



**Central Bank Incentive Program
Questions & Answers
December 2017**

1. What is the Central Bank Incentive Program?

The Central Bank Incentive Program (“CBIP”) allows Qualified Participants to receive discounted fees for their proprietary trading of CME Group products. All trading activity under the CBIP must be conducted directly through accounts registered to the Qualified Participant or separate accounts managed by a third party on behalf of the Qualified Participant. Qualified Participants receive discounted fees on CME, CBOT, and NYMEX products and COMEX futures products for electronic trading only. Qualified Participants will receive discounted fees through January 31, 2019.

2. How does an applicant qualify for the CBIP?

To qualify for and become a participant in CBIP (a “Qualified Participant”), the applicant must:

- Be a non-U.S. central bank, multilateral development bank, multilateral financial institution, sub-regional bank, aid coordination group, or an international organization of central banks
- Complete a CBIP application and be approved by CME Group
- Execute all trades in the Qualified Participant’s name
- Register one or more portfolio managers or representatives
- Have a relationship with a CME Group clearing member
- Have authority to participate in a fee incentive program (i.e. no public or internal policies prohibiting participation)

Please note that we are unable to accept participants located in certain countries. Contact CBIP@cmegroup.com for information regarding your location.

3. What trading fees are charged by CME Group for the trades of Qualified Participants?

The following summary table should be used as a reference guide only. Please refer to the most updated fee schedule at www.cmegroup.com/fees for more details on CBIP or for fees not listed below.

Product Category Electronic Trading Only	Standard customer rates	CBIP rates	Savings	
CME Products				
Foreign Exchange contracts	\$1.60	\$1.00	\$0.60	38%
E-mini Equity Index - futures	\$1.18	\$0.87	\$0.31	26%
E-mini Equity Index - options	\$0.55	\$0.45	\$0.10	18%
Interest Rates - futures (Eurodollar)	\$1.25	\$0.50	\$0.75	60%
Interest Rates - options (Eurodollar)	\$0.89	\$0.50	\$0.39	44%
CBOT Products				
Full size Agricultural products	\$1.95	\$1.67	\$0.28	14%
Mini \$5 Dow products	\$1.16	\$0.86	\$0.30	26%



Product Category Electronic Trading Only	Standard customer rates	CBIP rates	Savings	
2-year U.S. Treasury Futures	\$0.60	\$0.56	\$0.04	7%
5-year U.S. Treasury Futures	\$0.65	\$0.56	\$0.09	14%
10-year & Ultra 10-year U.S. Treasury Futures	\$0.75	\$0.59	\$0.16	21%
U.S. Treasury Bond Futures	\$0.80	\$0.64	\$0.16	20%
Ultra U.S. Treasury Bond Futures	\$0.85	\$0.64	\$0.21	25%
U.S. Treasury Options	\$0.81	\$0.49	\$0.32	40%
Other Financial Products (Fed Funds)	\$0.96	\$0.56	\$0.40	42%
MAC Swap Futures	\$0.56	\$0.49	\$0.07	13%
NYMEX Products				
Energy contracts (Physicals)	\$1.50	\$1.27	\$0.23	15%
Metals futures (Physicals)	\$1.50	\$1.27	\$0.23	15%
COMEX Products				
Metals futures contracts (Physicals)	\$1.50	\$1.27	\$0.23	15%

This table is not a comprehensive list of CME products; for products that do not qualify for CBIP discounts and are not included above, consult the complete CME Fee Table online (link above).

4. Is there a minimum volume requirement in order to continue as a Qualified Participant to receive reduced fees?

No.

Application Process

5. How does my entity apply for the CBIP?

Applicants should send an email to CBIP@cmegroup.com or contact the CME Group Concierge Team in Chicago at +1312.435.3555. Staff in these teams can provide you with additional information and assist you through the application process.

