

CME Globex® Certification Requirements and Electronic Audit Trail Requirements

CME, CBOT, NYMEX and COMEX Rule 536.B. (“Globex Order Entry”) require all systems that access the Globex platform through the CME iLink® gateway to create an audit trail which contains a complete record of all activity through the connection. While the minimum data elements required may to some extent depend on the functionality of the particular system, in general the complete audit trail record must include the following:

- A record of all fields relating to order entry, transaction date, product, Exchange code, expiration month, quantity, order type, order qualifier, price, buy/sell indicator, stop/trigger price, order number, unique transaction number, account number, session ID, Tag 50 ID, host order number, trade order number, clearing member, type of action, action status code, CTI code, origin and all timestamps to the millisecond;
- A Record of any modifications to order entries, including any changes or cancellations, and the time and nature of such changes or modifications;
- Exchange clearing member firms must be able to account for the state of every electronic communication from the moment an electronic system first receives such communication until it is communicated to CME Globex, as well as any related communications returned from CME Globex; and
- Individual operators and automated trading systems must each be assigned unique operator codes (TAG 50 IDs). These identifiers must be included on each transaction on the audit trail report. Clearing firms must be able to identify the person assigned to a particular TAG 50 ID;

Clearing members are responsible for maintaining or causing to be maintained the electronic audit trail for a minimum of 5 years, and clearing members must have the ability to display this data in a standard format upon request of Market Regulation or the CFTC. CFTC regulation 1.31 specifies the required format and coding structure, and that such data must be stored in a hard copy or other allowable hard copy substitution media. For more information regarding this matter please refer to the following links:

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=8a48312af84aef7c0832c043e1783b74&rgn=div8&view=text&node=17:1.0.1.1.0.5.26&idno=17>

<http://www.cftc.gov/foia/fedreg97/foi970610a.htm>

http://www.cftc.gov/ucm/groups/public/@industryoversight/documents/file/recordkeepingdmoadvisor_y0209.pdf

In the case where the Guaranteeing Clearing Firm has a direct connect client that is another Clearing Firm or a Corporate Equity Member, the Clearing Firm may notify the client Clearing Firm or Corporate Equity Member that it is their obligation to maintain the audit trail. Upon execution of a written notice, it shall be the duty of the client Clearing Firm or Corporate Equity Member to maintain an electronic audit trail pursuant to this rule.

When a new connection is made to CME Globex, connecting entities and clearing firms must provide a sample audit trail report from the test/certification environment before the system goes live. Shortly after the new system begins actively trading, the connecting entity and the clearing firm must provide the Market Regulation Department with a full production audit trail report.

A sample of an acceptable audit trail report and a field definition glossary with Fix Tag cross-references is attached. These documents have been updated to reflect recent changes and additions to fix tags. Should you have any questions regarding electronic audit trail requirements you may email them to the Market Regulation Department at audittrail@cmegroup.com or contact Joe Quane at 312.341.7617, Justina Montano at 312.341.3296, or Lou Abarcar at 312.341.3236.