Chapter 711
Cash-Settled Single Stock Security Futures

71100. SCOPE OF CHAPTER

This chapter is limited in application to contract specifications applied to a security futures contract that provides for cash settlement at final settlement in reference to an individual equity security (each, a "Cash-Settled Single Stock Security Future"). A contract is eligible to be listed as a Cash-Settled Single Stock Security Futures contract if it meets the initial listing standards set out in Exchange Rule 70001 and the maintenance listing standards set out in Exchange Rule 70002.

71100.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).

71100.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 7.12 for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

71101. CONTRACT SPECIFICATIONS

71101.A. Trading Unit

One Cash-Settled Single Stock Security Futures contract represents 100 shares or 10 shares of the underlying security, as specified by the Exchange for a specific contract, subject to potential adjustment as provided in the Chapter 700 Rules.

71101.B. Price Increments

The minimum price fluctuation for each Cash-Settled Single Stock Security Futures shall be equivalent to 0.01 points, or $1.00 per tick.

71101.C. Trading Schedule

Cash-Settled Single Stock Security Futures contracts may be traded during such hours and for such expiration months as determined by the Exchange, provided the Exchange will limit expiration months listed for trading to the nearest three quarters out at the time of listing.

71101.D. Termination of Trading

1. **Cash-Settled Single Stock Security Futures**

   All trading in a particular Cash-Settled Single Stock Security Future contract shall terminate at 3:00 p.m. Central Prevailing Time ("CPT") on the third Friday of the contract month, unless otherwise noted.

2. **Unscheduled Market Holiday**

   Notwithstanding the aforementioned, if the primary listing exchange is closed in observance of an unscheduled market holiday on a day previously scheduled as a Business Day on which trading in the Cash-Settled Single Stock Security Future would terminate, then trading in Cash-Settled Single Stock Security Futures that had been scheduled to terminate on such day shall terminate on the Business Day immediately preceding such unscheduled market holiday.

71101.E. Position Limits

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. Position limits for Cash-Settled Single Stock Security Futures contracts shall be set at 200,000 contracts in the context of 100 share contracts (or the equivalent thereto, to the extent contracts are listed in another size).

Position limits shall be applied in accordance with CFTC Regulation §41.25(b)(3). Cash-Settled Single Stock Security Futures limits will be set no greater than the equivalent of 12.5 percent of the estimated deliverable supply of the underlying security for securities exceeding 20 million shares in estimated deliverable supply and no greater than 25,000 contracts for securities at or below 20 million shares in estimated deliverable supply. Limits will be effective during the last three trading days of an expiring contract month.

If a position exceeds position limits as a result of a security futures product adjustment, in accordance with Rule 701, such position shall not constitute a position limit violation.
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.

71101.F. Price Limits and Trading Halts

There is no daily price limit for Cash-Settled Single Stock Security Futures contracts. Trading of Cash-Settled Single Stock Security Futures shall be halted at all times that a Regulatory Halt, as defined per SEC Rule 6h-1(a)(3) and CFTC Regulation §41.1(*l*), has been instituted for the underlying security.

During times when the primary market is not open for trading, the contract shall also be subject to dynamic price fluctuation limits as set forth in Rule 589.D. and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

There shall be no trading of Cash-Settled Security Futures when the trading in the lead month of S&P 500 Stock Index Futures is locked in limits at 7%, restricted as set forth per Rule 35802.I.1 and Rule 35802.I.5.

71102. SETTLEMENT PRICE

71102.A. Daily Settlement Price

Except for the last day of trading on an expiring contract, daily settlement prices shall be determined per Rule 813.

71102.B. Final Settlement Price

1. For the last day of trading of an expiring contract, the Final Settlement Price is the official closing price for the underlying security published by the primary listing exchange for the security for that day, unless the Final Settlement Price is fixed in accordance with Rule 70120.
2. In the case that the market for the underlying security closes without any trading activity that would permit the calculation of the Final Settlement Price, then such Final Settlement Price will be equal to the opening price for the underlying security on the primary listing exchange on the immediately following Business Day.
3. In the event that the trading of a stock is halted and remains halted at the close of business at its primary listing exchange on the day of termination of trading of the corresponding Cash-Settled Single Stock Security Futures contract, or the official closing price of the stock is otherwise not publishable or published by its primary listing exchange on the day of termination of trading of the corresponding Cash-Settled Single Stock Security Futures contract, and therefore, CME cannot determine the contract's Settlement Price, then CME may in its discretion defer or postpone determination of the Final Settlement Price to the next day on which the underlying stock is trading and set the Final Settlement Price taking into account the opening prices or prices upon the resumption of trading for the underlying stock on the Primary Listing Exchange.

71103. FINAL SETTLEMENT

Clearing members holding open positions in an expiring Cash-Settled Single Stock Security Futures contract at its termination of trading (Rule 71101.D.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 71102.B.).

71104. APPROVED SECURITIES

The securities that have been approved as the subject of Cash-Settled Single Stock Security Futures contracts are set forth in the table accessible via the link at the end of this Chapter.

71105. TRADING PROHIBITION

The following persons are prohibited from trading in Cash-Settled Single Stock Security Futures contracts (each, a “Prohibited Person”):

1. Any person who is a director or officer, subject to Section 16 of the Securities Exchange Act of 1934 as amended from time to time, of a corporation that is the issuer of a security underlying a Cash-Settled Single Stock Security Futures contract.
2. Any person who is in possession of material non-public information regarding a corporation that is the issuer of a security underlying a Cash-Settled Single Stock Security Futures contract.

71106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

71106.A. BTIC Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 524.B. For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the stock closing value for the current Trading Day. For a BTIC or BTIC block trade that is executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the stock closing value for the next Trading Day.

71106.B. BTIC Price Assignment Procedures

The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.

71106.C. BTIC Minimum Price Increments

The valid basis or price increment applied to the stock closing value to establish the BTIC futures price must be stated in full tick increments of $0.01 per share.

71106.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange.

Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange, if the trading in the stock has been halted prior to the close of trading at the Primary Listing Exchanges and has not resumed trading prior to the close of trading and if the closing price cannot be otherwise established or a NYSE Rule 7.12 trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index that necessitates an early close of the Primary Listing Exchange.

71106.E. BTIC Transaction Restrictions

BTIC transactions will not be permitted on the last day of trading on an expiring BTIC-eligible contract.

Table of Securities Approved as the Subject of Cash-Settled Single Stock Security Futures Contracts available ***HERE***.