



Special Executive Report

S-5452

November 1, 2010

CME Group to Launch 1-Month and 3-Month FX VolContracts™ during First Quarter 2011

CME Group plans to list 1-Month and 3-Month FX VolContracts™ during First Quarter 2011. CME FX VolContracts represent a series of futures contracts that are financially or cash-settled to either a 1- or 3-month historical or “realized” volatility calculated by reference to daily price movements in major CME currency futures. These contracts are offered under a license agreement to utilize a granted U.S. patent held by Robert P. Krause, Volatility Partners, LLC, and The Volatility Exchange Corporation.

Note that derivatives linked to currency volatility have been available for some time in the over-the-counter (OTC) markets. We intend to list contracts tied to the realized or historic volatility associated with major currencies currently listed on the Exchange in the form of futures and options on futures, specifically, Euros, Japanese yen, British pound, Swiss franc, Canadian dollar and Australian dollar. CME Group publishes on its Web site daily calculations of representations of realized volatilities for these six major foreign exchange futures (see: <http://www.cmegroup.com/trading/fx/realized-fx-volatilities/index.html>). The Web site also has background materials on realized volatility.

There are, of course, a variety of alternate methodologies for designing such contracts. *E.g.*, one may base the contract on a realized (or historical) standard deviation or variance (standard deviation squared). Or, one may utilize an index or amalgamation of implied volatilities derived from observed option premiums. But the realized volatility concept has the advantage of familiarity in the context of FX markets to the extent that derivatives based on realized volatility are frequently transacted in interbank FX markets. The Exchange will list futures based on quarterly and monthly realized historical volatilities of our most popular currency futures contracts.

Appendix 1 to this document contains a summary of the contract terms and conditions while Appendix 2 contains the complete set of Rules.

Please contact Mr. Craig LeVeille, Director, FX Products at 312-454-5301; or, John Labuszewski, Managing Director, Research & Product Development at 312-466-7469 if you should require additional information.

Appendix 1: Summary Contract Specifications

3-Month FX VolContracts™

Quarterly Realized Volatility	<p>3-month realized volatility calculated as annualized standard deviation of log returns of daily settlement prices as follows.</p> $RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$ <p>Where P_t is daily futures settlement price on day t and N is number of business days in 3-month calculation period where period commences on 1st business day after 2nd Friday immediately preceding 3rd Wednesday of 3rd calendar month preceding named contract month; and, terminates on 2nd Friday preceding 3rd Wednesday of contract month. Days where futures settlements are unavailable do not contribute to calculation. Result is multiplied by 100, thus, 20% (0.20) volatility expressed as 20.00; 10% (0.10) volatility expressed as 10.00.</p>
Underlying Price Series	Based on daily futures settlement price for quarterly futures contract including Euro, Japanese yen, British pound, Swiss franc, Canadian dollar and Australian dollar futures.
Contract Size	\$1,000 times 3-Month Realized Volatility. <i>E.g.</i> , volatility moves from 20% to 25%, nominal contract value fluctuates from \$20,000 to \$25,000, or \$5,000.
Tick Size	Minimum price fluctuation or "tick" of 0.01 (= \$10.00 per contract) for outright; "half-tick" of 0.005 (= \$5.00 per contract) for calendar spreads.
Contract Months	1 st 3 contracts in March quarterly cycle of March, June, September and December
Final Settlement	Cash settled to 3-Month Realized Volatility (RV) as calculated above
Last Trading Day	Trading ceases at 2:00 pm (CT) on 2 nd Friday immediately preceding 3 rd Wednesday of contract month and concurrently with calculation of final CME currency fixing price
Position Accountability	5,000 contracts
Price Limits	None
Trading Hours	Offered only on CME Globex® electronic trading platform on Sundays thru Fridays from 5:00 pm to 4:00 pm next day. On Friday, close at 4:00 pm with reopening Sunday at 5:00 pm.

