Chapter 484
RepoFunds Rate (Italy) Futures

48400.   SCOPE OF CHAPTER

This chapter is limited in application to RepoFunds Rate (Italy) Futures ("futures" or "contract"). In addition to this chapter, the 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 London time.

48401.   CONTRACT SPECIFICATIONS

Each contract is valued at €2,500 times the contract-grade IMM Index (Rule 48402.C.).

48402.   TRADING SPECIFICATIONS

48402.A.   Trading Schedule

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

48402.B.   Trading Unit

For a contract for a given delivery month, the unit of trading shall be compounded daily RepoFunds Rate Italy ("RFR Italy") interest during such contract's reference period subject to Rule 48403., expressed as an interest rate per annum for which (i) such interest rate shall be on the basis of the actual number of days in such delivery reference period, divided by a 360-day year, and (ii) each basis point per annum of such interest rate shall be worth €25 per futures contract. RFR Italy shall be as published by CME Benchmark Administration ("CBA").

48402.C.   Price Increments

Contract prices shall be quoted in terms of the IMM Index, 100.0000 minus interest rate per annum correspondent to RFR Italy during the contract delivery month, as specified in Rule 48402.B.

> Example: If RFR Italy is 2.0275 percent per annum, it shall be quoted as an IMM Index value of 97.9725.

The minimum price fluctuation shall be 0.005 Index points, equal to €12.50 per contract, provided that the minimum price fluctuation shall be 0.0025 Index points, equal to €6.25 per contract, for any contract month with four months or less until its termination of trading, where the applicable four-month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the fourth month preceding the contract month in which trading in such contract terminates, provided that the minimum price fluctuation shall be 0.00125 Index points, equal to €3.125 per contract, for any contract month with one month or less until its termination of trading, where the applicable one month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the first month preceding the contract month in which trading in such contract terminates.

48402.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.

48402.E.   [Reserved]

48402.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 Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

48402.G.   Termination of Trading

Trading in an expiring contract shall terminate at the close of trading on the TARGET2 business day immediately preceding the third Wednesday three months forward from the expiring contract month.

48402.H.   [Reserved]

48403.   SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

48403.A.   Final Settlement Price

1. Definition of Reference Quarter

For a contract for a given delivery month, the Reference Quarter shall be the interval that ends on (and does not include) the third Wednesday of the contract delivery month, and that begins on (and includes) the third Wednesday of the third calendar month preceding the contract delivery month.

Example: For a hypothetical contract for which the delivery month is March 2022, the contract Reference Quarter shall start on (and shall include) the third Wednesday of December 2021 (December 15, 2021) and shall end on (and shall not include) the third Wednesday of March 2022 (March 16, 2022).

2. Definition of Final Settlement Price

For a contract for a given delivery month, the Final Settlement Price shall be 100 minus compounded daily RFR Italy during the contract Reference Quarter, as follows:

Final Settlement Price = 100 - R

where

$$R = \left[\prod_{i=1\ldots n} \{1+(d_i/360)*(r_i/100)\} - 1 \right] \times (360/D) \times 100$$

n = the number of TARGET2 market business days ("cash business days") during such Reference Quarter.

i = is the running variable that indexes each cash business day in such Reference Quarter, such that i takes the values $i = 1,2,\ldots,(n-1),n$.

$\prod_{i=1\ldots n}$ denotes the product of the values indexed by the running variable, $i = 1,2,\ldots,n$.

r_i the RFR Italy value corresponding to cash business day i, expressed as an interest rate per annum.

Example: If RFR Italy for the ith cash business day is two and one quarter percent, then $r_i = 2.25$.

d_i = the number of calendar days to which r_i applies. For any calendar day that is not a cash business day (eg, weekend days, TARGET2 market holidays), the applicable value shall be RFR Italy for the immediately preceding cash business day.

Examples: If the ith day is a Monday, a Tuesday, a Wednesday, or a Thursday, and if the next following calendar day is a cash business day, then $d_i = 1$. If the ith day is a Friday, and if the next following Monday is a cash business day, then $d_i = 3$.

D = the number of calendar days in the Reference Quarter: $D = \Sigma_{i=1\ldots n}\, d_i$.

3. Computational Conventions

The value of R determined pursuant to Rule 48403.A.2. shall be rounded to the nearest 1/10,000th of one percent per annum, i.e, the nearest $1/100^{th}$ of one interest rate basis point per annum, or 0.0001 Index points. A tie value, i.e, any such value ending in ending in 0.00005, shall be rounded away from zero.

Example: A value of 3.14155 percent per annum would be rounded away from zero to 3.1416 percent per annum, and then subtracted from 100.000 to determine a contract final settlement price of 96.8584 Index points.

48403.B.   Final Settlement

Clearing members holding open positions in a contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

48404. [RESERVED]