



**Emerging Market Bank Incentive Program (EMBIP)  
Questions & Answers  
February 2020**

**1. What is the Emerging Market Bank Incentive Program?**

The Emerging Market Bank Incentive Program (“EMBIP”) enables banks located in emerging markets in Eastern Europe, Asia, Africa and Latin American countries to receive discounted fees for their proprietary trading of CME Group products. Program participants receive discounted fees on CME, CBOT, and NYMEX products and COMEX futures products listed below. EMBIP participants will receive discounted fees through **January 31, 2021**.

**2. What products can be traded under this program?**

All CME, CBOT, NYMEX and COMEX products available for trading on the Globex Platform, and all U.S. Treasury Options and Interest Rate Options traded via Open Outcry (collectively, the “Products”).

**3. How does a bank qualify for the program?**

To qualify for EMBIP, a bank must:

- Be registered in one of the qualifying countries and meet any additional regulatory limitations; refer to Question #20 at the end of document for a list of eligible countries.
- Complete an EMBIP application and be approved by CME Group.
- Be registered and licensed by the government regulator in their respective country and submit to CME Group all related documentation of such registrations and licenses.
- Execute all trades solely for the benefit of, and in the EMBIP participant’s name.
- Register all participating traders, who must be owners, bona fide employees or independent contractors of the EMBIP participant.
- Have a relationship with a CME Group clearing member.

**Please note CME Group may be unable to accept participants located in certain countries and limits on qualification may apply for applicants located in certain countries. Please contact the CME Group Membership Concierge Team for further information regarding any location restrictions.**

**4. What are the minimum volume requirements to stay in the program?**

For continued eligibility and incentive qualification, participants must maintain a combined average daily volume (“ADV”) in the Products of **100 contracts (sides)** measured over a given calendar quarter. Eligibility will be re-evaluated on a calendar quarter basis (March, June, September and December). All Micro contracts will be excluded from this ADV requirement.

**5. How is an EMBIP participant’s average daily volume calculated for the purposes of the minimum volume requirement?**

For each quarter, CME Group sums the qualified product sides traded through accounts held by the EMBIP firm and registered in CME Group’s Exchange Fee System (“EFS”) as such. To be included in the sum, the contract side must trade and clear on a day within the quarter. CME Group calculates the average daily volume by dividing that sum by the number of business days in the quarter. Exchange holidays are excluded from the business day count for the quarter.



**6. How is an EMBIP participant’s average daily volume calculated if the EMBIP participant was approved midway through the quarter?**

The average daily volume will be based on the sides traded and the number of business days the firm was in the EMBIP during the quarter. For example, a firm who was an EMBIP participant for 10 business days during the quarter would be required to maintain minimum volume of 1,000 sides (10 business days \* 100) during the quarter to meet the volume requirement.

EMBIP firms that do not satisfy the minimum quarterly volume requirement will no longer be eligible for the EMBIP; however, CME Group may grant a one-time waiver to participants who do not meet the volume requirement. Firms may reapply, however, the standard non-refundable application fee will be required.

**7. For an EMBIP participant failing to meet the minimum quarterly volume requirement, when will the firm be dismissed from the program?**

On the 15th of the applicable review month (or first business day thereafter).

For instance, if an EMBIP firm averages below 100 contracts (sides) ADV for the first quarter, the EMBIP status will change effective April 15 (or first business day thereafter). For the period April 1st through April 15th, the firm will receive EMBIP rates. On and after April 16th, the firm will no longer be eligible for the program and will receive non-member/customer rates on all trades.

**8. Will CME Group notify the EMBIP participant or the clearing firm of its failure to meet the minimum quarterly volume requirement?**

Yes, the CME Group will notify an EMBIP firm failing the average minimum quarterly volume requirement. Additionally, CME Group will do its best to notify an EMBIP firm’s clearing member firms through e-mail on file with CME Group that the EMBIP participant has been withdrawn from the program. However, the EMBIP firm is responsible for communicating this change in status to its clearing member firms.

**9. Is an EMBIP participant subject to fees charged per contract by the National Futures Association (NFA)?**

CME charges fees pursuant to the fee schedules at <https://www.cmegroup.com/company/clearing-fees.html>. CME does not assess incentive program participants NFA fees. For information regarding NFA fees, please contact the NFA at (312) 781-1300.

**10. What trading fees are charged by CME Group for the trades of EMBIP 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](http://www.cmegroup.com/fees) for more details on this program or for fees not listed below.

