

Chapter 204B

USD Malaysian Palm Olein Calendar Swap (Cleared Only)

204B00. SCOPE OF CHAPTER

This chapter is limited in application to the clearing of USD Malaysian Palm Olein Calendar Swaps, where the parties to the transaction are “eligible contract participants” as defined in Section 1a(18) of the Commodity Exchange Act. The USD Malaysian Palm Olein Calendar Swaps is listed by CME for clearing-only. Although the specifications for cleared USD Malaysian Palm Olein Calendar Swaps are set forth in this chapter, and the position rules applicable to USD Malaysian Palm Olein Calendar Swaps are set forth in Chapter 5, the USD Malaysian Palm Olein Calendar Swaps is not traded on, nor is it traded subject to the rules of, CME in its capacity as a designated contract market. Clearing members that clear USD Malaysian Palm Olein Calendar Swaps are subject to rules generally applicable to clearing members in Chapter 4 (Enforcement of Rules), Chapter 6 (Arbitration), Chapter 7 (Delivery Facilities and Procedures), Chapter 8 (Clearing House and Performance Bonds), and Chapter 9 (Clearing Members), as applicable. The clearing and settlement of transactions in USD Malaysian Palm Olein Calendar Swaps shall also be subject to the provisions of Chapter 8-F of the CME Rulebook (Over-the-Counter Derivative Clearing).

204B01. CONTRACT SPECIFICATIONS

204B01.A. Unit of Clearing

The unit of clearing shall be 25 metric tons.

204B01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which USD Malaysian Palm Olein Calendar Swaps may be submitted to the Clearing House. Positions shall be initiated or closed out using off-exchange transactions.

204B01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of USD \$0.25 per metric ton which shall equal USD \$6.25 per contract. Contracts shall not be made on any other price basis.

204B01.D. Months Cleared

Clearing of USD Malaysian Palm Olein Calendar Swaps is regularly conducted in all 12 months, but shall be permitted in the current delivery month and any succeeding months. The number of months in which clearing may occur shall be at the discretion of the Exchange.

204B01.E. 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.

204B01.F. Last Day of Clearing

The last day of clearing of USD Malaysian Palm Olein Calendar Swaps deliverable in the current delivery month shall be the final settlement day as prescribed in Rule 204B05.

204B01.G. Liquidation during the Delivery Month

After clearing of USD Malaysian Palm Olein Calendar Swaps in the current delivery month has ceased, in accordance with Rule 204B01.F. of this chapter, outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 204B02.

204B02. CASH SETTLEMENT

Final settlement under these rules shall be on the final settlement day (as described in Rule 204B05) and shall be accomplished by cash settlement. Clearing members holding open positions in USD Malaysian Palm Olein Calendar Swaps at the time of termination of clearing shall make payment to and receive payment through the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 204B03.).

204B03. FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST MONTH OF TRADING

The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of each Thomson Reuters "Malaysia RBD Palm Olein" third forward month closing time assessment for each business day of the contract month rounded to the nearest \$0.25.

For example, final settlement for a January Malaysian Palm Olein Calendar Swap would be the cumulative average of the daily assessment prices for the third forward Thomson Reuters Malaysia RBD Palm Olein assessment during the month of January, which in this example will comprise half of the March assessment and half of the April assessment, with the month roll determined by the Thomson Reuters listing and expiration cycle. These daily settlement prices are rounded to the nearest \$0.25.

Daily settlement during the last month of clearing shall be the cumulative average of each Thomson Reuters Malaysia RBD Palm Olein third forward month closing time assessment weighting the current day's settlement price across each remaining clearing day and rounded to the nearest \$0.25.

Settlement prices shall be generated each CME business day using the most recent available Thomson Reuters Malaysia RBD Palm Olein values. However, any settlement prices generated on CME business days when Thomson Reuters does not publish a Malaysia RBD Palm Olein assessment will not be counted toward final settlement. Additionally, there will be no daily settlement prices generated on non-CME business days that are Thomson Reuters Malaysia RBD Palm Olein assessment days, but the Thomson Reuters Malaysia RBD Palm Olein assessments generated on such days will count toward final settlement and daily settlement during the last month of clearing.

204B04. DAILY SETTLEMENT PRICE

Daily settlement other than settlement on the final settlement day or during the last month of clearing (as described in Rule 204B03) shall be the Thomson Reuters Malaysia RBD Palm Olein third forward month from the swap month assessment that day rounded to the nearest \$0.25.

Daily settlement prices shall be generated each business day the CME is open using the most recent available Thomson Reuters values.

204B05. FINAL SETTLEMENT DAY

The final settlement day shall be on the last CME business day of the swap contract month. However, should there be a Thomson Reuters Malaysia RBD Palm Olein assessment during the swap contract month that follows the last CME business day of the swap contract month, then final settlement shall be on the first CME business day of the month following the swap contract month.

204B06. DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.

204B07. DISCLAIMER

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