



## New Trader Incentive Program Application

### A Overview

In order to participate in the New Trader Incentive Program ("NTIP"), an entity and its trader must: (i) comply with the requirements of the NTIP set forth in this document and in any other notices or requirements published by CME Group; (ii) provide the information requested by CME Group here and on a quarterly basis for the duration of the NTIP; (iii) update the Application information for any changes during the duration of the program; and (iv) attest to the accuracy of the information provided to CME Group.

### B. Definitions

**"Proprietary Trading Group"** means a legal entity consisting of individuals who are owners, employees or contractors of the group who trade in the name of accounts owned by the group and exclusively use the funds of the group for such trading.

**"Trading Arcade"** means a legal entity consisting of individuals who are owners, employees or contractors of an entity that provide a legal, risk management and physical structure and trading facilities to traders in return for sharing of trading profits. Transactions are executed in the name of accounts owned by the trading arcade and originate from: 1) the trading arcade facility; or 2) with respect to individual traders, from a CME Group-approved remote site connected to the trading arcade facility. (Requests for remote site connectivity must be made in writing to CME Group and the justification for such requests will be reviewed on a case-by-case basis.) Also, the funds used for trading may be corporate pools of funds or commingled dealer/corporate funds.

### C. Eligibility

Proprietary Trading Groups and Trading Arcades with connectivity to CME Globex from an approved Emerging Market location will be eligible for the NTIP if they meet the following criteria:

- 1)** The entity's trading activity is initiated by individuals located in an approved location who are associated with a legal entity domiciled in the approved location.
- 2)** The entity's profits and losses are booked to the domiciled legal entity in the approved location.
- 3)** The entity and individuals trading for the entity are registered in EFS with CME Group.

The operations of such proprietary trading groups and trading arcades located outside of the approved locations, however, are not eligible for the NTIP. In addition, entities trading/holding or managing third party customer funds, such as commodity trading advisers, commodity pool operators, hedge funds, investment trusts, brokers, spread-betting firms, fund managers, commercial and investment banks, insurance companies, mutual funds, unit trusts and other similar entities are not eligible for the NTIP. CME Group shall have sole authority to determine whether an entity is, or is no longer, eligible for the NTIP.



## New Trader Incentive Program Application

D. **Length of NTIP**

As long as the Customer qualifies under the eligibility requirements detailed herein and in the NTIP Q&A, the Customer may participate in the NTIP, which continues through and including April 30, 2012.

E. **Fee Waivers**

During the period of time that Customer is eligible for the NTIP, Customer may benefit from fee waivers as set forth by CME Group. Fee waivers may be modified from time-to-time upon notice to Customer.

F. **Authorization and Attestation**

On behalf of the entity named below, I submit this Application for CME Group's NTIP and attest that the following information is correct on the date of submission and will be correct throughout the term of each trader's participation in the NTIP. I agree to notify CME Group immediately if any of the information in this Application changes.

I represent that the entity applying for the benefits of the NTIP: (i) has a training program in place to teach new derivative traders how to trade futures and options on futures contracts; (ii) includes CME Group contracts as part of such training program; (iii) will allow CME Group to review such training program and obtain information from other sources about the training program, if requested by CME Group; (iv) will register all traders with CME Group; (v) will allow CME Group to meet with entity principals, employees and traders to review participation in the NTIP or for the purpose of providing education on CME Group products and markets and (vi) has reviewed the requirements for the NTIP as well as the new traders listed on Schedule B and all meet the requirements of the NTIP.

The traders that are qualified as participants in the NTIP: (i) are not domiciled in or trading from an excluded country from the NTIP; (ii) possess less than one year's experience of other derivative exchanges (iii) trade futures contracts on a discretionary basis for the account of the entity (not customer business); (iv) are not trading in the capacity of an Automated Trading System operator; (v) trade in a manner that contributes to price discovery and will satisfy the order flow of other market participants; (vi) will continue to receive training support from the entity; and (vii) must submit a completed trader application to CME Group personnel.

In addition, the new traders that qualify for the fee waivers must meet the above criteria and also:

(i) have had no derivatives trading experience prior to their enrolment in the derivatives training program offered by the entity named below; and (ii) are undergoing their initial training in CME Group contracts.

