

CME Group - Exchange Fee System Updates December 2016

A. Exchange Fee Information on CME Group Website

URL: <http://www.cmegroup.com/company/clearing-fees.html>

- ❖ **January 1, 2017** fee schedules are posted for CBOT, CME and NYMEX/COMEX, which include:
 - Fee changes announced in October: [Click here for summary of changes](#)
 - Year-end fee program extensions, expirations and modifications, where applicable

B. Year-End Fee Program Updates - Details

- ❖ Programs listed on CME Group fee schedules that have been **extended for 2017** reflect their new expiration dates on the January 1, 2017 fee schedules
- ❖ Programs that were listed on CME Group fee schedules that will **expire December 31, 2016**:

CBOT – Agriculture – EXPIRATIONS	
PROGRAM NAME	DESCRIPTION
INCENTIVE PROGRAMS	
Agricultural Futures Volume Discount - Regular Trading Hours (RTH)	On a tiered basis, the Exchange Fee for Agricultural Futures traded during RTH (7:45 am to 1:20 pm CT) will be reduced for trading volumes exceeding monthly average daily volume thresholds.
Agricultural Futures Volume Discount - Extended Trading Hours (ETH)	On a tiered basis, the Exchange Fee for Agricultural Futures traded during ETH (7:00 pm to 7:45 am CT) will be reduced for trading volumes exceeding monthly average daily volume thresholds; applies only to Passive activity (excluding give-ups).
Back-Month Agricultural Futures Incentive	The Exchange Fee will be reduced for trading volumes in designated future dated contract months.

CME – Interest Rates – EXPIRATIONS	
PROGRAM NAME	DESCRIPTION
MARKET MAKER PROGRAMS	
Eurodollar Bundle Futures	Globex Exchange Fees waived; may also be eligible for additional fee credits if eligibility requirements are met

NYMEX/COMEX – Energy/Metals – EXPIRATIONS	
FEE WAIVERS	
PRODUCT NAME	FEE SCHEDULE
Iron Ore Products (ICP, ICT, PIO, TIC, TIO)	Please refer to the January 1 st fee schedule for the updated rates
Henry Hub Natural Gas Last Day Financial Futures (NN)	
INCENTIVE PROGRAMS	
PROGRAM NAME	DESCRIPTION
NYMEX Brent Crude Oil Options Fee Waiver Program	Exchange fee waiver on Brent Option products
COMEX Copper Futures Commercial Partnership Program	Tiered Globex rates on Copper Futures

- ❖ Programs listed on CME Group fee schedules that will be **modified effective January 1, 2017**:

CME – Equity – MODIFICATIONS		
PROGRAM NAME	DESCRIPTION	NEW EXPIRATION DATE
MARKET MAKER PROGRAMS		
E-mini S&P 500 (ES) Futures E-mini Nasdaq 100 (NQ) Futures E-mini Russell 1000 Index (RS1) Futures	Globex Exchange Fees waived for Block Trade at Index Close (BTIC) transactions via CME Globex <i>Effective January 1, 2017, E-mini Russell 1000 Index Futures are included.</i>	12/31/2017
DISCOUNT PROGRAMS		
Nikkei 225 Yen Denominated Futures, E-mini Yen Denominated Futures and USD Denominated Futures Volume Incentive Program and ONH Discount Program	10% discount Globex Exchange Fees for participants who exceed their baseline monthly ADV threshold by 10% or more; additional Overnight Hours (ONH) flat rate discount per contract traded during ONH, if specified requirements are met. <i>Effective January 1, 2017, there are changes to the ONH discounts, communicated directly to the program participants.</i>	12/31/2017
FEE SCHEDULE		
E-mini Nifty 50 Index (II) Futures	<i>Effective January 1, 2017, the fee schedule will be adjusted for this product.</i>	N/A