1-Month FX VolContracts™

Monthly Realized Volatility	<p>1-month realized volatility calculated as annualized standard deviation of log returns (day-to-day) of daily settlement prices as follows.</p> $RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$ <p>Where P_t is daily futures settlement price on day t and N is number of business days in 1-month calculation period where period commences on 1st business day after 2nd Friday immediately preceding 3rd Wednesday of 1st calendar month preceding named contract month; and, terminates on 2nd Friday preceding 3rd Wednesday of contract month. Days where futures settlements are unavailable do not contribute to calculation. Result is multiplied by 100, thus, 20% (0.20) volatility expressed as 20.00; 10% (0.10) volatility expressed as 10.00.</p>
Underlying Price Series	Based on daily futures settlement price for serial or quarterly futures contract including Euro, Japanese yen, British pound, Swiss franc, Canadian dollar and Australian dollar futures.
Contract Size	\$1,000 times 1-Month Realized Volatility. <i>E.g.</i> , volatility moves from 20% to 25%, nominal contract value fluctuates from \$20,000 to \$25,000, or \$5,000.
Tick Size	Minimum price fluctuation or "tick" of 0.01 (= \$10.00 per contract) for outright; "half-tick" of 0.005 (= \$5.00 per contract) for calendar spreads.
Contract Months	1 st 3 contracts in consecutive calendar month cycle, <i>e.g.</i> , January, February, March, such that 2 serial months (January, February, April, May, July, August, October, November) plus 1 March quarterly cycle month (March, June, September, December) are listed for trading.
Final Settlement	Cash settled to 1-Month Realized Volatility (RV) as calculated above
Last Trading Day	Trading ceases at 2:00 pm (CT) on 2 nd Friday immediately preceding 3 rd Wednesday of contract month and concurrently with calculation of final CME currency fixing price
Position Accountability	5,000 contracts
Price Limits	None
Trading Hours	Offered only on CME Globex® electronic trading platform on Sundays thru Fridays from 5:00 pm to 4:00 pm next day. On Friday, close at 4:00 pm with reopening Sunday at 5:00 pm.

Appendix 2: New Rule Chapters

Chapter 251B **3-Month British Pound/U.S. Dollar (GBP/USD)** **VolContracts™ (British Pound 3-Month VolContracts™)¹**

251B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 3-Month British Pound/U.S. Dollar (GBP/USD) VolContracts™ (British Pound 3-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

251B01. FUTURES CALL

251B01.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 Board of Directors.

251B01.B. Trading Units

The unit of trading shall be \$1,000.00 times the British Pound 3-Month Reference Value.

251B01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a British Pound 3-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

251B01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on British Pound 3-Month VolContracts, this rule is superseded by the option position accountability rule.

251B01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

251B01F. Reserved

¹ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

251B01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

251B01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

251B02. SETTLEMENT PROCEDURES

251B02.A. Cash Settlement

British Pound 3-Month VolContracts shall be settled in cash to a value of \$1,000 times the British Pound 3-Month Reference Value.

251B02.B. British Pound 3-Month Reference Value Calculation

The British Pound 3-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME British Pound/U.S. Dollar (GBP/USD) futures contract in the contract month corresponding to the contract month for the British Pound 3-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME British Pound/U.S. Dollar (GBP/USD) futures contract in the contract month corresponding to the contract month for the British Pound 3-Month VolContract, on the business day immediately prior to day t . N is number of business days in quarterly calculation period.

The quarterly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the third calendar month preceding named contract month. The quarterly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

251B03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 251B)

Chapter 251C

**1-Month British Pound/U.S. Dollar (GBP/USD)
VolContracts™ (British Pound 1-Month VolContracts™) ²**

251C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 1-Month British Pound/U.S. Dollar (GBP/USD) VolContracts™ (British Pound 1-Month VolContract). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

251C01. FUTURES CALL

251C01.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 Board of Directors.

251C01.B. Trading Units

The unit of trading shall be \$1,000.00 times the British Pound 1-Month Reference Value.

251C01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a British Pound 1-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

251C01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on British Pound 1-Month VolContracts, this rule is superseded by the option position accountability rule.

