

## 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<sup>1</sup>**

Bids and offers shall be quoted in terms of the USD Denominated Ibovespa. The minimum fluctuation of the futures contract shall be 5 index points, equivalent to 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 15<sup>th</sup> 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.

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<sup>1</sup> 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.

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

$$L = 10\% \times F$$

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

If the lower price limit ( $F - L$ ) is not evenly divisible by 5, then the lower price limit shall be rounded up to the nearest 5 point increment. If the upper price limit ( $F + L$ ) is not evenly divisible by 5, then the upper price limit shall be rounded down to the nearest 5 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 Ibovespa 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.- 05. [RESERVED]**

### **35406. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

#### **35406.A. BTIC Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

#### **35406.B. BTIC Price Assignment Procedures**

The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.

#### **35406.C. BTIC Minimum Price Increments**

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of five (5) Index points.

#### **35406.D. Market Disruption Events**

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an

unscheduled early close of the Primary Listing Exchange or a regulatory trading halt necessitating an early closure of the Primary Listing Exchange.

(End Chapter 354)