6. How long is the approval process?

Once the application and all supporting documents are received, the review process starts and generally takes less than one week, but review times may increase significantly in cases where more complex regulatory requirements may apply. Once approved, the Qualified Participant is usually registered by their clearing member to receive discounted CBIP fees within 5 business days. CME Group staff may consider the applicant's business reputation, financial resources as well as applicable regulatory restrictions in approving the applicant and reserves the right to reject any applicant. The decision of CME Group staff is final.

7. Are there any application fees?

No.



8. Are Qualified Participants subject to fees per contract charged by the National Futures Association (NFA)?

Yes. All customers are subject to an NFA fee. Participation in CBIP will not change the level of NFA fees.

9. Does the Qualified Participant need a clearing firm?

Yes. All trades at CME Group must be cleared through CME Group clearing member firms. Qualified Participants must maintain their own separate account on the books of a CME Group clearing firm or FCM (Futures Commission Merchant) for their proprietary trades and/or trades done on their behalf by an asset manager. CBIP accounts may not be maintained in a non-disclosed omnibus account.

10. How will my clearing firm be notified that my bank has been approved as a Qualified Participant in the CBIP?

While we will do our best to notify the appropriate staff at any clearing firms you have included in your CBIP application, the responsibility to inform your clearing firm remains with you. Because the CBIP discounted rates will be applicable at any clearing firm you utilize, we may not know about all of your clearing relationships. As a result, you must notify your clearing firms when you receive your approval notification. We encourage applicants to notify their clearing firms about their intention to apply for the CBIP as early as possible.

11. How does a clearing firm register a Qualified Participant in order to receive the discounted fees?

In order to receive the incentives, both the Globex operator ID (also known as a Tag 50 ID) and the account must be registered within the Exchange Fee System (EFS). Tag 50 ID represents the person(s) entering orders into Globex. The Qualified Participant's clearing firm is responsible for registering Tag 50 ID and account into EFS. Once an entity is approved, their clearing firm will be informed of the Qualified Participant's confidential code and will register that code in EFS. Qualified Participants should contact their clearing firms to ensure that correct Tag 50 ID and account information is registered in EFS to receive the reduced rate. Inaccurate information registered in EFS will result in non-member rates.

Other Information

12. Can the foreign branch offices of Qualified Participants join CBIP?

Yes.

13. What is the purpose of the CBIP?

Central Bank reserve management and the asset-liability management of Qualified Participants have grown in size and complexity. Compared to other alternatives, (i.e. OTC markets), CME Group-listed products typically offer significant value and transparency. By participating in the CBIP, Qualified Participants will be able to increase their understanding of, and familiarity with, how CME Group products can help manage their assets and liabilities.



14. Are Qualified Participants required to comply with the Exchange rules and the provisions of the Commodity Exchange Act?

Yes. Anyone who trades on the exchange *already* has the responsibility to comply with the provisions of the Commodity Exchange Act and the rules and regulations of the Exchange. Joining CBIP does not change any of these obligations.

15. Can a Qualified Participant use a broker or a clearing firm's execution desk for electronic execution and still be eligible for the fee discounts?

Yes.

16. Will participation in CBIP change my execution processes or broker relationships?

No. Participation in CBIP has no impact on your relationships with your executing broker, futures commission merchant, clearing member or asset manager.

17. If my entity joins CBIP, are there any additional reporting requirements in order to receive the discounted fees?

No. The lower exchange fees available through CBIP will automatically flow through your account once your clearing firm registers your account in EFS.

18. Can my entity register additional accounts after we submit an application?

Yes. Qualified Participants are responsible to notify the Exchange about additional accounts opened after the CBIP approval date, to ensure that these accounts are included in the CBIP and qualify for discounted fees.

19. Does my entity need to re-register for CBIP when it expires?

No. Qualified Participants will automatically be re-enrolled in CBIP if it is extended and no other circumstances prevent reenrollment.

20. Can my entity withdraw from CBIP?

Yes. Qualified Participants may withdraw from CBIP at any time by giving CME Group not less than ten (10) days prior written notice or via email at CBIP@cmegroup.com. There are no costs or penalties to withdraw from CBIP.

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