

## Special Executive Report

---

S-5063

December 2, 2009

### **CME, CBOT & NYMEX ADOPT REVISIONS TO RULE 127 ("TRADING AND SOLICITATION PRIVILEGES") EFFECTIVE IMMEDIATELY**

**Effective immediately**, CME, CBOT and NYMEX have adopted revisions to Rule 127 ("Trading and Solicitation Privileges") to clarify the requirements concerning members' solicitation of customer business in exchange products. Specifically, the revisions clarify that in order to solicit customer business, members must maintain proper industry registration and the solicitation must take place either from the trading floor or the premises of an entity registered to conduct customer business. In the event the solicitations occur from the premises of an entity registered to conduct customer business, such solicitations must be on behalf of the entity or one of its properly registered affiliates. Where required, the entity and affiliate must be a National Futures Association ("NFA") member. NFA registration requirements are set forth on the NFA Web site and may be accessed via the following link:

<http://www.nfa.futures.org/NFA-registration/index.HTML>

The amendments to each exchange's Rule 127 are set forth below, with additions underscored and deletions overstruck.

#### **CME Rule 127      TRADING AND SOLICITATION PRIVILEGES**

A member shall have the right, subject to the rules of the Exchange, to trade as principal and as broker for others by open outcry only with respect to products assigned to his membership division or designated Expanded-Access Products. The Exchange shall designate the CME products which CME and CBOT members may solicit from the combined CME and CBOT trading floor. In order to solicit customer business, the member must have proper industry registration. All solicitations must take place from the trading floor or from the premises of an entity registered to conduct customer business. Solicitations occurring from the premises of an entity registered to conduct customer business must be on behalf of the entity or one of its properly registered affiliates and such entity or affiliate must be an NFA member if required by NFA rules.

#### **CBOT Rule 127      TRADING AND SOLICITATION PRIVILEGES**

A member shall have the right, subject to the rules of the Exchange, to trade as principal and as broker for others by open outcry only with respect to products assigned to his membership Series or designated Expanded-Access Products. The Exchange, subject to the provisions in Article IV, Section D(2)(e) of the Exchange's Certificate of Incorporation that are applicable to rule changes, shall designate the CBOT products which CBOT and CME members may solicit from the combined CBOT and CME trading floor. In order to solicit customer business, the member must have proper industry registration. All solicitations must take place from the trading floor or the premises of an entity registered to conduct customer business. Solicitations occurring from the premises of an entity registered to conduct customer business must be on behalf of the entity or one of its properly registered affiliates and such entity or affiliate must be an NFA member if required by NFA rules.

#### **NYMEX Rule 127      TRADING AND SOLICITATION PRIVILEGES**

A member shall have the right, subject to the rules of the Exchange, to trade as principal and as broker for others by open outcry only with respect to products assigned to his membership division or as otherwise designated by the

Exchange category. The Exchange shall designate the products which NYMEX and COMEX members may solicit from the combined NYMEX and COMEX trading floor. In order to solicit customer business, the member must have proper industry registration. All solicitations must take place from the trading floor or the premises of an entity registered to conduct customer business. Solicitations occurring from the premises of an entity registered to conduct customer business must be on behalf of the entity or one of its properly registered affiliates and such entity or affiliate must be an NFA member if required by NFA rules.

Questions regarding the changes to Rule 127 may be directed to Robert Sniegowski, Association Director, Market Regulation Department, at 312.341.5991, Nancy Minett, Director, Market Regulation Department, at 212.299.2940 or Robert Krewer, Associate Director, Membership Department, at 312.435.3473. Questions concerning NFA registration requirements should be directed to the NFA at 312.781.1300.

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or [news@cmegroup.com](mailto:news@cmegroup.com).