251C01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

251C01F. Reserved

² VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

251C01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

251C01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

251C02. SETTLEMENT PROCEDURES

251C02.A. Cash Settlement

British Pound 1-Month VolContracts shall be settled in cash to a value of \$1,000 times the British Pound 1-Month Reference Value.

251C02.B. British Pound 1-Month Reference Value Calculation

The British Pound 1-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME British Pound/U.S. Dollar (GBP/USD) futures contract in the contract month corresponding to the contract month for the British Pound 1-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME British Pound/U.S. Dollar (GBP/USD) futures contract in the contract month corresponding to the contract month for the British Pound 1-Month VolContract, on the business day immediately prior to day t . N is number of business days in monthly calculation period.

The monthly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the first calendar month preceding named contract month. The monthly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

251C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 251C)

Chapter 252B
3-Month Canadian Dollar/U.S. Dollar (CAD/USD)
VolContracts™ (Canadian Dollar 3-Month VolContracts™)³

252B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 3-Month Canadian Dollar/U.S. Dollar (CAD/USD) VolContracts™ (Canadian Dollar 3-Month VolContracts™). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

252B01. FUTURES CALL

252B01.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 Board of Directors.

252B01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Canadian Dollar 3-Month Reference Value.

252B01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Canadian Dollar 3-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

252B01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Canadian Dollar 3-Month VolContracts, this rule is superseded by the option position accountability rule.

252B01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

252B01F. Reserved

³ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

252B01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

252B01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

252B02. SETTLEMENT PROCEDURES

252B02.A. Cash Settlement

Canadian Dollar 3-Month VolContracts shall be settled in cash to a value of \$1,000 times the Canadian Dollar 3-Month Reference Value.

252B02.B. Canadian Dollar 3-Month Reference Value Calculation

The Canadian Dollar 3-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Canadian Dollar/U.S. Dollar (CAD/USD) futures contract in the contract month corresponding to the contract month for the Canadian Dollar 3-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Canadian Dollar/U.S. Dollar (CAD/USD) futures contract in the contract month corresponding to the contract month for the Canadian Dollar 3-Month VolContract, on the business day immediately prior to day t . N is number of business days in quarterly calculation period.

The quarterly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the third calendar month preceding named contract month. The quarterly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

252B03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 252B)

Chapter 252C
1-Month Canadian Dollar/U.S. Dollar (CAD/USD)
VolContracts™ (Canadian Dollar 1-Month VolContract™) ⁴

252C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 1-Month Canadian Dollar/U.S. Dollar (CAD/USD) VolContracts™ (Canadian Dollar 1-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

252C01. FUTURES CALL

252C01.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 Board of Directors.

252C01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Canadian Dollar 1-Month Reference Value.

252C01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Canadian Dollar 1-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

252C01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Canadian Dollar 1-Month VolContracts, this rule is superseded by the option position accountability rule.

252C01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

252C01F. Reserved

⁴ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

252C01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

252C01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

252C02. SETTLEMENT PROCEDURES

252C02.A. Cash Settlement

Canadian Dollar 1-Month VolContracts shall be settled in cash to a value of \$1,000 times the Canadian Dollar 1-Month Reference Value.

252C02.B. Canadian Dollar 1-Month Reference Value Calculation

The Canadian Dollar 1-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Canadian Dollar/U.S. Dollar (CAD/USD) futures contract in the contract month corresponding to the contract month for the Canadian Dollar 1-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Canadian Dollar/U.S. Dollar (CAD/USD) futures contract in the contract month corresponding to the contract month for the Canadian Dollar 1-Month VolContract, on the business day immediately prior to day t . N is number of business days in monthly calculation period.

The monthly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the first calendar month preceding named contract month. The monthly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

252C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 252C)

Chapter 253B
3-Month Japanese Yen/U.S. Dollar (JPY/USD)
VolContracts™ (Japanese Yen 3-Month VolContracts™)⁵

253B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 3-Month Japanese Yen/U.S. Dollar (JPY/USD) VolContracts™ (Japanese Yen 3-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

253B01. FUTURES CALL

253B01.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 Board of Directors.

253B01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Japanese Yen 3-Month Reference Value.

