

## **Chapter 48A**

### **Options on 10-Ton Urea US Gulf Futures**

#### **48A00. SCOPE OF CHAPTER**

This chapter is limited in application to options on 10-Ton Urea US Gulf futures. In addition to this chapter, options on 10-Ton Urea US Gulf futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

#### **48A01. OPTIONS CHARACTERISTICS**

##### **48A01.A. Contract Months**

Options contracts shall be listed for such contract months and final settlement in such months as may be determined by the Exchange.

##### **48A01.B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one 10-Ton Urea US Gulf futures contract as specified in Chapter 48.

##### **48A01.C. Minimum Fluctuations**

The price of an option shall be quoted U.S. dollars and cents per ton. The minimum price fluctuation shall be \$1.00 per ton. Minimum price fluctuations shall be in multiples of \$1.00 per ton. (also known as one tick).

##### **48A01.D. Trading Hours**

The hours of trading for options on 10-Ton Urea US Gulf futures contracts shall be determined by the Exchange. Options on 10-Ton Urea US Gulf futures shall be opened and closed for all months and strike prices simultaneously.

##### **48A01.E. Exercise and Exercise Prices**

Transactions and exercise of options shall be conducted for option contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#)

##### **48A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

##### **48A01.G. Nature of Option**

A call option on the 10-Ton Urea US Gulf futures contract represents an option for a buyer to assume a long position in the underlying 10-Ton Urea US Gulf futures at the strike price.

A put option on the 10-Ton Urea US Gulf futures contract represents an option for a buyer to assume a short position in the underlying 10-Ton Urea US Gulf futures at the strike price.

##### **48A01.H. [Reserved]**

##### **48A01.I. Termination of Trading**

Options trading shall terminate on the same date and time as the underlying futures contract.

#### **48A02. ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the assignment of options on 10-Ton Urea US Gulf futures.

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an Exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the Exercise notice.

**48A03.**

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