



Special Executive Report

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March 30, 2012

Revisions to CME Rule 542 (“Simultaneous Spread and Combination Transactions”)

Effective on April 5, 2012, CME will adopt revisions to CME Rule 542 (“Simultaneous Spread and Combination Transactions”) to eliminate a legacy restriction that required FX spread and combination transactions trading at a non-integer tick price to contain four or fewer legs. This restriction was deemed no longer necessary provided that the net absolute price differential or aggregate combination price of the spread or combination transaction remains five ticks or less. Additionally, language in the Rule concerning two- and three-legged FX option spread and combination transactions that included only purchases or only sales was also deemed obsolete and has been eliminated.

The revisions to CME Rule 542 are set forth below, with additions underscored and deletions overstruck.

542. SIMULTANEOUS SPREAD AND COMBINATION TRANSACTIONS

[Sections A. – C. are unchanged.]

D. Trading is allowed in simultaneous spread or combination transactions involving options on FXcurrency futures contracts trading at whole integer and non-integer tick prices, subject to the conditions applying to other spread or combination transactions and also subject to the following respective additional conditions:

1. Spread and combination transactions ~~involving the simultaneous purchase and sale of options in which one or more of the options is may trading~~ at a non-integer tick price ~~are allowed~~ provided that ~~the total number of options in the combination is four or less and that~~ the net absolute price differential or aggregate combination price, as applicable, is five ticks or less.

~~2. Spread and combination transactions involving the purchase of every leg or the sale of every leg of a two-legged or three-legged combination in which one or more of the options is trading at a non-integer tick price are allowed provided that each component option is assigned a price of five ticks or less and that the aggregate combination price is ten ticks or less.~~

~~23.~~ Conversion and reversal transactions involving the purchase and sale of options and futures are also allowed to trade at one-half tick provided that each component futures is assigned an integer price.

[The remainder of the Rule is unchanged.]

Questions regarding the revisions to CME Rule 542 may be directed to Robert Sniegowski, Market Regulation Department, at 312.341.5991.

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.