

## Chapter 601

### Cleared OTC Non-Deliverable Forward FX Contract Terms

#### **60101. SCOPE OF CHAPTER**

The terms and conditions of each FX Contract shall be defined by this Chapter, as supplemented by the FX Definitions, the Relevant EMTA Template Terms, and the relevant Contract Elections, and as further supplemented and amended by provisions of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the FX Definitions.

Unless otherwise specified, times referred to herein shall refer to and indicate New York time.

#### **60102. CONTRACT TERMS**

Each FX Contract is supplemented by the FX Definitions and the Relevant EMTA Template Terms, and the Contract Elections for such FX Contract.

##### **60102.A. Calculation Agent**

The Calculation Agent for each FX Contract shall be CME Clearing or its designee for all purposes. For the avoidance of doubt, the Calculation Agent shall not be required to consult with the parties to a FX Contract prior to making any determination that is required or permitted to be made by the Calculation Agent or Agents for such FX Contract.

##### **60102.B. Settlement Currency**

For any FX Contract, the settlement currency shall be U.S. dollars.

##### **60102.C. Unit of Clearing and Minimum Price Increment**

1. In respect of the Currency Pair that is the subject of a given FX Contract, the Unit of Clearing shall be U.S. dollars in increments of 0.01 U.S. dollars.
2. The Minimum Price Increment for any FX Contract shall be a given unit of the corresponding Reference Currency per one (1) U.S. dollar, as set forth in Exhibit 60102.C.1.

#### **Exhibit 60102.C.1.**

**Currency Pairs and Minimum Price Increments**

Currency Pair (Reference Currency per U.S. Dollar)	Minimum Price Increment (Units of Reference Currency per one (1) U.S. Dollar)
BRL (Brazilian Real)	0.000001 Brazilian Real
CLP (Chilean Peso)	0.0001 Chilean Peso
CNY (Chinese Renminbi)	0.0001 Chinese Renminbi
COP (Colombian Peso)	0.01 Colombian Peso
IDR (Indonesian Rupiah)	0.01 Indonesian Rupiah
INR (Indian Rupee)	0.0001 Indian Rupee
KRW (Korean Won)	0.0001 Korean Won
PEN (Peruvian Nuevo Sol)	0.000001 Peruvian Nuevo Sol
PHP (Philippine Peso)	0.001 Philippine Peso
RUB (Russian Ruble)	0.000001 Russian Ruble
TWD (Taiwan Dollar)	0.001 Taiwan Dollar

##### **60102.D. Hours for Clearing Entry**

CME Clearing shall determine the hours during which FX Products may be submitted to CME Clearing for clearing as FX Contracts.

##### **60102.E. Valuation Dates for Final Settlement Price Determination**

Prior to submission to CME Clearing for clearing, a FX Product may be specified for a Final Settlement Price determination on a Valuation Date that is mutually agreed by the relevant FX Participants, and that is accepted by CME Clearing as a valid Valuation Date for the Currency Pair corresponding to such FX Product, in accordance with the Relevant EMTA Template Terms.

**60102.F. Delivery and Liquidation**

1. **At Maturity.** A FX Contract that remains outstanding on such FX Contract's Valuation Date shall be financially settled pursuant to Rule 60104.
2. **Prior to Maturity.** Standard offsets of futures and options on futures shall not apply to positions in FX Contracts. For FX Contracts for a specified Valuation Date, positions may be closed out prior to such Valuation Date upon the request of the relevant FX Clearing Member to CME Clearing, in the manner prescribed by CME Clearing.

**60102.G. 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.

**60104. CASH SETTLEMENT****60104.A. Final Settlement Price and Final Settlement Amount**

A FX Contract remaining open on such FX Contract's Valuation Date shall be cash settled by reference to the difference between the Final Settlement Price for such FX Contract minus the original trade price of such FX Contract as submitted for clearing to CME Clearing ("Difference").

