kong ("TMA") to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time due to the widespread use of WMR rates as benchmarks in FX markets; and
3. Rule XXXL03. as a result of the change to WMR Intraday Spot Rate as noted in number 2 above.

The Rule Amendments will more closely align the Contracts with the related cash market. Market participants have advised the Exchange of their preference for the WMR Intraday Spot Rate methodology for determining the final settlement price as well as the change in the final settlement time.

There is open interest in the Contracts and related options contracts. The Rule Amendments shall affect the final settlement price for open positions. Effecting this change for October contracts months and beyond allows the Rule Amendments to be implemented in a timely manner in response to the consensus preference of the market, while avoiding impacts to holders of open interest in the nearest quarterly and monthly contracts.

The Rule Amendments are provided in Exhibit A below in blackline format.

Please direct questions regarding this notice to:

**Business Line Management**

Shereen Lewejohann [shereen.lewejohann@cmegroup.com](mailto:shereen.lewejohann@cmegroup.com) +65 65923 5544

**Research and Product Development**

Richard Stevens [richard.stevens@cmegroup.com](mailto:richard.stevens@cmegroup.com) +44 20 3379 3790

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

**Chapter 284L**

**U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures**

\*\*\*

**284L01. TRADING SPECIFICATIONS**

\*\*\*

**284L01.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.~~

Futures trading shall terminate at 2:00 p.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month.

\*\*\*

**284L02. SETTLEMENT PROCEDURES**

**~~284L02.A. Cash Settlement~~**

~~All 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 U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the “CNY CNH HK” (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 CNH HK (“CNY03”) Rate is Unavailable for a Given Day~~

~~In the event that the CNY CNH HK (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 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 CNH HK (CNY03) rate prior to the lapse of such 14 day period, CME shall determine the Final Settlement Price using the rate and the CME 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 CNH HK (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.~~

**284L02.A. Cash Settlement**

All 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 U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time, rounded to four decimal places.

1. Futures Final Settlement Price when the WMR Intraday Spot Rate is Unavailable for a Given Day

In the event that the WMR Intraday Spot Rate for USD/CNH 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 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 WMR Intraday Spot Rate for USD/CNH rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME 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 WMR Intraday Spot Rate for USD/CNH 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.

**284L03. 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](#).~~

~~The WMR Intraday Spot Rates are provided by Refinitiv. Refinitiv shall not be liable for any errors in or delays in providing or making available the WMR Spot Rates, nor for any actions taken in reliance on the same. The Intraday Spot Rates cannot be used, reproduced, distributed, redistributed, licensed or disclosed in any way without a written agreement with Refinitiv.~~

**Chapter 344L**

**Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures**

\*\*\*

**344L01. TRADING SPECIFICATIONS**

\*\*\*

**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.~~

Futures trading shall terminate at 2:00 p.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month.

\*\*\*

**344L02. SETTLEMENT PROCEDURES**

**Cash Settlement**

~~All 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 Micro U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the "CNY CNH HK" (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 CNH HK ("CNY03") Rate is Unavailable for a Given Day~~

~~In the event that the CNY CNH HK (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 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 CNH HK (CNY03) rate prior to the lapse of such 14 day period, CME shall determine the Final Settlement Price using the rate and the CME 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 CNH HK (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.~~

**Cash Settlement**

All 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 Micro U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time, rounded to four decimal places.

1. Futures Final Settlement Price when the WMR Intraday Spot Rate is Unavailable for a Given Day

In the event that the WMR Intraday Spot 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 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 WMR Intraday Spot Rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME 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 WMR Intraday Spot 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 which may be viewed HERE.~~

The WMR Intraday Spot Rates are provided by Refinitiv. Refinitiv shall not be liable for any errors in or delays in providing or making available the WMR Spot Rates, nor for any actions taken in reliance on the same. The Intraday Spot Rates cannot be used, reproduced, distributed, redistributed, licensed or disclosed in any way without a written agreement with Refinitiv.