



Special Executive Report

DATE: June 24, 2021
SER#: 8788R
SUBJECT: Amendments to and Delisting of Certain CME and CBOT Products in Connection with the Elimination of Most CME and All CBOT Open Outcry Trading Pits and Related Frequently Asked Questions for Members and Member Firms

(SER 8788R supersedes SER 8788 dated June 11, 2021 to advise that the Exchange has determined to withdraw the action regarding the elimination of the open outcry trading venue for Options on One-Month SOFR Futures and Options on Three-Month SOFR Futures at this time. The related Frequently Asked Questions further below has been modified accordingly. No other changes have been made to the original SER or related FAQ.)

In connection with the decision to permanently close all CBOT open outcry trading pits and all CME open outcry trading pits other than the CME Eurodollar options trading pit (where Options on One-Month and Three-Month SOFR futures also trade), the following CME and CBOT product delistings and product amendments are being implemented.

1. CME PRODUCT DELISTINGS: (Effective Immediately)

Equity:

All flexible options on CME Standard and Poor's 500 Stock Price Index futures ("SP Flex Options") are listed solely for open outcry trading and there is currently no open interest in any SP Flex Option. Effective immediately, all SP Flex Options have been delisted. The amendments to CME Chapter 351A ("Options on Standard and Poor's 500 Stock Price Index Futures") are set forth below, with deletions ~~overstruck~~.

CME Chapter 351A Options on Standard and Poor's 500 Stock Price Index Futures

[Rules 351A00. – 351A29. are unchanged.]

~~FLEXIBLE OPTIONS~~

~~351A30. SCOPE OF FLEXIBLE OPTIONS RULES~~

~~For the purposes of the following Rules 351A30. – 38. in respect of flexible options on Standard and Poor's 500 Stock Price Index futures ("flexible options"), standard options shall be as defined by the foregoing Rules 351A01. – 29.~~

~~Unless otherwise noted below, the following flexible options rules supersede the standard option regulations presented in the earlier part of this chapter.~~

~~351A31. FLEXIBLE OPTIONS CHARACTERISTICS~~

~~351A31.A. Nature of Flexible Contracts~~

~~Flexible options on futures shall be permitted, provided that no such flexible option shall have the same Underlying Futures Contract (Rule 351A01.D.), and the same Exercise Price (Rule 351A01.E.), and the same exercise style, and the same Termination of Trading (Rule 351A01.I.) as any standard option that is concurrently listed for trading. For the avoidance of doubt, a flexible option shall be permitted to have the same Underlying Futures Contract, same Exercise Price, same exercise style, and same Termination of Trading as any standard option that is not concurrently listed for trading.~~

~~If and when a standard option is listed with terms and conditions identical to a flexible option previously opened for trading, then such option contract shall be traded only as a standard option and shall be subject to all trading requirements applicable to standard options. Upon the listing of such standard option, all open positions previously established in such flexible option, subject to flexible option trading procedures, shall become fully fungible with transactions in such standard option for all purposes under these Rules.~~

~~351A31.B. Trading Unit~~

~~The minimum size for requesting a quote for, or for trading in, a flexible option shall be 10 contracts, where each contract represents an option to buy, in the case of a call, or to sell, in the case of a put, one S&P 500 Index futures contract (Chapter 351), provided that a party may request a quote for, or may trade, fewer than 10 contracts in order to entirely close out a position in such flexible option.~~

Any respondent to a request for quote for a flexible option must be willing to trade at least 10 contracts, provided that such respondent may trade fewer than 10 contracts in order to entirely close out a position in such flexible option.

351A31.C.—Minimum Fluctuations

Minimum price fluctuations for flexible options must conform to standards set forth in Rule 351A01.C.

351A31.D.—Underlying Futures Contracts

The Underlying Futures Contract for a flexible option must be listed for trading (Chapter 351).

351A31.E.—Exercise Prices

The exercise price of any flexible option must be an integer multiple of 0.10 Index points (e.g., 400.00, 400.10, 400.20). Such exercise price shall be no less than 0.10 Index points and no greater than 0000.00 Index points.

351A31.F.—Position Limits, Exemptions, Position Accountability and Reportable Levels

(Refer to Rule 351A01.F.)