253B01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Japanese Yen 3-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

253B01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Japanese Yen 3-Month VolContracts, this rule is superseded by the option position accountability rule.

253B01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

253B01F. Reserved

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253B01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

253B01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

253B02. SETTLEMENT PROCEDURES

253B02.A. Cash Settlement

Japanese Yen 3-Month VolContracts shall be settled in cash to a value of \$1,000 times the Japanese Yen 3-Month Reference Value.

253B02.B. Japanese Yen 3-Month Reference Value Calculation

The Japanese Yen 3-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Japanese Yen/U.S. Dollar (JPY/USD) futures contract in the contract month corresponding to the contract month for the Japanese Yen 3-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Japanese Yen/U.S. Dollar (JPY/USD) futures contract in the contract month corresponding to the contract month for the Japanese Yen 3-Month VolContract, on the business day immediately prior to day t . N is number of business days in quarterly calculation period.

The quarterly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the third calendar month preceding named contract month. The quarterly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

253B03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 253B)

Chapter 253C
1-Month Japanese Yen/U.S. Dollar (JPY/USD)
VolContracts™ (Japanese Yen 1-Month VolContracts™) ⁶

253C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 1-Month Japanese Yen/U.S. Dollar (JPY/USD) VolContracts™ (Japanese Yen 1-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

253C01. FUTURES CALL

253C01.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 Board of Directors.

253C01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Japanese Yen 1-Month Reference Value.

253C01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Japanese Yen 1-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

253C01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Japanese Yen 1-Month VolContracts, this rule is superseded by the option position accountability rule.

253C01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

253C01F. Reserved

⁶ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

253C01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

253C01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

253C02. SETTLEMENT PROCEDURES

253C02.A. Cash Settlement

Japanese Yen 1-Month VolContracts shall be settled in cash to a value of \$1,000 times the Japanese Yen 1-Month Reference Value.

253C02.B. Japanese Yen 1-Month Reference Value Calculation

The Japanese Yen 1-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Japanese Yen/U.S. Dollar (JPY/USD) futures contract in the contract month corresponding to the contract month for the Japanese Yen 1-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Japanese Yen/U.S. Dollar (JPY/USD) futures contract in the contract month corresponding to the contract month for the Japanese Yen 1-Month VolContract, on the business day immediately prior to day t . N is number of business days in monthly calculation period.

The monthly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the first calendar month preceding named contract month. The monthly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

253C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 253C)

Chapter 254B
3-Month Swiss Franc/U.S. Dollar (CHF/USD)
VolContracts™ (Swiss Franc 3-Month VolContracts™) ⁷

254B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 3-Month Swiss Franc/U.S. Dollar (CHF/USD) VolContracts™ (Swiss Franc 3-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

254B01. FUTURES CALL

254B01.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 Board of Directors.

254B01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Swiss Franc 3-Month Reference Value.

254B01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Swiss Franc 3-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

254B01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Swiss Franc 3-Month VolContracts, this rule is superseded by the option position accountability rule.

254B01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

254B01F. Reserved

⁷ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

254B01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

254B01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

254B02. SETTLEMENT PROCEDURES

254B02.A. Cash Settlement

Swiss Franc 3-Month VolContracts shall be settled in cash to a value of \$1,000 times the Swiss Franc 3-Month Reference Value.

254B02.B. Swiss Franc 3-Month Reference Value Calculation

The Swiss Franc 3-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Swiss Franc/U.S. Dollar (CHF/USD) futures contract in the contract month corresponding to the contract month for the Swiss Franc 3-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Swiss Franc/U.S. Dollar (CHF/USD) futures contract in the contract month corresponding to the contract month for the Swiss Franc 3-Month VolContract, on the business day immediately prior to day t . N is number of business days in quarterly calculation period.

The quarterly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the third calendar month preceding named contract month. The quarterly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

254B03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 254B)

Chapter 254C
1-Month Swiss Franc/U.S. Dollar (CHF/USD)
VolContracts™ (Swiss Franc 1-Month VolContracts™) ⁸

254C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 1-Month Swiss Franc/U.S. Dollar (CHF/USD) VolContracts™ (Swiss Franc 1-Month VolContract). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

254C01. FUTURES CALL

254C01.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 Board of Directors.

