

Amendments to CME/CBOT/NYMEX/COMEX Rule 559.E. (Limited Exceptions to Aggregation for Independently Controlled Accounts)

Effective on trade date Monday, April 4, 2016, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") will adopt amendments to CME/CBOT/NYMEX/COMEX Rule 559.E. ("Limited Exceptions to Aggregation for Independently Controlled Accounts") to allow exceptions to aggregation for position limit and hedge exemption purposes in certain circumstances.

The changes to Rule 559.E. include the following:

Subject to approval by the Exchange, positions carried in separate account(s) of independent account controllers, in products not subject to federal position limits, shall not be aggregated for position limit purposes provided that the entities:

1. Do not have knowledge of one another's trading decisions;
2. Trade pursuant to separately developed and independent trading strategies;
3. Have and enforce written procedures which preclude each from having knowledge of, gaining access to, or receiving data concerning, the trades of the other. Such procedures must include document routing and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities.

The amendments to each Exchange's Rule 559.E. appear in below, with additions underscored and deletions overstruck.

Questions regarding this Special Executive Report may be directed to one of the following individuals in the Market Regulation Department:

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For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.

CME
Chapter 5
Trading Qualifications and Practices
(Additions are underscored; Deletions are ~~struckthrough~~.)

559.E. Limited Exceptions to Aggregation for Independently Controlled Positions

~~Exceptions to aggregation of products with position limits established in accordance with CFTC Regulation 150.2 must comply with CFTC Regulation 150.3.~~

For all other products, ~~Positions carried for an eligible entity as defined in CFTC Regulation §150.1(d) in the separate account(s) or accounts of independent account controllers as defined in CFTC Regulation §150.1(e) shall not be aggregated for position limit purposes provided that the entities: positions are not held in the spot month during such time that a spot month position limit is applicable. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must comply with the requirements set forth in CFTC Regulation §150.3(a)(4)(i)(A-D).~~

1. Do not have knowledge of one another's trading decisions;

2. Trade pursuant to separately developed and independent trading strategies;
3. Have and enforce written procedures which preclude each from having knowledge of, gaining access to, or receiving data concerning, the trades of the other. Such procedures must include document routing and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities.

Positions held by futures commission merchants or their separately organized affiliates in customer discretionary accounts or in guided account programs shall not be aggregated for position limit purposes provided that the accounts are controlled by independent traders and meet the standards set forth in CFTC Regulation §150.4(d).

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.

CBOT

Chapter 5

Trading Qualifications and Practices

(Additions are underscored; Deletions are ~~struckthrough~~.)

559.E. Limited Exceptions to Aggregation for Independently Controlled Positions

Exceptions to aggregation of products with position limits established in accordance with CFTC Regulation 150.2 must comply with CFTC Regulation 150.3.

For all other products, ~~P~~positions carried ~~for an eligible entity as defined in CFTC Regulation §150.1(d) in the separate account(s) or accounts of independent account controllers as defined in CFTC Regulation §150.1(e) shall not be aggregated for position limit purposes provided that the entities: positions are not held in the spot month during such time that a spot month position limit is applicable, or if the positions are Treasury futures positions. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must comply with the requirements set forth in CFTC Regulation §150.3(a)(4)(i)(A-D).~~

~~Treasury futures positions carried in independently controlled accounts owned by different legal entities, irrespective of whether the entities qualify as eligible entities, shall not be aggregated for position limit purposes provided that affiliated legal entities must comply with the requirements set forth in CFTC Regulation §150.3(a)(4)(i)(A-D).~~

1. Do not have knowledge of one another's trading decisions;
2. Trade pursuant to separately developed and independent trading strategies;
3. Have and enforce written procedures which preclude each from having knowledge of, gaining access to, or receiving data concerning, the trades of the other. Such procedures must include document routing and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities.

Positions held by futures commission merchants or their separately organized affiliates in customer discretionary accounts or in guided account programs shall not be aggregated for position limit purposes provided that the accounts are controlled by independent traders and meet the standards set forth in CFTC Regulation §150.4(d).

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.

NYMEX/COMEX

Chapter 5

Trading Qualifications and Practices

(Additions are underscored; Deletions are ~~struckthrough~~.)

559.E. Limited Exceptions to Aggregation for Independently Controlled Positions

Exceptions to aggregation of products with position limits established in accordance with CFTC Regulation 150.2 must comply with CFTC Regulation 150.3.

For all other products, ~~P~~positions carried ~~for an eligible entity as defined in CFTC Regulation §150.1(d) in the separate account(s) or accounts of independent account controllers as defined in CFTC Regulation §150.1(e) shall not be aggregated for position limit purposes provided that the entities: If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must comply with the requirements set forth in CFTC Regulation §150.3(a)(4)(i)(A-D).~~

1. Do not have knowledge of one another's trading decisions;
2. Trade pursuant to separately developed and independent trading strategies;
3. Have and enforce written procedures which preclude each from having knowledge of, gaining access to, or receiving data concerning, the trades of the other. Such procedures must include document routing and

other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities.

Positions held by futures commission merchants or their separately organized affiliates in customer discretionary accounts or in guided account programs shall not be aggregated for position limit purposes provided that the accounts are controlled by independent traders and meet the standards set forth in CFTC Regulation §150.4(d).

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.