351A31.G.—[Reserved]

351A31.H.—[Reserved]

351A31.I.—Termination of Trading

A flexible option may be specified to expire on any Business Day prior to and including the day scheduled for determination of the Final Settlement Price of such flexible option's Underlying Futures Contract (Rule 351A31.D.).

Trading in any flexible option shall terminate at the close of trading on such option's specified expiration date, provided that if a flexible option is specified to expire on the day scheduled for determination of the Final Settlement Price of such option's Underlying Futures Contract, then trading in such flexible option shall terminate at the same time as the close of trading in such Underlying Futures Contract on the Business Day first preceding such flexible option's specified expiration date.

Notwithstanding the aforementioned, if the Primary Listing Exchange (Rule 351A00.A.) is closed in observance of an unscheduled market holiday on a day previously scheduled as a Business Day, then trading in flexible option contracts that had been scheduled to expire on such day shall terminate, and such option contracts shall expire, on the Business Day immediately preceding such unscheduled market holiday.

In the event that the market in the Underlying Futures Contract for such flexible option does not open on the day scheduled for termination of option trading, trading in such option shall terminate on the next Business Day on which the market in such Underlying Futures Contract is open for trading.

A flexible option contract may be opened for trading, and may be traded, on its last day of trading.

351A31.J.—[Reserved]

351A32.—FLEXIBLE OPTIONS EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of flexible options on S&P 500 Stock Price Index futures.

351A32.A.—Exercise of Flexible Options by Buyer

Flexible options may be specified for either American style exercise or European style exercise. A flexible option for American style exercise may be exercised by the option buyer on any Business Day that such option may be traded. A flexible option for European style exercise can be exercised by the option buyer only upon expiration.

To exercise any flexible option, the clearing member representing the buyer shall present an exercise notice to the Clearing House no later than 5:30 p.m. on the day of exercise.

Any unexercised flexible option shall expire at 5:30 p.m. on such option's specified expiration date. Any flexible option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically upon expiration, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 5:30 p.m., or such other time as may be designated by the Exchange, on the last day of trading in such option.

351A32.B.—Assignment

For a given flexible option contract, an exercise notice accepted by the Clearing House (Rule 351A32.A.) shall be assigned by the Clearing House in accordance with Rule 351A02.B.

351A33.—[RESERVED]

351A34.—INITIATING A FLEXIBLE OPTIONS CONTRACT SERIES

The opening of trading in any flexible option shall occur through a Request for Quote ("RFQ") for such option, provided that no such RFQ shall be accepted by the designated flexible options pit official (a) within 15 minutes of the scheduled daily close of trading in such flexible option's Underlying Futures Contract or (b) within 15 minutes of termination of trading in such option's Underlying Futures Contract.

351A35.—[RESERVED]

351A36.—RFQ TRADING INTERVAL

Upon acceptance of an RFQ for a flexible option by the designated flexible options pit official in accordance with Rule 351A34., trading in such flexible option may occur immediately.

Priority among multiple RFQs shall be determined by the order in which such RFQs are submitted to the designated flexible options pit official, provided that all RFQs submitted before the open shall be treated equally.

351A37.—EXPIRATION OF AN RFQ

Following an RFQ for a flexible option within a given trading session, trading in such flexible option shall remain open for the remainder of such trading session. Trading in a given flexible option series following a transaction in such option series shall remain open through the remainder of the trading session in which such transaction was executed and through each subsequent session in which there is open interest in such flexible option series.

351A38.—REPORTING OF FLEXIBLE OPTIONS TRADES

The parties to any trade in a flexible option shall be responsible to report timely the quantity and price of such trade to the designated flexible options pit official.

[The remainder of the Chapter is unchanged.]

Options on Nikkei Stock Average Futures are listed solely for open outcry trading and there is currently no open interest in the product. Effective immediately, the product has been delisted and CME Chapter 352A (“Options on Nikkei Stock Average Futures”) has been eliminated.

The delisting **does not** affect the following Nikkei products, which remain available for competitive trading on CME Globex: Nikkei Stock Average Futures (CME Chapter 352), Yen Denominated Nikkei Stock Average Futures (CME Chapter 352B), Options on Yen Denominated Stock Average Futures (CME Chapter 352C), and E-mini Yen Denominated Nikkei Stock Average Futures (CME Chapter 370).