254C01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Swiss Franc 1-Month Reference Value.

254C01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Swiss Franc 1-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

254C01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Swiss Franc 1-Month VolContracts, this rule is superseded by the option position accountability rule.

254C01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

254C01F. Reserved

⁸ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

254C01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

254C01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

254C02. SETTLEMENT PROCEDURES

254C02.A. Cash Settlement

Swiss Franc 1-Month VolContracts shall be settled in cash to a value of \$1,000 times the Swiss Franc 1-Month Reference Value.

254C02.B. Swiss Franc 1-Month Reference Value Calculation

The Swiss Franc 1-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Swiss Franc/U.S. Dollar (CHF/USD) futures contract in the contract month corresponding to the contract month for the Swiss Franc 1-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Swiss Franc/U.S. Dollar (CHF/USD) futures contract in the contract month corresponding to the contract month for the Swiss Franc 1-Month VolContract, on the business day immediately prior to day t . N is number of business days in monthly calculation period.

The monthly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the first calendar month preceding named contract month. The monthly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

254C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 254C)

Chapter 255B
3-Month Australian Dollar/U.S. Dollar (AUD/USD)
VolContracts™ (Australian Dollar 3-Month VolContract™) ⁹

255B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 3-Month Australian Dollar/U.S. Dollar (AUD/USD) VolContracts™ (Australian Dollar 3-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

255B01. FUTURES CALL

255B01.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 Board of Directors.

255B01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Australian Dollar 3-Month Reference Value.

255B01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Australian Dollar 3-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

255B01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Australian Dollar 3-Month VolContracts, this rule is superseded by the option position accountability rule.

255B01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

255B01F. Reserved

⁹ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

255B01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

255B01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

255B02. SETTLEMENT PROCEDURES

255B02.A. Cash Settlement

Australian Dollar 3-Month VolContracts shall be settled in cash to a value of \$1,000 times the Australian Dollar 3-Month Reference Value.

255B02.B. Australian Dollar 3-Month Reference Value Calculation

The Australian Dollar 3-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Australian Dollar/U.S. Dollar (AUD/USD) futures contract in the contract month corresponding to the contract month for the Australian Dollar 3-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Australian Dollar/U.S. Dollar (AUD/USD) futures contract in the contract month corresponding to the contract month for the Australian Dollar 3-Month VolContract, on the business day immediately prior to day t . N is number of business days in quarterly calculation period.

The quarterly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the third calendar month preceding named contract month. The quarterly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

255B03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 255B)

Chapter 255C
1-Month Australian Dollar/U.S. Dollar (AUD/USD)
VolContracts™ (Australian Dollar 1-Month VolContracts™) ¹⁰

255C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 1-Month Australian Dollar/U.S. Dollar (AUD/USD) VolContracts™ (Australian Dollar 1-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

255C01. FUTURES CALL

255C01.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 Board of Directors.

255C01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Australian Dollar 1-Month Reference Value.

255C01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of an Australian Dollar 1-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

255C01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Australian Dollar 1-Month VolContracts, this rule is superseded by the option position accountability rule.

255C01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

255C01F. Reserved

¹⁰ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

255C01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

255C01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

255C02. SETTLEMENT PROCEDURES

255C02.A. Cash Settlement

Australian Dollar 1-Month VolContracts shall be settled in cash to a value of \$1,000 times the Australian Dollar 1-Month Reference Value.

255C02.B. Australian Dollar 1-Month Reference Value Calculation

The Australian Dollar 1-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Australian Dollar/U.S. Dollar (AUD/USD) futures contract in the contract month corresponding to the contract month for the Australian Dollar 1-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Australian Dollar/U.S. Dollar (AUD/USD) futures contract in the contract month corresponding to the contract month for the Australian Dollar 1-Month VolContract, on the business day immediately prior to day t . N is number of business days in monthly calculation period.

