

Chapter 62A

Options on Eris SOFR Swap Futures

62A00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Eris SOFR Swap Futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.

Unless otherwise specified, times of day shall refer to and indicate Chicago time.

62A01. OPTIONS CHARACTERISTICS

62A01.A. Contract Expiration Dates and Trading Hours

Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rule 62A01.D. and Rule 62A01.I.

Options shall be scheduled for trading during such hours as may be determined by the Exchange. Without limitation to the foregoing, markets in all options on Eris SOFR Swap Futures generally shall be opened or closed simultaneously.

62A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one Eris SOFR Swap Futures contract for a given delivery month.

62A01.C. Minimum Fluctuations

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuations for each available tenor are as follows unless otherwise specified.

1. Options on 2-Year Eris SOFR Swap Futures
 - a. 0.01 of one point, equal to \$10.00 per contract, trades may occur at a single price of 0.005 for price level below 0.01
2. Options on 5-Year Eris SOFR Swap Futures
 - a. 0.01 of one point, equal to \$10.00 per contract, trades may occur at a single price of 0.005 for price level below 0.01
3. Options on 10-Year Eris SOFR Swap Futures
 - a. 0.02 of one point, equal to \$20.00 per contract, trades may occur at 0.01 for a single price level below 0.02

62A01.D. Underlying Futures Contracts

The Underlying Futures Contract shall be an Eris SOFR Swap Futures with an Effective Date (Chapter 62) in the same month as such option's named month of expiration or the nearest quarterly subsequent Eris SOFR Swap Futures. For example, for a given year, Eris SOFR Swap Futures with an Effective Date in September shall be the Underlying Futures Contract for a July option.

62A01.E. 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](#).

62A01.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.

62A01.G. Nature of Options

Upon exercise of a put option by the buyer of such option, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 62A01.D.) at such option's exercise price (Rule 62A01.E.). Upon exercise of a call option by the buyer of such option, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

62A01.H. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

62A01.I. Termination of Trading

Trading in any option shall terminate at the close of trading on the Friday that precedes the third Wednesday of the option's named month of expiration.

If such Friday is a scheduled Exchange holiday, then trading shall terminate on the immediately preceding Business Day. In the event that the underlying futures market for such option does not open on the day scheduled for termination of trading in such option, then trading in such option shall be extended to the next day on which the underlying futures market is open for trading.

On its last day of trading, options shall cease trading at 2:00 p.m. Chicago time.

62A01.J. Contract Modification

Contract terms for any option shall be fixed when such option is initially listed for trading, *provided that* any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.

62A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements in Chapter 7, the following shall apply to the exercise and assignment of Options on Eris SOFR Swap Futures.

62A02.A. Exercise

Options on Eris SOFR Swap Futures shall observe European-style exercise and may be exercised only at, and not before, the expiration of such option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.

62A02.B. Assignment

For any given option contract, an exercise notice accepted by the Clearing House (in accordance with Rule 62A02.A.) shall be assigned by the Clearing House through a process of random selection of Clearing Members carrying open short positions in such option contract. A Clearing Member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The Clearing Member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rule 62A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The Clearing Member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

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.

62A03. [RESERVED]

62A04. [RESERVED]

62A05. SETTLEMENT VARIATION AND OPTION VALUE

The option is a European-style option which can only be exercised into the underlying futures on Expiration Day. This contract is a future-style margin option. Settlement variation rules for futures-style margin options conform to those set forth for non-options stipulated in CBOT Rule 814. As such, when a clearing member or its customers is long or short any amount of any commodity for a settlement cycle, as indicated by Clearing House records, settlement for any outstanding exposure shall be made with the Clearing House based on the settlement price for that settlement cycle. For futures-style margin options, each clearing member and its customers shall pay to, or collect from, the Clearing House any loss or profit, as the case may be, represented by the difference between (x) the settlement price of the futures-style margin option for such settlement cycle and (y) the settlement price of the futures-style margin option

for the prior settlement cycle (or, for the first settlement cycle after the purchase/sale of such option, the price at which the option was purchased or sold).