Interest Rates:

Options on One-Month Eurodollar Futures are listed solely for open outcry trading and there is currently no open interest in the product. Effective immediately, the product has been delisted and CME Chapter 453A (“Options on One Month Eurodollar Futures”) has been eliminated.

2. CME PRODUCT AMENDMENTS: (Effective June 28, 2021 – pending CFTC review)

Agriculture:

Subject to regulatory review, CME Chapter 101A (“Options on Live Cattle Futures”) will be amended to eliminate a reference to pit trading, effective June 28, 2021. The amendments are set forth below, with additions underscored and deletions ~~overstruck~~.

**CME Chapter 101A
Options on Live Cattle Futures**

101A01.E. Exercise Prices

[Section 1. is unchanged.]

~~Upon demand evidenced in the respective options pit, t~~The Exchange ~~may shall~~ list put and call options at any exercise price listed for trading in the next February bi-monthly cycle futures options that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading. The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

New options may be listed for trading up to and including the termination of trading. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate. The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

FX:

Subject to regulatory review, obsolete references to CME Globex, open outcry, and CME ClearPort will be eliminated from six CME FX options product chapters, effective June 28, 2021. There are no differences in the price increments for trading on CME Globex or via open outcry, or for submission for clearing via CME ClearPort. The amendments are set forth below, with additions underscored and deletions ~~overstruck~~.

**CME Chapter 251A
Options on British Pound Sterling/U.S. Dollar (GBP/USD) Futures**

251A01. OPTION CHARACTERISTICS

[Sections 251A01.A. and B. are unchanged.]

251A01.C. Price Increments

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~The price of an option shall be quoted in U.S. dollars per pound sterling. Each \$0.0001 per pound sterling (one point) shall represent \$6.25. For example, a quote of .0070 represents an option price of \$437.50 (70 points x \$6.25 per point) of premium. The minimum fluctuation shall be one point (also known as one tick).

In addition, for options that are quoted in volatility terms on CME Globex, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00002 per British pound sterling (equal to \$1.25).

[The remainder of the Rule is unchanged.]

CME Chapter 252A Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures

252A01. OPTIONS CHARACTERISTICS

[Sections 252A01.A. and B. are unchanged.]

252A01.C. Price Increments

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~The price of an option shall be quoted in U.S. dollars per Canadian dollar. Each \$0.0001 per Canadian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Canadian dollar (equal to \$1.00).

[The remainder of the Rule is unchanged.]

CME Chapter 253A Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures

253A01. OPTIONS CHARACTERISTICS

[Sections 253A01.A. and B. are unchanged.]

253A01.C. Price Increments

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~The price of an option shall be quoted in U.S. dollars per Japanese yen. Each \$0.000001 per Japanese yen (one point) shall represent \$12.50. For example, a quote of .000075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.0000005 (\$6.25, also known as one-half tick), \$.0000015 (\$18.75, also known as one and one-half ticks), \$.0000025 (\$31.25, also known as two and one-half ticks), \$.0000035 (\$43.75, also known as three and one-half ticks), and \$.0000045 (\$56.25, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.0000001 per Japanese yen (equal to \$1.25).

[The remainder of the Rule is unchanged.]

CME Chapter 254A Options on Swiss Franc/U.S. Dollar (CHF/USD) Futures

254A01. OPTIONS CHARACTERISTICS

[Sections 254A01.A. and B. are unchanged.]

254A01.C. Price Increments

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~The price of an option shall be quoted in U.S. dollars per Swiss franc. Each \$0.0001 per Swiss franc (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Swiss franc (equal to \$1.25).

[The remainder of the Rule is unchanged.]

CME Chapter 255A Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures

255A01. OPTIONS CHARACTERISTICS

[Sections 255A01.A. and B. are unchanged.]

255A01.C. Price Increments

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~The price of an option shall be quoted in U.S. dollars per Australian dollar. Each \$0.0001 per Australian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Australian dollar (equal to \$1.00).

[The remainder of the Rule is unchanged.]

CME Chapter 261A Options on Euro/U.S. Dollar (EUR/USD) Futures

261A01. OPTIONS CHARACTERISTICS

[Sections 261A01.A. and B. are unchanged.]

261A01.C. Price Increments

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~The price of an option shall be quoted in U.S. dollars per Euro. Each \$0.0001 per Euro (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Euro (equal to \$1.25).

[The remainder of the Rule is unchanged.]