The monthly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the first calendar month preceding named contract month. The monthly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

255C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 255C)

Chapter 261B
3-Month Euro/U.S. Dollar (EUR/USD)
VolContracts™ (Euro 3-Month VolContracts™) ¹¹

261B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 3-Month Euro/U.S. Dollar (EUR/USD) VolContracts™ (Euro 3-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

261B01. FUTURES CALL

261B01.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 Board of Directors.

261B01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Euro 3-Month Reference Value.

261B01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Euro 3-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

261B01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Euro 3-Month VolContracts, this rule is superseded by the option position accountability rule.

261B01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

261B01F. Reserved

¹¹ VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

261B01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

261B01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

261B02. SETTLEMENT PROCEDURES

261B02.A. Cash Settlement

Euro 3-Month VolContracts shall be settled in cash to a value of \$1,000 times the Euro 3-Month Reference Value.

261B02.B. Euro 3-Month Reference Value Calculation

The Euro 3-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Euro/U.S. Dollar (EUR/USD) futures contract in the contract month corresponding to the contract month for the Euro 3-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Euro/U.S. Dollar (EUR/USD) futures contract in the contract month corresponding to the contract month for the Euro 3-Month VolContract, on the business day immediately prior to day t . N is number of business days in quarterly calculation period.

The quarterly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the third calendar month preceding named contract month. The quarterly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

261B03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 261B)

Chapter 261C
1-Month Euro/U.S. Dollar (EUR/USD)
VolContracts™ (Euro 1-Month VolContracts™) ¹²

261C00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 1-Month Euro/U.S. Dollar (EUR/USD) VolContracts™ (Euro 1-Month VolContracts). The procedures for trading, clearing, delivery, settlement and any other matters not specifically contained herein shall be governed by the rules of the Exchange.

261C01. FUTURES CALL

261C01.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 Board of Directors.

261C01.B. Trading Units

The unit of trading shall be \$1,000.00 times the Euro 1-Month Reference Value.

261C01.C. Price Increments

Minimum price fluctuations shall be in multiples of 0.01 of a Euro 1-Month Reference Value point, equivalent to \$10.00 per contract (= \$1,000.00 x 0.01).

261C01.D. Position Accountability

A person owning or controlling more than 5,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on Euro 1-Month VolContracts, this rule is superseded by the option position accountability rule.

261C01.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

261C01F. Reserved

261C01G. Termination of Trading

Futures trading shall terminate at 2:00 p.m. (Central) on the second Friday immediately preceding the third Wednesday of the contract month. If this date for termination is a bank holiday in Chicago or New York City, then futures trading shall terminate on the next preceding business day common to Chicago and New York City banks and the Exchange.

¹² VolContract™ is a trademark of The Volatility Exchange Corporation; the instruments and trademarks are licensed for use by CME Group.

261C01H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any national or international government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

261C02. SETTLEMENT PROCEDURES

261C02.A. Cash Settlement

Euro 1-Month VolContracts shall be settled in cash to a value of \$1,000 times the Euro 1-Month Reference Value.

261C02.B. Euro 1-Month Reference Value Calculation

The Euro 1-Month Reference Value (RV) is calculated as the annualized standard deviation of log returns of daily futures settlement prices as follows.

$$RV = 100 \cdot \sqrt{\left(\frac{252}{N}\right) \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}}\right)^2}$$

Where P_t is the daily settlement price for the CME Euro/U.S. Dollar (EUR/USD) futures contract in the contract month corresponding to the contract month for the Euro 1-Month VolContract, on day t . P_{t-1} is the daily settlement price for the CME Euro/U.S. Dollar (EUR/USD) futures contract in the contract month corresponding to the contract month for the Euro 1-Month VolContract, on the business day immediately prior to day t . N is number of business days in monthly calculation period.

The monthly calculation period commences on the first business day immediately subsequent to the second Friday immediately preceding the third Wednesday of the first calendar month preceding named contract month. The monthly calculation period concludes on the day on which trading is terminated. Days where futures settlement prices are unavailable do not contribute to calculation.

The result is multiplied by 100. Thus, a value of 20.00% (0.20) is expressed as 20.00; a value of 10.00% (0.10) is expressed as 10.00.

261C03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 261C)