

Chapter 279A

Options on Indian Rupee/U.S. Dollar (INR/USD) Futures

279A00.

SCOPE OF CHAPTER

This chapter is limited in application to options on Indian Rupee/U.S. Dollar (INR/USD) Futures. In addition to this chapter, options on Indian Rupee/U.S. Dollar (INR/USD) Futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

279A01.

OPTIONS CHARACTERISTICS

279A01.A. Contract Months, Trading Hours, and Trading Halts

Options contracts shall be listed for such contract months (i.e., expirations) and scheduled for trading during such hours, except as indicated below, as may be determined by the Exchange.

279A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Indian Rupee/U.S. Dollar (INR/USD) Futures contract as specified in Chapter 279.

279A01.C. Price Increments

The price of an option shall be quoted in U.S. cents per 100 Indian rupees. For trades executed on CME Globex electronic trading platform, the minimum fluctuation shall be 0.01 U.S. cents per 100 Indian rupees and represent 5.00 USD per contract. For trades executed on CME ClearPort, the minimum fluctuation shall be 0.005 U.S. cents per 100 Indian rupees and represent 2.50 USD per contract. A quote of 0.050 for a 5,000,000 INR contract represents an option price of 25.00 U.S. dollars ($5,000,000 / 100$) * 0.050 U.S. cents).

279A01.D. Underlying Futures Contract

The underlying futures contract is the nearest futures contract in the monthly cycle (i.e., January, February, March, April, May, June, July, August, September, October, November, December) whose termination of trading coincides with that of the option.

279A01.E. 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.

279A01.F. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

279A01.G. [Reserved]

279A01.H. Termination of Trading and Expiration Days for Options

Trading in options on the Indian Rupee/ U.S. Dollar futures contract will terminate at 1:00 p.m. Mumbai time two (2) Indian business days prior to the last Indian business day of the contract month.

If the foregoing date for termination is a scheduled Exchange or Indian holiday, trading will terminate on the immediately preceding business day which is also not an Exchange and/or Indian holiday.

279A01.I. Exercise Prices and Listing of Exercise Prices

Transactions and exercise of options shall be conducted for options contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

279A02.**EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of option contracts on Indian Rupee/ U.S. Dollar futures. All options on Indian Rupee/ U.S. Dollar futures are European-style exercise only. Early option exercise prior to the option expiration day is not permitted. Contrary option exercise instructions are also not allowed.

279A02.A. Exercise of Options by Buyer

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option.

An option is in-the-money if the settlement price of the underlying futures contract at termination lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.

279A02.B. Assignment

Exercise notices created by the Clearing House for buyers of options shall be assigned by the Clearing House through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

279A03.**[RESERVED]**