

Chapter 417

Nasdaq Veles California Water Index Futures

41700. SCOPE OF CHAPTER

This chapter is limited in application to Nasdaq Veles California Water Index Futures contract ("futures"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

41701. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at 10 acre feet times the value of Nasdaq Veles California Water Index (NQH2O).

41702. TRADING SPECIFICATIONS

41702.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.

41702.B. Trading Unit

The unit of trading shall be 10 acre feet times Nasdaq Veles California Water Index (NQH2O).

41702.C. Price Increments

The minimum price increment shall be \$1.00 per acre foot, equal to \$10.00 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be \$0.25 per acre foot, equal to \$2.50 per intermonth spread.

41702.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.

41702.E. Price Limits and Trading Halts

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits and daily price 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.

41702.F. Termination of Trading

Trading in expiring futures shall terminate at 4:00 p.m. Chicago time on the Business Day preceding the third Wednesday of the contract month, otherwise the next CME Business Day.

41703. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

41703.A. Final Settlement Price

For a futures contract for a given delivery month, the Final Settlement Price shall be the Nasdaq Veles California Water Index (NQH2O) price published on the next Business Day following the Last Trade Date (Rule 41702.F.).

In the event that the Nasdaq Veles California Water Index (NQH2O) is not publishable or published on the Business Day following the Last Trade Date, and therefore, the Exchange cannot determine the futures contract's Final Settlement Price, then final settlement of the futures contract will be at the discretion of the Exchange and may be deferred or postponed for up to 14 consecutive calendar days.

41703.B. Final Settlement

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 41702.F.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final

Settlement Price (Rule 41703.A.).

41704.**DISCLAIMER**

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(End Chapter 417)