

Chapter 361B

Micro E-mini Nasdaq-100 Options

361B00. SCOPE OF CHAPTER

This chapter is limited in application to options on Micro E-mini Nasdaq-100 Index Options. In addition to this chapter, options on futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

361B00.A. Primary Listing Exchange

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

361B00.B. Regulatory Halt

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

361B01. OPTIONS CHARACTERISTICS

361B01.A. Contract Months, Trading Hours, and Trading Halts

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, *provided that* there shall be no trading in options when trading is halted in the Primary Futures Contract Month pursuant to Rule 35902.I.

In accordance with Rule 35902.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract Month.

361B01.B. Trading Unit

The Micro E-mini Nasdaq-100 Option is a European Style Option contract which cannot be exercised prior to expiration. Options shall be Financially settled by reference to a Fixing Price calculated pursuant to Rule 359A02.A.2 on the day of termination of trading. For a call option, if the Fixing Price is greater than its Exercise Price, the settlement amount will represent \$2 times the difference between Fixing Price and Exercise Price. For a put option, if the Fixing Price is less than its Exercise Price, the settlement amount will represent \$2 times the difference between the Exercise Price and the Fixing Price.

361B01.C. Minimum Fluctuations

Option prices shall be quoted in Index points. Each Index point shall represent \$2.00 per option contract.

The minimum price fluctuation shall be 1.00 Index points (equal to \$2.00 per option contract), for trades executed on CME Globex electronic trading platform. Trades may also occur at increments of:

- 0.50 Index points (equal to \$1.00 per option contract) at price levels greater than 100.00 and less than or equal to 500.00, or
- 0.25 Index points (equal to \$0.50 per option contract) at price levels greater than 5.00 and is less than or equal to 100.00, or
- 0.05 Index points (equal to \$0.10 per option contract) at price levels less than or equal to 5.00.

For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

1. Option Spreads and Combinations

With the exception of option box spread trades which may occur at a price increment of 0.05 Index points on CME Globex, all option spreads and combinations shall be traded at net prices that conform to the applicable minimum price fluctuation as set forth in this Rule, with each option leg within the spreads and combinations trading in price increments of 0.05 Index points.

361B01.D. Underlying Futures Contract**1. European Style Options**

For any European style option, the Underlying Futures Contract shall be the nearest expiring contract of the March quarterly cycle (i.e., March, June, September, or December) month next following such option's expiration, subject to Rule 35902.A.

2. European Style Monday Weekly Options

For any European style Monday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option's expiration, subject to Rule 36103.A.

3. European Style Tuesday Weekly Options

For any European style Tuesday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option's expiration, subject to Rule 36103.A.

4. European Style Wednesday Weekly Options

For any European style Wednesday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option's expiration, subject to Rule 36103.A.

5. European Style Thursday Weekly Options

For any European style Thursday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option's expiration, subject to Rule 36103.A.

6. European Style Friday Weekly Options

For any European style Friday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option's expiration, subject to Rule 36103.A.

2. [Reserved]**361B01.E. Exercise Prices**

The Exchange shall list options with exercise prices as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

361B01.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

361B01.G. Nature of Options

1. The option is a European-style option financially settled on expiration day. The positions shall be financially settled as noted in Rule 361B02.A

361B01.H. [Reserved]

361B01.I. Termination of Trading

1. European Style Monday Weekly Options

Trading in any European style Monday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 361B00.A.), on the Monday designated as such option's expiration date. For a given calendar month:

Trading shall terminate in European style 1st Monday Weekly options, and such options shall expire, on the first Monday of such month.

Trading shall terminate in European style 2nd Monday Weekly options, and such options shall expire, on the second Monday of such month

Trading shall terminate in European style 3rd Monday Weekly options, and such options shall expire, on the third Monday of such month

Trading shall terminate in European style 4th Monday Weekly options, and such options shall expire, on the fourth Monday of such month

Trading shall terminate in European style 5th Monday Weekly options, and such options shall expire, on the fifth Monday of such month

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

2. European Style Tuesday Weekly Options

Trading in any European style Tuesday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 361B00.A.), on the Tuesday designated as such option's expiration date. For a given calendar month:

Trading shall terminate in European style 1st Tuesday Weekly options, and such options shall expire, on the first Tuesday of such month.