G. **General Terms**

The NTIP will begin on May 1st, 2011 and will replace the previous CME Group EMIP.. Approved participants may receive the benefits of the NTIP until it expires on April 30, 2012, subject to volume thresholds established by CME Group. CME Group or entity may generally terminate participation in the NTIP at any time upon notice to the other party. CME Group may terminate the NTIP for a specific



## New Trader Incentive Program Application

trader or entity at any time with 5 days prior notice due to the trader's or entity's failure to comply with the terms of the NTIP or the rules of CME Group. The entity applying for the benefits of the NTIP and the participating traders agree to comply with any applicable Rules of CME Group. In the event that CME Group determines that a trader is not eligible or becomes ineligible for the NTIP, any fees waived by CME Group with respect to the trading activity of such trader must be reimbursed to CME Group by the entity listed below. Customer represents and warrants that the information on this application is correct and that all of the individuals registered in the NTIP meet the eligibility requirements of the NTIP.

### **H. Right of Inspection and Audit**

Upon CME Group's request, the entity agrees to furnish promptly to CME Group or its designee any information or reports that are reasonably related to determine the entity's compliance with the eligibility and trading parameters of the NTIP. During regular business hours, CME Group or its designee may have access to the entity's offices or locations in order to inspect any books and records CME Group reasonably requests to be furnished by the entity ("Audit"). If, as a result of such Audit, or, as a result of independent information, CME Group determines that the entity or any of the entity's traders are not entitled to the lower fee offered under the NTIP, then the entity shall pay the full amount of the differential between the waived fee benefit actually received and the higher fee that should have been charged as a result of the entity not qualifying for the NTIP.

### **I. Termination**

CME Group has the right to terminate the entity's or entity's trader's participation in the NTIP at any time with or without cause upon providing the entity with five (5) day's prior notice. CME Group has the right to terminate entity's or entity's trader's participation in the NTIP immediately if the entity or any of its traders breach any of the terms of the NTIP.

### **J. Privacy Policy**

ALL INFORMATION SHALL BE TREATED BY CME GROUP IN ACCORDANCE WITH CME GROUP'S PRIVACY STATEMENT, WHICH MAY BE VIEWED AT [WWW.CMEGROUP.COM](http://WWW.CMEGROUP.COM).

IF YOU ARE LOCATED OUTSIDE THE UNITED STATES: PLEASE NOTE THAT BY SUBMITTING THE PERSONAL DATA REQUESTED ABOVE, YOU ACKNOWLEDGE AND CONSENT TO THE USE OF THIS INFORMATION FOR THE PURPOSES DESCRIBED ABOVE, AND THE TRANSFER OF THIS DATA TO THE UNITED STATES, A JURISDICTION THAT MAY NOT PROVIDE AN EQUIVALENT LEVEL OF PROTECTION AS THE LAWS IN YOUR HOME COUNTRY. IF YOU HAVE ANY QUESTIONS OR COMMENTS REGARDING THESE DATA PROTECTION MATTERS, PLEASE SUBMIT THEM VIA E-MAIL TO [LEGALINFO@CMEGROUP.COM](mailto:LEGALINFO@CMEGROUP.COM) OR WRITE TO CME GROUP, LEGAL DEPARTMENT, 20 SOUTH WACKER DRIVE, CHICAGO, ILLINOIS 60606.



## New Trader Incentive Program Application

### Schedule A: NTIP Firm Application

Full Name of Entity: \_\_\_\_\_

Type of Entity (i.e. Proprietary Trading Firm, Trading Arcade): \_\_\_\_\_

Tax Identification Number or Equivalent: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ Country: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Primary Contact (at the Entity): \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Clearing Firm: \_\_\_\_\_

Primary Contact (at the clearer) \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Number of Traders: \_\_\_\_\_ CME Group Products Traded: \_\_\_\_\_

- How do you connect to CME?
- ☐ Through a direct connection to CME Group
  - ☐ Through a connection to a firm or data center that connects to CME Group
  - ☐ Through the Internet

Please provide a description of your connection to CME Group:

