

Chapter 281

Indonesian Rupiah/U.S. Dollar (IDR/USD) Futures

28100. SCOPE OF CHAPTER

This chapter is limited in application to Indonesian rupiah/U.S. dollar futures. In addition to this chapter, Indonesian rupiah/U.S. dollar 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.

28101. TRADING SPECIFICATIONS

28101.A. Trading Schedule

Futures contracts shall be scheduled for trading and final settlement during such hours and in such months as may be determined by the Exchange.

28101.B. Trading Unit

The unit of trading shall be 1,000,000,000 Indonesian rupiah.

28101.C. Price Increments

Minimum price fluctuations shall be in multiples of \$ 0.01 per 1,000,000 Indonesian rupiah, equivalent to \$10.00 per contract. Trades may also occur in multiples of \$.005 per 1,000,000 Indonesian rupiah, commonly referred to as one half tick (equivalent to \$5.00 per contract) for Indonesian rupiah/U.S. dollar futures intra-currency spreads executed as simultaneous transactions pursuant to Rule 542. For transactions submitted through CME ClearPort, the minimum price fluctuation shall be \$0.001 per 1,000,000 Indonesian rupiah.

28101.D. 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.

28101.E. [Reserved]

28101.F. 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 Limits Table in the Interpretations & Special Notices Section of Chapter 5.

28101.G. Termination of Trading

Futures trading shall terminate at 15:45 Jakarta time on the second Jakarta Business Day immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a bank holiday in Jakarta, futures trading shall terminate on the preceding Business Day.

28101.H. [Reserved]

28102. SETTLEMENT PROCEDURES

28102.A. [Reserved]

28102.B. Cash Settlement

All Indonesian rupiah /U.S. dollar 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. Final Settlement Price is equal to the reciprocal of the spot exchange rate of Indonesian rupiah per U.S. dollar multiplied by 1,000,000 to convert to U.S dollars per 1,000,000 Indonesian rupiah as reported on the termination of trading day by the Bank Sentral Republik Indonesia (Bank Indonesia) as "IDR JISDOR" or "IDR04" which appears on the Refinitiv Screen JISDOR and on Bloomberg Screen FIXI appearing under the heading "Emerging Markets Fixings". The reciprocal will be rounded to eight decimal places. The reported IDR JISDOR rate represents spot market activity for value on the second succeeding Jakarta Business Day. This spot exchange rate is published at about 16:15 Jakarta Time on the rate calculation date. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indonesian rupiah versus U.S. dollars. All open positions at the termination of trading will be cash settled to the reciprocal of this rate when it is available.

In the event that the spot exchange rate of Indonesian rupiah per U.S. dollar is not reported by the Bank Sentral Republik Indonesia (Bank Indonesia) on the CME Indonesian rupiah/U.S. dollar futures contract Termination of Trading day, and therefore, CME cannot determine the CME Indonesian rupiah/U.S. dollar Final Settlement Price, then final settlement of the CME Indonesian rupiah/U.S. dollar futures contract may be deferred or postponed for up to 14 consecutive calendar days. This procedure is intended to correspond to the deferral or postponement procedure followed by the inter-bank non-deliverable forward ("NDF") market to cash-settle NDF transactions, pursuant to recognized market practices as published by EMTA, Inc., the Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee ("SFEMC"). Upon the reporting of the spot exchange rate of Indonesian rupiah per U.S. dollar by Bank Sentral Republik Indonesia (Bank Indonesia) prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the reciprocal of such IDR JISDOR rate rounded to eight decimal places, and the CME Indonesian rupiah/U.S. dollar futures contract shall be cash settled on such day. If however, 14 consecutive calendar days pass without CME shall otherwise determine the Final Settlement Price.

