CME Group

Special Executive Report

S-7200 October 7, 2014

Reduction of Minimum Fluctuation and Basis Trade at Index Close (BTIC) Transaction Eligibility for USD Denominated Ibovespa Futures Contract

Effective Sunday, October 19, 2014, for trade date Monday, October 20, 2014 and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (CME or Exchange) will amend the minimum fluctuation rules for USD Denominated Ibovespa futures contract. The minimum price fluctuation for USD Denominated Ibovespa futures will be reduced from 25 points to 5 points. Also at that time, the Exchange will permit Basis Trade at Index Close (BTIC) Transactions for USD Denominated Ibovespa futures. The minimum threshold for BTIC block trades for USD Denominated Ibovespa futures BTIC Block Trades will be 50 contracts and must be quoted in the new minimum price fluctuation or tick increment of 5 points.

The amended rules will pertain to USD Denominated Ibovespa futures as cited in the following table:

Stock Index Product	Rulebook Chapter	Commodity Code
USD Denominated Ibovespa futures	CME 354	IBV IBV = Clearing
USD Denominated Ibovespa futures BTIC	CME 354	IBB

<u>CME Rubook</u>

(Additions are underlined, deletions are bracketed and overstruck**)**

Chapter 354
USD Denominated Ibovespa Futures

35400. SCOPE OF CHAPTER

This chapter is limited in application to Bovespa Index ("Ibovespa") futures. In addition to this chapter, Ibovespa futures shall be subject to the general rules and regulations of the Exchange as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

35401. CONTRACT SPECIFICATIONS

Each USD Denominated Ibovespa futures contract shall be valued at $1.00 times the Ibovespa.

35402. TRADING SPECIFICATIONS

35402.A. Trading Schedule

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

35402.B. Trading Unit

The unit of trading shall be 1.00 USD times the Ibovespa.

35402.C. Price Increments[1]

Bids and offers shall be quoted in terms of the USD Denominated Ibovespa. The minimum fluctuation of the futures contract shall be [~~25~~] 5 index points, equivalent to [~~25~~] 5 USD per contract.

35402.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.

35402.E. [Reserved]

35402.F. [Reserved]

35402.G. Termination of Trading

Futures trading shall terminate at the same time as the close of trading at BM&FBovespa ("BVMF") on the day of determination of the Final Settlement Price. The last trading day for USD Denominated Ibovespa Futures is the Wednesday closest to the 15th calendar day of the contract month. If it is a non-trading day at BVMF, the last trading day shall be the next BVMF trading day.

35402.H. [Reserved]

35402.I. Price Limits, Trading Halts, and/or Trading Hours

For purposes of rules determining price limits and trading halts ETH refers to the Electronic Trading Hours of the USD Denominated Ibovespa Futures. At the open of ETH, there shall be price limits corresponding to a 10.0% increase above and a 10.0% decrease below the previous day's Ibovespa futures settlement price at BVMF.

USD Denominated Ibovespa futures price limits shall be calculated daily at the end of each ETH trading day based on the settlement price of Ibovespa futures ("F") at BVMF, as follows:

where:

F = Ibovespa futures daily settlement price at BVMF

L = 10% × F

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[1] See Rule **35406.C. (BTIC Orders Minimum Price Increment)** for information on the minimum price increment or Tick Size for BTIC Transactions. BTIC trades that are completed are based on the closing stock index value, and will be cleared in price increments of 0.01 index points, because the underlying stock price index is reported to a two decimal place level of precision.

10.0% Price Limits	equal	F plus and minus L, or (F ± L), subject to rounding as follows:

If the lower price limit (F – L) is not evenly divisible by [~~25~~] 5, then the lower price limit shall be rounded up to the nearest [~~25~~] 5 point increment. If the upper price limit (F + L) is not evenly divisible by [~~25~~] 5, then the upper price limit shall be rounded down to the nearest 25 point increment.

If there is no trading in Ibovespa futures at BVMF on a CME, Inc. trading day, then the price limits for USD Denominated Ibovepsa futures shall be the trading limits based on the settlement price for Ibovespa futures at BVMF during the most recent BVMF trading day.

Price limits and trading halts do not apply to the expiring USD Denominated Ibovespa futures contract during the last three trading days of the contract.

35403. SETTLEMENT PROCEDURES

Delivery under the USD Denominated Ibovespa Futures contract shall be by cash settlement.

35403.A. Final Settlement Price

The Final Settlement Price shall be based on the final settlement price of Ibovespa futures at BVMF.

35403.B. Final Settlement

Clearing members holding open positions in USD Denominated Ibovespa futures contracts 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.

35404. [RESERVED]

35405. [~~-06.~~] [RESERVED]

35406. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

A Basis Trade at Index Close (“BTIC”) Transaction is a futures transaction on the USD Denominated Ibovespa futures contract that is priced with reference to the BVMF Bovespa Index (Ibovespa) cash index close price for the specific index.

The futures price assigned to a BTIC Transaction shall be based on the current day’s Ibovespa cash index close price, or the current day’s Ibovepsa cash index close price adjusted by any valid price increment (the “Basis”) higher or lower than the applicable Ibovespa cash index close price. The Basis must be fair and reasonable, taking into account financing rates, expected dividend income, time remaining until the Equity Index futures contract expiration and any of the factors set forth in Rule 526.D., as applicable.

35406.A. BTIC Block Trade Requirements

BTIC Transactions USD Denominated Ibovespa futures may be executed as block trades pursuant to the requirements of Rule 526. Both the block trade quantity and the valid price increment (the “Basis”) for BTIC block trades must be reported within five minutes of the agreement of the parties to execute the trade in accordance with Rule 526.F.

In addition to complying with the reporting requirements set forth above, BTIC block trades for BTIC–eligible Equity Index futures must be reported to the Exchange at least 10 minutes prior to the scheduled close of the underlying primary securities market to establish the BTIC futures price on the current Trading Day. The BTIC futures price for BTIC-eligible Equity Index futures orders that are not reported to the Exchange at least 10 minutes prior to the scheduled close of the underlying primary securities market shall be based on the index close price for the next available Trading Day for the primary securities market.

35406.B. Price Assignment Procedure for BTIC Futures

The futures price of a BTIC Transaction will be determined by the Exchange at 3:45 p.m. Central time and the Exchange determined price will be deemed final at that time. In the event of an early scheduled close of the primary securities market, the futures price of a BTIC Transaction will be determined by the Exchange 45 minutes after the early scheduled close time for the primary securities market and the Exchange determined price will be deemed final at that time.

If a BTIC-eligible USD Denominated Ibovespa futures block trade order would result in a futures price that would be greater than or less than the respective USD Denominated Ibovespa futures 10% Price Limits, the block trade order shall be cancelled.

35406.C. BTIC Orders Minimum Price Increment

(Refer to Rule 35401.- Contract Specifications —Minimum Price Increment or Tick Size). The valid Basis or Price Increment applied to the index close price to establish the BTIC futures price must be stated in full tick increments, e.g. five (5) index points for all USD Denominated Ibovespa futures.

35406.D. BTIC Orders Prohibited on Last Day of Trading

BTIC orders for BTIC-eligible Equity Index futures may not be initiated on the last day of trading in an expiring contract.

35406.E. Market Disruption Events

In the event of an equity market disruption in the primary securities market, a BTIC-eligible Equity Index futures block trade order shall be cancelled. Equity market disruption events shall be declared at the sole discretion of the Exchange. Equity market disruptions may include, but are not limited to: an unscheduled early closure for the day of the primary (BM&F Bovespa) equity securities market.

(End Chapter 354)