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## New Trader Incentive Program Application

**Training:**

Do you offer a training program? ☐ No ☐ Yes      Length of program \_\_\_\_\_

Approximate number of traders trained each year: \_\_\_\_\_

Topics covered: \_\_\_\_\_

CME Group products included: \_\_\_\_\_

Does training include the use of trading simulation? ☐ No ☐ Yes

Which simulator is used? Proprietary: \_\_\_\_\_ or Name of System: \_\_\_\_\_

**Contact for Trading and Education:**

Name:: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Signed and accepted by a duly authorized representative of  
CUSTOMER**

\_\_\_\_\_  
(Type or Print Entity Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

**CME GROUP**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)



## New Trader Incentive Program Application

### SCHEDULE B: Trader Application

CME Group requires the submission of a Workstation Operator Identifier (also known as the senderSubID or FIX TAG 50) for all orders entered through CME iLink® connections.<sup>1</sup> Registration of the Workstation Operator Identifier is required for individual members, employees of a member firm, incentive program participants, and workstation operators of an incentive program participant firm. The clearing firm is responsible for registering the workstation operator's identification in the Exchange Fee System.<sup>2</sup> **Please submit this form to your clearing firm, with a copy to CME Group, to assist them in registering the correct information within the Exchange Fee System so that fee waivers may be applied.**

**All Trader Applications must be accompanied by a copy of the individuals Passport Photo Page or equivalent I.D.**

Title : \_\_\_\_\_ First Name: \_\_\_\_\_ Middle Initial: \_\_\_\_\_

Last Name: \_\_\_\_\_

Date of Birth (DD/MM/YYYY): \_\_\_\_\_ SSN/Tax Id (Last 4 Digits) \_\_\_\_\_

Country(primary residence): \_\_\_\_\_

Passport/ID Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

#### Trader Status

New (Per Program Requirements): \_\_\_\_\_ Experienced : \_\_\_\_\_

Clearing Firm: \_\_\_\_\_

NTIP Site (Location): \_\_\_\_\_

Operator ID: (Tag 50): \_\_\_\_\_

(Unique Operator ID to cover both CME, CBOT, NYMEX)

Front-end: ☐ Proprietary  
☐ Independent Service Vendor (ISV) \_\_\_\_\_  
☐ CME Globex Trader

Account Number(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<sup>1</sup> CME Rule 576 ("Identification of CME GLOBEX Terminal Operators") requires that terminal operators be identified to the Exchange in the manner prescribed by the Exchange. The workstation operator identifier (also known as the senderSubID, Tag 50, or FIX user ID) is required for all orders entered through CME iLink® connections. This identifier can be up to 18 bytes maximum length and should be transmitted in FIX Tag 50. In addition to the assessment of fees and as a condition for participation in discounted fee programs, accurate data in this FIX tag is necessary for regulatory purposes.

<sup>2</sup> CME Rule 576 also states that "it is the duty of the clearing member to ensure that registration is current and accurate at all times." Failure to submit accurate workstation operator identifier data, or failure to report correct data into the Fee System may be a violation of Exchange Rule 576.



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Products Trading (all exchanges):

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**All information shall be treated by CME Group in accordance with CME Group's Privacy Statement, which may be viewed at [www.cmegroup.com](http://www.cmegroup.com).**

**IF YOU ARE LOCATED OUTSIDE THE UNITED STATES:** Please note that by submitting the personal data requested above, you acknowledge and consent to the use of this information for the purposes described above, and the transfer of this data to the United States, a jurisdiction that may not provide an equivalent level of protection as the laws in your home country. If you have any questions or comments regarding these data protection matters, please submit them via e-mail to [legalinfo@cmegroup.com](mailto:legalinfo@cmegroup.com) or write to CME Group, Legal Department, 20 South Wacker Drive, Chicago, Illinois 60606.

**Attestation and Authorization:** I acknowledge and agree to abide by the requirements of the Emerging Markets Incentive Program. I also agree to comply with all of the rules, regulations and policies of CME Group. I further represent that all current and future trading activity of my organization will conform to the requirements for such trading activity established by CME Group.

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(Signature)

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(Print Name)

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(Title)

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(Date)