Trading shall terminate in European style 2nd Tuesday Weekly options, and such options shall expire, on the second Tuesday of such month

Trading shall terminate in European style 3rd Tuesday Weekly options, and such options shall

expire, on the third Tuesday of such month

Trading shall terminate in European style 4th Tuesday Weekly options, and such options shall expire, on the fourth Tuesday of such month

Trading shall terminate in European style 5th Tuesday Weekly options, and such options shall expire, on the fifth Tuesday of such month

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

3. European Style Wednesday Weekly Options

Trading in any European style Wednesday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 361B00.A.), on the Wednesday designated as such option's expiration date. For a given calendar month:

Trading shall terminate in European style 1st Wednesday Weekly options, and such options shall expire, on the first Wednesday of such month.

Trading shall terminate in European style 2nd Wednesday Weekly options, and such options shall expire, on the second Wednesday of such month

Trading shall terminate in European style 3rd Wednesday Weekly options, and such options shall expire, on the third Wednesday of such month

Trading shall terminate in European style 4th Wednesday Weekly options, and such options shall expire, on the fourth Wednesday of such month

Trading shall terminate in European style 5th Wednesday Weekly options, and such options shall expire, on the fifth Wednesday of such month

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

4. European Style Thursday Weekly Options

Trading in any European style Thursday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 361B00.A.), on the Thursday designated as such option's expiration date. For a given calendar month:

Trading shall terminate in European style 1st Thursday Weekly options, and such options shall expire, on the first Thursday of such month.

Trading shall terminate in European style 2nd Thursday Weekly options, and such options shall expire, on the second Thursday of such month

Trading shall terminate in European style 3rd Thursday Weekly options, and such options shall expire, on the third Thursday of such month

Trading shall terminate in European style 4th Thursday Weekly options, and such options shall expire, on the fourth Thursday of such month

Trading shall terminate in European style 5th Thursday Weekly options, and such options shall expire, on the fifth Thursday of such month If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

5. European Style Friday Weekly Options

Trading in any European style Friday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 361B00.A.), on the Friday designated as such option's expiration date. For a given calendar month:

Trading shall terminate in European style 1st Friday Weekly options, and such options shall expire, on the first Friday of such month.

Trading shall terminate in European style 2nd Friday Weekly options, and such options shall expire, on the second Friday of such month

Trading shall terminate in European style 3rd Friday Weekly options, and such options shall expire, on the third Friday of such month

Trading shall terminate in European style 4th Friday Weekly options, and such options shall expire, on the fourth Friday of such month

Trading shall terminate in European style 5th Friday Weekly options, and such options shall expire, on the fifth Friday of such month If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

6. Unscheduled Market Holiday

Notwithstanding the aforementioned, if the Primary Listing Exchange (Rule 361B00.A.) is closed in observance of an unscheduled market holiday on a day previously scheduled as a Business Day, then trading in option contracts that had been scheduled to expire on such day shall terminate, and such option contracts shall expire, on the Business Day immediately preceding such unscheduled market holiday.

361B01.J. [Reserved]

361B02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options.

361B02.A. Exercise

1. European Style Options

There shall be no exercise prior to the termination of trading of the options. They may be exercised only at, and not before, its expiration. Following the termination of trading any 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.

The Contracts shall be Financial settled by reference to a Fixing Price, which on the last business day of the scheduled contract shall correspond to the volume-weighted average price of transactions of the nearest expiring month E-mini Nasdaq-100 index futures on the CME

Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, or (iii) in the event of an unscheduled early close of the Primary Listing Exchange, the final thirty (30) seconds of the Primary Listing Exchange trading day (“Reference Interval”). This calculation always uses the nearest contract until it is no longer available for trade.

If no such transaction occurs during the Reference Interval, then such Fixing Price shall be based on the Fixing Price as calculated pursuant to Rule 359A02.A.2 on the day of termination of trading.

For a call option, if the Fixing Price is greater than or equal to its Exercise Price, short position holder shall pay and long position holder shall receive the settlement amount of \$2 times the difference between Fixing Price and Exercise Price.

For a put option, if the Fixing Price is strictly less than its Exercise Price, short position holder shall pay and long position holder shall receive the settlement amount of \$2 times the difference between the Exercise Price and the Fixing Price.

Otherwise, the option shall expire worthless.

361B03. [RESERVED]

361B04. [RESERVED]

(End Chapter 361B)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 361B

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