Such Final Settlement Price shall be equal to the value of the relevant Settlement Rate Option, as specified in the Relevant EMTA Template, rounded to the nearest applicable Minimum Price Increment set forth in Rule 60102.C. If the specified Settlement Rate Option is unavailable for determination of a Final Settlement Price, then such Final Settlement Price shall be determined in accordance with the applicable disruption fallback alternatives for the determination of the Settlement Rate, as set forth in the Relevant EMTA Template. If such disruption fallback alternatives fail to provide a Settlement Rate, then such Final Settlement Price shall be determined by the Exchange, in its role as Calculation Agent, pursuant to Rule 812.

The Final Settlement Amount for such FX Contract shall be denominated in U.S. dollars, and shall be the product of (i) such Difference and (ii) the Notional Amount of such FX Contract in the applicable Reference Currency, divided by the Final Settlement Price for such Valuation Date.

If such Final Settlement Amount is positive, then CME Clearing shall debit the selling FX Clearing Member's account and credit the buying FX Clearing Member's account for such Final Settlement Amount. If such Final Settlement Amount is negative, then CME Clearing shall debit the buying FX Clearing Member's account and credit the selling FX Clearing Member's account for such Final Settlement Amount.

**60104.B. Discontinuation of a Settlement Rate Option**

For any FX Contract, if:

- (a) the provider of the corresponding Settlement Rate Option has publicly announced that it will discontinue publication of such Settlement Rate Option ("Discontinued Settlement Rate Option"); and
- (b) EMTA has publicly announced amendments to the Relevant EMTA Template Terms so as to specify that an alternative Settlement Rate Option ("Alternative Settlement Rate Option") shall replace such Discontinued Settlement Rate Option as of a specified date ("Effective Substitution Date"); and
- (c) the Final Settlement Price of such FX Contract has not been determined as of such Effective Substitution Date;

then such FX Contract shall be deemed an Affected FX Contract for which CME Clearing shall reserve the authority (i) to amend the applicable Settlement Rate Option so as to reference such Alternative Settlement Rate Option, effective as of the Effective Substitution Date, and (ii) to make such other amendments to such Affected FX Contract as may be required, by written notice to all FX Clearing Participants.

Any omission or failure to give notice under this provision to, or the non-receipt of notice by, any FX Clearing Participant shall not invalidate the amendment with which the notice is concerned.

**60104.C. Continuation of a Legacy Settlement Rate Option**

For any FX Contract, if:

- (a) EMTA has publicly announced amendments to the Relevant EMTA Template Terms so as to specify an Alternative Settlement Rate Option in place of the existing Settlement Rate Option as of an Effective Substitution Date; and
- (b) the Final Settlement Price of such FX Contract has not been determined as of such Effective Substitution Date; and
- (c) the provider of the existing Settlement Rate Option continues the publication of such Settlement Rate Option ("Legacy Settlement Rate Option");

then such FX Contract shall not be deemed an Affected FX Contract. If at any time after such Effective Substitution Date the provider of the Legacy Settlement Rate Option discontinues the publication of the Legacy Settlement Rate Option, then the FX Contract thereupon shall be deemed an Affected FX Contract in accordance with Rule 60104.B., and the relevant date of discontinuation thereupon shall be deemed the Effective Substitution Date.

#### **60104.D. Amendments to Timings**

CME Clearing may amend the timings of notifications, deliveries, and transfers under this Rule to reflect as appropriate the adoption of daylight savings time in the relevant countries of delivery.

### **60105. DISPUTES**

All disputes between interested parties shall be settled by arbitration as provided in the Rules.

### **60106. CONTRACT MODIFICATIONS**

#### **60106.A. CME Rules**

The terms of FX Contracts may be modified by CME in accordance with the Rules, with such modification to be incorporated into the Rules of this Chapter and to be applicable to all FX Contracts that are entered into subsequent to the relevant date of modification.

#### **60106.B. Change in Law or Regulation**

If any governmental agency or body with jurisdiction over CME issues an order, ruling, directive or law that conflicts with the requirements of the Rules of this Chapter, CME shall make such amendments and modifications to these Rules as it deems appropriate in its sole discretion in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all FX Contracts that are open as of, or entered into subsequent to, the relevant effective date of the order, ruling, directive or law.