3. CBOT PRODUCT DELISTINGS: (Effective Immediately)

Interest Rates:

All flexible options on CBOT U.S. Treasury futures are listed solely for open outcry trading and there is currently no open interest in these products. Effective immediately, the following CBOT Flexible Option products have been delisted and the associated product chapters have been eliminated:

Flexible Options on U.S. Treasury Bond Futures – CBOT Chapter 18B
Flexible Options on Long-Term U.S. Treasury Note Futures – CBOT Chapter 19B
Flexible Options on Medium-Term U.S. Treasury Note Futures – CBOT Chapter 20B
Flexible Options on Short-Term U.S. Treasury Note Futures – CBOT Chapter 21B
Flexible Options on 10-Year U.S. Treasury Note Futures – CBOT Chapter 26B
Flexible Options on Long-Term U.S. Treasury Bond Futures – CBOT Chapter 40B

4. CBOT PRODUCT AMENDMENTS: (Effective June 28, 2021 – pending CFTC review)

Agriculture:

Subject to regulatory review, an outdated reference in CBOT Chapter 11C (“Soybean Board Crush Spread Options”) will be eliminated, effective June 28, 2021. The amendments are set forth below, with deletions ~~overstruck~~.

CBOT Chapter 11C Soybean Board Crush Spread Options

11 C02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise and assignment of Soybean Board Crush Spread Options.

11 C02.A. Exercise of Option

The buyer of a Soybean Crush Spread option may exercise the option on any business day up to and including the day such option expires by giving notice of exercise to the Clearing House by 5:30 p.m. Chicago time, or by such other time designated by the Exchange, on such day. In-the-money options that have not been liquidated or exercised on the last day of trading in such option shall be automatically exercised in the absence of contrary instructions delivered to the Clearing House by 5:30 p.m. Chicago time, or by such other time designated by the Exchange, on the last day of trading by the clearing member representing the option buyer.

The Soybean Board Crush Spread is calculated using final settlement values for the underlying contracts in the following formula: [(Settlement Price of Soybean Meal in \$/short ton x .022) + Settlement Price of Soybean Oil in cents/pound x 11] – (Settlement Price of Soybeans in \$/bushel). The results of this calculation are rounded to the nearest quarter of one cent (\$.0025). An option is in-the-money if the rounded settlement price of the underlying Soybean Board Crush Spread is less in the case of a put, or greater in the case of a call, than the exercise price of the option.

~~If a component contract month's settlement price is unavailable for any reason or a component contract month's settlement price is "close on the limit bid" or "close on the limit sellers", then the value for the Soybean Board Crush Spread shall be the midpoint of the last bid and ask of the Soybean Board Crush Spread unless extenuating circumstances exist under which the Pit Committee can justify setting the Soybean Board Crush Spread at a price different from the midpoint. If the Soybean Board Crush Spread differs from the midpoint of the last bid and ask of the Soybean Board Crush Spread, then the Pit Committee is required to document the basis for the deviation. Such documentation must be signed by two members of the Pit Committee.~~

[The remainder of the Rule is unchanged.]

5. ELIMINATION OF CME GLOBEX TRADING HALT FOR ALL CME and CBOT EQUITY FUTURES AND OPTIONS CONTRACTS - (Effective June 28, 2021 – pending CFTC review)

Equity:

Subject to regulatory review and effective June 28, 2021, CME and CBOT will eliminate the 3:15 p.m. – 3:30 p.m. Central Time (CT) trading halt on CME Globex which currently exists for certain Equity futures and options contracts. The halt was initially implemented to account for transactions conducted via open outcry in the trading pits and is therefore no longer necessary.

Inquiries regarding this Special Executive Report may be directed to:

Equity:

Richard Co	Richard.Co@cmegroup.com	312.930.3227
Brian Burke	Brian.Burke@cmegroup.com	212.299.2236

Interest Rate:

David Reif	David.Reif@cmegroup.com	312.648.3898
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Chicago Trading Pits Closure Frequently Asked Questions for Members and Member Firms

1. Which products will no longer trade through open outcry?

All floor-traded products will remain closed for floor trading, with the exception of CME Options on Three-Month Eurodollar Futures, Options on One-Month SOFR Futures, and Options on Three-Month SOFR Futures, all of which trade in the CME Eurodollar Options pit.

