

13-395

TO: Clearing Member Firms  
Floor Brokers/Floor Clerks

FROM: CME Clearing

DATE: Thursday, August 29, 2013

RE: NYMEX Options Expiration Operational Procedures for the Trading Floor and  
Clearing Members (CQA, RQA) Effective Friday, August 30, 2013

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**The expiration date for the October 2013 option contracts for the Coal (API 2) CIF ARA (Argus/McCloskey) Option on Quarterly Futures Strip (CQA) and Coal (API 4) FOB Richards Bay (Argus/McCloskey) Option on Quarterly Futures Strip (RQA) is Friday, August 30, 2013.**

### **FLOOR PROCEDURES**

All Floor Traders that carry on option position at the close of business on the day prior to the expiration day, or engaged in trading activity on Expiration Day in the expiring contract(s) are required to have a duly authorized representative available to the Exchange and other Floor Brokers or their representatives for trade resolution purposes.

All Floor Brokers or their representatives can retrieve the **EXPIRABLE OPTIONS CLEARED TRADES** and **EXPIRABLE OPTIONS DAILY OUT TRADES** (Pending Trades) reports from the Member Reporting System (MRS) in Front End Clearing (FEC) for registered users.

The CME Group NY Clearing Group (212-299-2120) or the Floor Trade Processing Room (212-299-2465/2044) will be available to assist Floor Traders or their representatives with processing trade corrections, transfers or any other expiration related questions or problems.

### **CLEARING PROCEDURES**

The Option Expiration process is a screen based process for which all information is provided in FEC (Front End Clearing) and the CME Positions System. No Option Expiration Reports will be provided. The following screens will assist you through the Option Expiration process:

### **ALLOCATIONS AND CLAIMS DEADLINES**

Give-up orders entered by the executing Party must be allocated **within 30 minutes** from the time the trade was entered into FEC. The carrying Clearing Member must accept or reject trades **within 60 minutes** of

allocation. Allocations may not be transferred following the last day of trading for the expiring option contracts.

**MEMBER TRADE INQUIRY (FEC)**

Contains real-time top day trade information, trade information for the previous 4 business days and trades adjusted for the previous 4 business days by adjustment date.

**POSITION LIST (CME Positions)**

Contains a real-time snapshot for each option series from the start of day position to the projected end of day position.

**REVIEW TRANSFERS (FEC)**

Contains all trade transfers "TO" and "FROM" your firm and the status of each transfer.  
Search Type: Transfer Sub Type: Normal

**OPTION EXERCISE NOTICE SUBMISSION (CME Positions) (Option Instruction Entry)**

Contains your available long position and an input field to enter the number of long positions you wish to exercise.

**EXERCISE/ASSIGNMENT INFORMATION (CME Positions) (Option Instruction Summary)**

This will be available to you by contract series which contains all your Assignments on one window. You will be notified of its availability by E-Mail and by the CME Group NY Division Clearing 24 Hour Information Service. Exercise/Assignment information is also available in the POS650 report.

**All Clearing Members are required to have an authorized representative(s) available for any communication during the expiration process.**

**CLEARING DEPARTMENT 24 HOUR INFORMATION SERVICE**

Clearing Members should call the CME Group NY Division Clearing 24 Hour Information Service at (212) 299-2309, Option 1 (Clearing Report Status), Option 2 (Option Expiration Status) for messages advising Members of the event status.

**E-MAIL**

Clearing Member Representative should read their E-Mail messages immediately to be aware of each event status.

The standard event CME Group NY Division Clearing 24 Hour Information Service and/or E-Mail messages and the sequence in which they will be announced are:

CLEARING STANDARD EVENT MESSAGES	APPROXIMATE TIME OF MESSAGE AVAILABILITY	USUAL EVENT TIME	24 HOUR INFORMATION	
			SERVICE E-MAIL BOTH	(F) (E) (B)
Option Exercise/Abandon Notice Submission Deadline	N/A	10:00 AM EST (or 45 min after settle price is posted)		N/A
Announce Exercise/Assignment Information Availability in CME Positions and Expiration Report Availability	11:30 AM EST	11:30 AM EST		E

The times appearing in the Usual Event Time column are based on normal operational conditions and could vary.

If you have any questions concerning these procedures, please contact Melvin Garcia at (212) 299-2144 or [Melvin.Garcia@cmegroup.com](mailto:Melvin.Garcia@cmegroup.com), or Joe Fata at (212) 299-2165 or [Joe.Fata@cmegroup.com](mailto:Joe.Fata@cmegroup.com) prior to the expiration process.