After the lapse of 14 consecutive calendar publication of the IDR JISDOR rate, days without publication of the IDR JISDOR rate, the Final Settlement Price may be calculated and published by CME on the next Business Day using the SFEMC IDR Indicative Survey Rate ("IDR Indicative Survey Rate"), if available. The IDR Indicative Survey Rate is proposed to be published by SFEMC (or its designee) and posted on the public portion of SFEMC and EMTA's website following the continuous unavailability of the IDR JISDOR rate for 14 calendar days in order to provide the NDF market with a back-up rate source for valuation of certain outstanding non-deliverable foreign exchange transactions if the IDR JISDOR rate cannot be published for an extended period of time. The procedures for the SFEMC IDR Indicative Survey are defined in the Interpretation to this chapter.

However, if SFEMC fails to publish the IDR Indicative Survey Rate on the first Business Day following the lapse of the valuation postponement or deferral period described above, and the IDR JISDOR rate is also unavailable, then SFEMC shall repeat efforts to obtain the IDR Indicative Survey Rate each day for an additional two Business Days. If on either of these two Business Days the IDR JISDOR rate is published, then final settlement of the CME Indonesian rupiah/U.S. dollar futures contracts shall be to the reciprocal of the first of these rates published, rounded to eight decimal places. However, if the IDR JISDOR rate is unavailable and the SFEMC publishes the IDR Indicative Survey Rate on either of these two Business Days, then the final settlement of the CME Indonesian rupiah/U.S. dollar futures contracts shall be to the reciprocal of the first of these rates published, rounded to eight decimal places. If the SFEMC does not publish the IDR Indicative Survey Rate on either of these two Business Days, then Rule 812 shall apply to determine the Final Settlement Price.

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 and the Interpretation to this chapter, then Rule 812 shall apply to determine the Final Settlement Price.

28103. [RESERVED]

(End Chapter 281)

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 281

Effective, May 17, 2006, EMTA, Inc., the Foreign Exchange Committee ("FXC") and the Singapore Foreign Exchange Market Committee ("SFEMC") adopted amendments to the December 1, 2004 non-deliverable forward ("NDF") template procedures for six Asian currencies, which included a "SFEMC IDR Indicative Survey" ("IDR Indicative Survey") to be conducted in certain circumstances when the official closing "exchange rate of Indonesian rupiah per U.S. dollar" as reported by the Bank Sentral Republik Indonesia (Bank Indonesia) is unavailable for settlement of expiring non-deliverable forward ("NDF") Indonesian rupiah versus U.S. dollar transactions. The IDR Indicative Survey results in the calculation of the "SFEMC IDR Indicative Survey Rate" ("IDR Indicative Survey Rate"), which can be used by the NDF market to settle non-deliverable Indonesian rupiah/U.S. dollar transactions in defined circumstances. In order to reduce basis risk for market participants trading both NDF Indonesian rupiah transactions and CME Indonesian rupiah/U.S.

dollar futures contracts, CME has also adopted procedures to settle terminated CME Indonesian rupiah/U.S. dollar futures contracts to the reciprocal of the IDR Indicative Survey Rate when the IDR JISDOR has been unavailable for 14 consecutive calendar days. The following sets forth the EMTA, FXC and SFEMC methodology for the IDR Indicative Survey.

The SFEMC IDR Indicative Survey

- **Commencing the IDR Indicative Survey:** SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC IDR Indicative Survey Rate, beginning on a Business Day (or a calendar day that would have been a Business Day but for an Unscheduled Holiday¹ in the onshore financial centre, following any 14 calendar day period during which valuation is deferred or postponed (or both). The survey will begin at 3:30 p.m. (Singapore time) or as soon thereafter as practicable, and accept responses for a period of one hour ("Contribution Time").
- **Polled Banks:** For purposes of determining the IDR Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the USD/IDR market (each, a "Participating Bank") and included in a current list of Participating Banks published on SFEMC's website (www.sfemc.org). Only one office of each financial institution will be included as a Participating Bank in each IDR Indicative Survey. SFEMC (itself or through a service provider) will notify Participating Banks of the possible commencement of the IDR Indicative Survey at least 7 calendar days prior to its commencement.
- **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the bid-offer pair for the IDR based on how much IDR is equivalent to one (1) unit of USD at or around 3:30 p.m. (Singapore time) for same-day settlement in the Jakarta marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following:
 - (a) the spot rate(s) implied in the offshore non-deliverable foreign exchange market for USD/IDR transactions;
 - (b) the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business);
 - (c) the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers;
 - (d) any existing rate for trade finance transactions;
 - (e) any other existing unofficial rate for USD/IDR transactions (commercial or otherwise); and
 - (f) any other factor it considers relevant.

