

Chapter 451A

Options on Bitcoin Friday Futures

451A00. SCOPE OF CHAPTER

This chapter is limited in application to Options on Bitcoin Friday Futures (“futures”). In addition to the rules of this chapter, transactions in Options on Bitcoin Friday Futures shall be subject to the general rules and regulations of the Exchange.

451A01. OPTIONS CHARACTERISTICS

451A01.A. Listing and Trading Schedule

The number of contracts open for trading at a given time, and the hours of trading for options contracts shall be determined by the Exchange. There shall be no trading in options when trading is halted in the underlying Bitcoin Friday Futures (Chapter 451).

451A01.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 Bitcoin Friday Futures contract (Chapter 451).

451A01.C. Minimum Price Increments

1. Outright

Option prices shall be quoted in CME CF Bitcoin Reference Rate New York Variant (“BRRNY”) Index points (USD per bitcoin). The minimum price increment shall be \$5.00 per bitcoin, equal to \$0.10 per option contract.

2. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule. The minimum price fluctuation shall be \$1.00 per bitcoin, equal to \$0.02 per option contract.

451A01.D. Daily Price Limits

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

451A01.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.

451A01.F. Underlying Futures Contract

The Underlying Futures Contract shall be the nearest to expire Bitcoin Friday Futures contract.

451A01.G. Exercise Prices

The Exchange shall ensure that put and call options are listed for trading at all eligible exercise prices as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

451A01.H. Termination of Trading

Trading of the option shall terminate on its expiration date at 4:00:00 p.m. New York time on the respective day of the contract week. If that day is a Business Day in either London or the U.S., trading shall terminate on that day. If that day is a holiday in both London and the U.S., trading shall terminate on the preceding day that is a Business Day in either London or the U.S.

451A02. EXERCISE AND ASSIGNMENT

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

451A02.A. Exercise

Options may not be exercised prior to their termination of trading. 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.

Whether an option expires in the money or out of the money shall be determined by reference to the Fixing Price.

Pertaining to options expiring on the last business day of the week, such Fixing Price shall be the corresponding Final Settlement Price for the Underlying Futures Contract (Rule 45103.A.).

Pertaining to options expiring prior to the last business day of the week, whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Fixing Price which on such days, shall correspond to the volume-weighted average price of transactions in Bitcoin Friday futures on the CME Globex electronic trading platform, during the last sixty (60) minutes of trading on the expiration date of the associated options contract (3:00:00 p.m. – 3:59:59 p.m. New York time). In the event such Fixing Price calculation cannot be determined pursuant to the above calculation, the Exchange, in its sole discretion, shall set such Fixing Price by alternative means.

An expiring call option (Rule 451A01.F.), shall be in the money if the corresponding Fixing Price is at or above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is strictly below such option's exercise price.

An expiring put option (Rule 451A01.F.), shall be in the money if the corresponding Fixing Price is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.

451A02.B. Assignment

Upon exercise of a put option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to pay, and long holder shall receive, a cash amount equal to the difference in price between the exercise price and fixing price, multiplied by the contract multiplier associated with the Underlying Futures Contract (Rule 451A01.F).

Upon exercise of a call option on behalf of the long holder of such option, the short holder of such option shall incur the obligation to pay, and long holder shall receive, a cash amount equal to the difference in price between the exercise price and fixing price, multiplied by the contract multiplier associated with the Underlying Futures Contract (Rule 451A01.F).