

Commodity Futures Trading Commission

Pt. 40, App. B

an occasional basis, or any other requirement for designation under the Act or Commission rules and policies.

(c) Application for Option Contracts

A board of trade shall submit:

(1) The rules setting forth the terms and conditions of the proposed option contract.

(2)(i) For options on futures contracts, the terms and conditions of the proposed or existing underlying futures contract.

(2)(ii) For options on physical commodities:

(A) A description of the cash market for the commodity on which the contract is based.

(1) The description may include, in addition to or in lieu of material prepared by the

board of trade: existing studies by industry trade groups, academics, governmental bodies or other entities; promotional or marketing materials prepared by or for the board of trade; reports of consultants; or other materials which provide a description of the underlying cash market.

(2) Where the same, or a closely related commodity, is already designated and is not dormant, the cash market description can be confined to those aspects relevant to particular term(s) or condition(s) which differ from such existing contract.

(B) Depending on the method of settling the option, the relevant chart for either a physical delivery or cash settled futures contract.

(3) The following completed chart.

TERMS AND CONDITIONS

Criterion	Applicable CFTC Rule (17 CFR)	Standard	Met by exchange rule number	Justification for not meeting standard, or rule number of identical approved rule
1. Speculative limits	150.5	Combined net position in futures and options on a futures-equivalent basis at the futures position levels, with inter-month spread exemptions that are consistent with those of the futures contracts or consistent with Commission Rule 150.5(e) for underlying future.	.....	.....
2. Aggregation rule ...	150.4	Same as Rule 150.5(g) or previously approved language.	.....	.....
3. Reporting level	15.00(b)(2)	50 contracts or fewer .....	.....	.....
4. Strike prices (number listed & increments).	33.4(b)(1)	Procedures for routine listing of strikes are specified and automatic, provisions for listing discretionary strikes are specified.	.....	.....
5. Option expiration & last trading day.	33.4(b)(2)	Except for options on cash-settled futures contracts, expiration is not less than one business day before the earlier of the last trading day or the first notice day of the underlying future.	.....	.....
6. Minimum tick	33.4(d)	Equal to, or less than, the underlying futures tick.	.....	.....
7. Daily price limit, if specified.	33.4(d)	Equal to, or greater than, the underlying futures price limit.	.....	.....

(4) As specifically requested, such additional evidence, information or data relating to whether the contract meets, initially or on a continuing basis, any of the specific requirements of the Act, including the public interest standard contained in Section 5(7) of the Act, or any other requirement for designation under the Act or Commission rules and policies.

[64 FR 29221, June 1, 1999. Redesignated at 66 FR 42287, Aug. 10, 2001]

APPENDIX B TO PART 40—SCHEDULE OF FEES

(a) *Applications for product approval.* Each application for product approval under §40.3 must be accompanied by a check or money order made payable to the Commodity Futures Trading Commission in an amount to be determined annually by the Commission and published in the FEDERAL REGISTER.

(b) Checks and applications should be sent to the attention of the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. No checks or money orders may be accepted by

personnel other than those in the Office of the Secretariat.

(c) Failure to submit the fee with an application for product approval will result in return of the application. Fees will not be returned after receipt.

APPENDIX C TO PART 40 [RESERVED]

APPENDIX D TO PART 40—SUBMISSION COVER SHEET AND INSTRUCTIONS

A properly completed submission cover sheet must accompany all rule submissions submitted electronically by a registered entity to the Secretary of the Commodity Futures Trading Commission, at submissions@cftc.gov in a format specified by the Secretary of the Commission.

Each submission should include the following:

1. *Identifier Code (optional)*—If applicable, the exchange or clearing organization Identifier Code at the top of the cover sheet. Such codes are commonly generated by the exchanges or clearing organizations to provide an identifier that is unique to each filing (e.g., NYMEX Submission 03–116).

2. *Date*—The date of the filing.

3. *Organization*—The name of the organization filing the submission (e.g., CBOT).

4. *Filing as a*—Check the appropriate box for a designated contract market (DCM), derivatives clearing organization (DCO), derivatives transaction execution facility (DTEF), or electronic trading facility with a significant price discovery contract (ECM–SPDC).

5. *Type of Filing*—Indicate whether the filing is a rule amendment or new product and the applicable category under that heading.

6. *Rule Numbers*—For rule filings only, identify rule number(s) being adopted or modified in the case of rule amendment filings.

7. *Description*—For rule or rule amendment filings only, enter a brief description of the new rule or rule amendment. This narrative should describe the substance of the submission with enough specificity to characterize all essential aspects of the filing.

8. *Other Requirements*—Comply with all filing requirements for the underlying proposed rule or rule amendment. The filing of the submission cover sheet does not obviate the responsibility to comply with any applicable filing requirement (e.g., rules submitted for Commission approval under § 40.5 must be accompanied by an explanation of the purpose and effect of the proposed rule along with a description of any substantive opposing views). Rules submitted for Commission approval under § 40.5 must be accompanied by an explanation of the purpose and effect of the proposed rule along with a description of any substantive opposing views). Checking the box marked “confidential treatment re-

quested” on the Submission Cover Sheet does not obviate the submitter’s responsibility to comply with all applicable requirements for requesting confidential treatment in rule 40.8(c) and, where appropriate, rule 145.9, and will not substitute for notice or full compliance with such requirements.

[74 FR 12203, Mar. 23, 2009, as amended at 74 FR 17394, Apr. 15, 2009]

PART 41—SECURITY FUTURES PRODUCTS

Subpart A—General Provisions

Sec.

41.1 Definitions.

41.2 Required records.

41.3 Application for an exemptive order pursuant to section 4f(a)(4)(B) of the Act.

41.4–41.9 [Reserved]

Subpart B—Narrow-Based Security Indexes

41.11 Method for determining market capitalization and dollar value of average daily trading volume; application of the definition of narrow-based security index.

41.12 Indexes underlying futures contracts trading for fewer than 30 days.

41.13 Futures contracts on security indexes trading on or subject to the rules of a foreign board of trade.

41.14 Transition period for indexes that cease being narrow-based security indexes.

41.15 Exclusion from definition of narrow-based security index for indexes composed of debt securities.

Subpart C—Requirements and Standards for Listing Security Futures Products

41.21 Requirements for underlying securities.

41.22 Required certifications.

41.23 Listing of security futures products for trading.

41.24 Rule amendments to security futures products.

41.25 Additional conditions for trading for security futures products.

41.27 Prohibition of dual trading in security futures products by floor brokers.

Subpart D—Notice—Designated Contract Markets in Security Futures Products

41.31 Notice-designation requirements.

41.32 Continuing obligations.

41.33 Applications for exemptive orders.

41.34 Exempt provisions.