2. How will members and member firms retrieve items from booths, trading jackets, or a locker?

Parties needing to retrieve equipment or personal items need to schedule a time Monday – Friday after trading hours in order to do so. Appointments may be scheduled through the Trading Floor Operations Department by calling 312.435.3583.

3. Will I need to sign a health waiver to retrieve those items?

Provided you make the appointment and access the trading floor after trading hours, you will not need to complete a waiver.

4. Will members or member firms be charged for the cost of disconnecting internet/telecom connections in the booth or interstitial areas?

There will be no charges from CME for disconnections. However, all such connections that are unrelated to the Eurodollar options pit must be disconnected, and all wireless and telex equipment must be returned. In addition, any connectivity charges incurred from outside vendors are the responsibility of the individual receiving those services.

5. Are there plans to relocate the CME Eurodollar Options pit?

Yes, plans are underway to construct a new Eurodollar Options pit in the area adjacent to the current trading floor and the former CBOT grain room. Representatives from Trading Floor Operations are involved in the planning to ensure the new pit operates efficiently. We anticipate the move will take a number of months with target completion by early 2022, and additional information will be shared when it becomes available.

6. Prior to the opening of the new pit, will there be any movement of the current Eurodollar Options pit?

No.

7. Will my access to CME and CBOT products trading electronically on CME Globex be affected by this announcement?

No. You will continue to be able to access all CME and CBOT products trading electronically on CME Globex with no interruption.

CME Direct and CME ClearPort will continue to be available for the submission of block trades executed pursuant to Rule 526 (“Block Trades”) and EFRPs executed pursuant to Rule 538 (“Exchange for Related Position Transactions”). However, in order to execute a block trade or certain types of EFRPs as a principal (for your own account), you must qualify as an Eligible Contract Participant (“ECP”) as that term is defined in Section 1a(18) the Commodity Exchange Act (“CEA”). Please see FAQs 9 and 10 for further information on this requirement.

8. What happens to my registration status as a registered floor broker?

CBOT Registered Floor Brokers:

On April 13, 2021, staff of the Commodity Futures Trading Commission (“CFTC”) issued no-action relief described in [CFTC Letter No. 21-10](#), which currently permits registered floor brokers to conduct customer business from off the trading floor. That relief expires on September 30, 2021. **Effective on October 1, 2021, absent an extension of the no-action relief, you will not be permitted to handle customer business unless you have obtained registration in another capacity.**

Exchange staff is currently working with the National Futures Association (“NFA”) and the CFTC to obtain a time-limited waiver of the requirement that you take the National Commodity Futures Examination (“NCFE” or “Series 3”) if you plan on becoming registered in an alternate capacity to handle customer business. Additional information on this matter will be communicated as soon as it is available.

If a waiver is obtained, your registration as a floor broker will be terminated by CBOT on the waiver expiration date. If a waiver is not obtained, your registration will be terminated on September 30, 2021.

CME Registered Floor Brokers:

If you are supporting the open outcry trading of CME Options on Three-Month Eurodollar Futures, Options on One-Month SOFR Futures, and/or Options on Three-Month SOFR Futures on the trading floor, your floor broker registration will remain intact and you will not be affected. No action on your part is necessary in this regard.

If you are a CME registered floor broker who is not supporting the open outcry trading of the aforementioned products, **effective on October 1, 2021, absent an extension of the CFTC no-action relief described above, you will not be permitted to handle customer business unless you have obtained registration in another capacity.**

Exchange staff is currently working with the NFA and the CFTC to obtain a time-limited waiver of the requirement that you take the Series 3 exam if you plan on becoming registered in an alternate capacity to handle customer business. Additional information on this matter will be communicated as soon as it is available.

9. What specific activities will I no longer be permitted to engage in if the CFTC no-action relief is not extended and I do not have registration in a different capacity?

You will not be permitted to handle customer business in any capacity, which means you will no longer be permitted to:

- Solicit customer business;
- Provide trading recommendations;
- Exercise discretionary trading authority over any customer account;
- Handle customer orders that allow for price and/or time discretion (DRT orders); or
- Be compensated for any of the above.