CME – Foreign Exchange – MODIFICATIONS		
PROGRAM NAME	DESCRIPTION	NEW EXPIRATION DATE
MARKET MAKER PROGRAMS		
Non-Core FX Futures	Block Exchange Fees waived for specified non-core FX futures <i>Effective January 1, 2017, the following products are no longer included: AC, AJ, AN, BF, BY, CA, CC, CN, CY, KE, SE, SJ, UN</i>	12/31/2017
DISCOUNT PROGRAMS		
CTA/Hedge Fund Incentive Program (CTAHF)	Allows qualified hedge funds and commodity trading advisors (CTAs) to receive discounted fees for their CME electronic Foreign Exchange (eFX) trades that are executed on the CME Globex trading platform. <i>Effective January 1, 2017, the Exchange Fee for electronically traded FX and E-mini FX products will be reduced to a flat discounted rate per calendar quarter that is based on a participant's average daily volume for the prior quarter. Refer to the January 1st fee schedule for details.</i>	12/31/2017

C. Fee Credit Model for Exchange Fees

- ❖ As announced previously, CME Group is moving towards a fee credit model, to create an itemized statement for the client, rather than the current state of embedding discounts within the rate and the total fees applied.
- ❖ To ease the transition, this model will be implemented in a few iterations, addressing the following types of incentives (that are currently calculated within EFS):
 - ✓ Phase 1: Fee Waivers – implemented effective October 2016
 - Phase 2: Market Maker/Targeted Incentive Programs– **To be Implemented effective January 2017** (see details below)
 - Volume Discounts & Other Asset Class Specific Incentives – targeted for Q1/Q2 2017
 - International Incentive Programs (IIP, IVIP, CBIP, etc.) – targeted for Q2/Q3 2017
- ❖ **PHASE 2 RELEASE: January 2017 – Market Maker/Targeted Incentive Programs**
 - For CBOT and CME, this release includes all of the Market Maker/Targeted Incentive Programs that are currently calculated within EFS, where the discount applied is a fee waiver (zero rate) or already is a fee credit.
 - Note: The only remaining CBOT and CME programs that will not to be converted from the Market Maker/Targeted Incentive Program report at this time are those where the discount is a *percentage* discount (Agricultural Options).
 - For NYMEX, this release includes only the Loop Delivery Fee Waiver program.
 - The application of the new fee credits will apply for trading activity beginning January 3rd. Any resubmissions of prior period activity for November/December will still be applied the old way, as a discounted rate.

EXAMPLE: CME FX Futures Cross Currency Market Maker Program

CURRENT STATE

Firm ID	Account	Base Rate	Applied Rate	Fee Quantity	Fee Type	Applied Fees
999	ABCD	0.00	0.00	1,000	Exchange Fee	\$0.00

NEW STATE

NOTE: This is a generalization of what will display on Summary reports, with a new fee type indicating a 'Cr' designation for a fee credit.

Firm ID	Account	Rate	Fee Quantity	Fee Type	Applied Fees
999	ABCD	0.32	1,000	Exchange Fee	\$320.00
999	ABCD	-0.32	1,000	Exchange Fee Cr	-\$320.00

Total Fees Due	\$0.00
Total Discount	-\$320.00

❖ **REMINDERS FOR REPORTS/FILE IMPACTS:**

- **'Fee Discounts' Report:**

- This is an Exchange specific report that will reflect all fee credits that have been converted to this model, with a 'Discount Description' to itemize each of the discounts applied. Beginning with January activity, the Market Maker/Targeted Incentive Programs converted to the fee credit model will now be included on this report.
- This report provides the breakdown of the 'Cr' credit fee types displayed on the Summary reports.
- As we implement additional iterations of this fee credit model going forward, those discounts will also appear on this new report, in the end creating a **single report** that itemizes all discounts applied.

- **Exchange Fee Files**

- As additional sources for the breakdown of the 'Cr' credit fee types on the Summary reports, the '**Discount Description**' field is also available on the following:
 - Condensed Trade Detail Extract (available via EFS Reports screen)
 - Full Trade Detail Extract (available via FTP) – file layouts are available here: [CBOT and NYMEX/COMEX](#) and [CME](#)