Where available, Participating Banks should seek to make reference to actual and directly relevant arms-length transactions concluded by the Participating Bank or relevant executable quotes in these markets.

Use of Survey Results

- SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to determine the IDR Indicative Survey Rate, rounded to the nearest whole number (i.e. zero decimal points) as described below.
- If the IDR Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest midpoints will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- If the IDR Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and

¹"Unscheduled Holiday" means that a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in the Principal Financial Center(s) of the Reference Currency two Business Days prior to the Scheduled Valuation Date.

2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.

- If the IDR Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining midpoints will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point will be eliminated.
- If the IDR Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all midpoints will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date.
- In line with the corresponding onshore fixing convention for decimal place, Participating Banks shall contribute the bid-offer pair up to the nearest whole number (i.e. zero decimal points) (e.g., 14358).

Insufficient Responses

- If the IDR Indicative Survey results in less than 5 responses from Participating Banks ("Insufficient Responses"), no IDR Indicative Survey Rate will be available for the relevant Valuation Date. The next IDR Indicative Survey will take place on the next succeeding Business Day in Jakarta (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IDR Indicative Survey Rate Publication

- The IDR Indicative Survey Rate will be published on Refinitiv and/or Bloomberg platforms at 5:30 p.m. (Singapore time), or as soon thereafter as practicable.
- As soon as it is determined that the IDR Indicative Survey will result in Insufficient Responses, a notice that no IDR Indicative Survey Rate is available for the Valuation Date will be published on Refinitiv and/or Bloomberg platforms.
- The anonymised individual responses of Participating Banks to the IDR Indicative Survey will be available on Refinitiv and Bloomberg platforms on the first Onshore Business Day following the publication of the IDR Indicative Survey Rate, at 09:00hrs Singapore time, or as soon thereafter as practicable. The IDR Indicative Survey Rate and anonymised contributions will be published on the SFEMC's website on the next Business Day in Singapore, or as soon thereafter as practicable.

Discontinuing the IDR Indicative Survey

- In relation to each price source disruption, SFEMC will publish the IDR Indicative Survey Rate for a maximum period of 21 continuous calendar days ("Maximum Publication Period").
- Notwithstanding the Maximum Publication Period, the IDR Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Jakarta on which the IDR JISDOR (IDR 04) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the IDR Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the IDR Indicative Survey at an appropriate time.
- A notice that the IDR Indicative Survey has been discontinued will be published on SFEMC's website.

Amendments to the Methodology

- SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the IDR Indicative Survey.

Disclaimer

- SFEMC (and any service provider SFEMC may select) shall use all reasonable efforts to conduct the survey. However, Participating Banks are under no legal or contractual obligation to respond to the survey. As such, SFEMC provides no assurance whatsoever that the IDR Indicative Survey Rate Methodology will result in an IDR Indicative Survey Rate being determined.
- SFEMC, any service provider SFEMC may select, and any surveyed Participating Bank disclaim liability for the IDR Indicative Survey Rate Methodology, and all rates, results or responses (if any) produced by the IDR Indicative Survey Rate Methodology, and no representation or warranty, express or implied, is made concerning the IDR Indicative Survey Rate (including, without limitation, the methodology for determining the IDR Indicative Survey Rate) and its suitability for any particular use.
- SFEMC shall be entitled to amend, modify, update, terminate or supplement the IDR Indicative Survey Rate Methodology (whether in whole or in part) ("Amendments") without prior notification to market participants. However, SFEMC shall endeavour to provide reasonable notice of such Amendments to the relevant industry bodies in order to reduce any disruption in the market.