10. What other registration categories will permit me to continue handling customer business?

Industry categories which will allow you to continue to service your customer business include registration as a Futures Commission Merchant (“FCM”), Introducing Broker (“IB”), Commodity Trading Advisor (“CTA”), Commodity Pool Operator (“CPO”) or as an Associated Person (“AP”) of one of the above categories. Members may wish to consider establishing relationships with existing FCMs, IBs, CTAs or CPOs who will supervise their activities. Information on registration can be found on the NFA website at www.nfa.futures.org.

11. If I am in the process of obtaining registration as an IB, is there any potential relief that will allow me to continue to handle customer business off the trading floor after expiration of the CFTC no-action relief on September 30, 2021?

If you do not believe your registration status as an IB will be complete by September 30, 2021, you should contact one of the Exchange representatives listed at the end of this FAQ to explain your specific circumstances so that we may determine if there is a need to request additional relief from the CFTC. **Given that there is no certainty that relief will be available, you should be actively involved in the process of becoming registered as an IB as soon as possible.**

12. What happens to my registration status as a floor trader?

CBOT Registered Floor Traders:

As of the close of business on September 30, 2021, your registration as a floor trader will be terminated by CBOT.

CME Registered Floor Traders:

If you are supporting the open outcry trading of CME Options on Three-Month Eurodollar Futures, Options on One-Month SOFR Futures, and/or Options on Three-Month SOFR Futures on the trading floor, your floor trader registration status will remain intact and you will not be affected. No action on your part is necessary in this regard.

If you are not supporting the open outcry trading of the aforementioned products, your registration as a floor trader will be terminated by CME as of the close of business on September 30, 2021.

13. Will I still be able to continue to rely on my registration status as a floor broker or floor trader to execute block trades and certain types of EFRPs as a principal (for my own account) after September 30, 2021?

Yes, but only until your registration as a floor broker or floor trader is terminated as set forth above. Once your registration status as a floor trader or floor broker has been terminated, you will need to qualify as an Eligible Contract Participant (“ECP”) via alternate means to continue to execute such trades as a principal. The ECP definition is set forth in Section 1(a)18 of the Commodity Exchange Act (“CEA”) and may be accessed via the following link: <https://www.law.cornell.edu/uscode/text/7/1a>.

14. Will staff of CME Group be able to assist me in determining if I qualify as an ECP under the existing definition set forth in the CEA?

No. If you have questions concerning whether you meet the definition of an ECP, you will need to consult your own legal advisor.

15. If I plan to transition from trading on the floor to trading electronically, are there any administrative requirements I need to handle?

As described in FAQ 16 below, members without access to the trading floor are not required to be qualified by an Exchange clearing member firm. If you plan to trade electronically, your clearing member firm may terminate your qualification and replace it with an electronic trading guarantee form/letter as described below.

16. Will CME and CBOT Clearing Member Firms need to continue to qualify individual CME and CBOT members after September 30, 2021?

CBOT Rule 511 (“Qualified Traders and Brokers”) requires a qualification solely for members with access to the trading floor. As of September 30, 2021, CBOT Rule 511 will be amended to eliminate that requirement.

Given that CME will continue to have registered floor brokers and floor traders supporting the open outcry trading of CME Options on Three-Month Eurodollar Futures, Options on One-Month SOFR Futures, and Options on Three-Month SOFR Futures on the trading floor, CME Rule 511 will not be amended, and will continue to require that **CME members supporting the open outcry trading of the aforementioned products on the trading floor** be qualified by a Clearing Member Firm.

CME and CBOT Clearing Member Firms may request a list of all qualified members by contacting the Membership Department at 312.435.3480.

CME and CBOT Clearing Member Firms are encouraged to review and begin to terminate existing individual member qualifications for any members that do not have access to the trading floor. In order to do so, appropriate notification must be made to the Membership Department, including submission of an electronic trading guarantee form/letter, if applicable, to the Membership Department at seatmarket@cmegroup.com or by calling the Membership Department at 312.435.3480.

17. Who may I contact if I have additional questions?

For general questions, please contact Sean Keating, Managing Director, Global Operations Division, at 212.299.2135 or Sean.Keating@cmegroup.com.

For regulatory-related questions, please contact one of the following individuals in Market Regulation:

Erin Middleton, Manager, Rules & Regulatory Outreach, at 312.341.3286 or Erin.Middleton@cmegroup.com

Robert Sniegowski, Executive Director, Rules & Regulatory Outreach, at 312.341.5991 or Robert.Sniegowski@cmegroup.com.