Product Category (For executed trades on Globex Only)	Standard customer (non-member) rates	EMBIP rates (per side)
<b>CME Products</b>		
Full Size Foreign Exchange Futures (excluding FX Link)	\$1.60	\$1.00
Full Size Foreign Exchange Options	\$1.60	\$1.00
E-Mini Equity Index Futures - Outrights	\$1.23	\$0.97



E-mini Equity Index – Options	\$0.55	\$0.50
Micro E-Mini Equity Index Futures – Outrights	\$0.20	\$0.14
Micro E-Mini Equity Index Futures – Spreads	\$0.14	\$0.11
Bitcoin Futures – Outrights and Spreads	\$5.00	\$4.85
Bitcoin Options	\$5.00	\$4.85
Interest Rates Futures	\$1.25	\$0.75
Interest Rates Options	\$0.89	\$0.60
<b>CBOT Products</b>		
Full Size Agricultural Contracts	\$1.95	\$1.67
Mini \$5 Dow Products	\$1.23	\$0.97
Micro E-Mini Dow Futures	\$0.20	\$0.14
2-Yr   3-Yr U.S. Treasury Futures	\$0.60	\$0.56
5-Yr U.S. Treasury Futures	\$0.65	\$0.58
10-Yr & Ultra 10-Yr U.S. Treasury Futures	\$0.75	\$0.65
U.S. Treasury Bond Futures	\$0.80	\$0.70
Ultra U.S. Treasury Bond Futures	\$0.85	\$0.70
U.S. Treasury Options	\$0.81	\$0.50
Fed Fund Products	\$0.96	\$0.60
<b>NYMEX Products</b>		
Energy Contracts (Physicals – CL, LO, HO, OH, RB, OB, NG, LN, ON)	\$1.50	\$1.27
NYMEX Metals (PL, PA)	\$1.55	\$1.27
<b>COMEX Products – Futures Only</b>		
Metals Futures Contracts (Physicals – GC, SI, HG)	\$1.55	\$1.27

Product Category (For executed trades via Open Outcry Only)	Standard customer rates	EMBIP rates
<b>CME Products</b>		
Interest Rate Options (Eurdollar)	\$0.70	\$0.60
<b>CBOT Products</b>		
U.S. Treasury Options	\$0.76	\$0.50

## **Application Process**

### **11. How do firms apply for the EMBIP?**

Firms wishing to apply for EMBIP should complete the appropriate sections of the Combined International Incentive Programs Application and submit it to the CME Group Membership Concierge Team, along with supporting documentation. For questions on the application, please contact the CME Group Membership Concierge Team at [conciergeteam@cmegroup.com](mailto:conciergeteam@cmegroup.com) or +1.312.435.3555, or the International Management Department at [EMBIP@cmegroup.com](mailto:EMBIP@cmegroup.com) or +1.312.930.2319. Staff at these offices can provide you with additional information and assist you through the application process.

### **12. How long is the approval process?**

Once it has been confirmed in writing by the CME Group Membership Concierge Team that the application and all supporting documents are received, the due diligence review process starts and



generally takes 6-8 weeks; however, review times may vary based on many factors including, but not limited to: complex regulatory requirements, completeness of applications and supporting documentation, complex firm and organizational structures, applicant response times, and number of applications under review. CME staff will consider the applicant's reputation and business integrity, adequacy of its financial resources and credit, and any applicable regulatory restrictions in reviewing the application. CME Staff have sole discretion to determine whether an applicant is admitted to or continues participation in the program.

**13. Do banks applying for the EMBIP have to submit financial statements?**

Yes. As part of the supporting documents required with the EMBIP application, banks are required to submit their certified financial statements. If a certified financial statement is not available, EMBIP applicants may submit any published financial statement with its application, including those published on its website. All financial statements must be submitted in English.

**14. Are there any application fees?**

Yes. A \$2,500 non-refundable application fee will be required prior to any entity being reviewed.

**15. If my firm is approved as an EMBIP participant, does it still need a clearing firm?**

Yes. All trades at CME Group are executed through CME Group clearing member firms. All EMBIP participants must maintain their own separate account on the books of a CME Group clearing member firm for their proprietary trades. EMBIP accounts may not be maintained in a non-disclosed omnibus account.

**16. How will my clearing firm be notified that my firm has been approved in the EMBIP?**

While we will do our best to notify the appropriate staff at any clearing firms you have included in your EMBIP application, the responsibility to inform your clearing firm remains with you. Because the EMBIP 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 customers to notify their clearing firms about their intention to apply for this program as early as possible.

**17. How does a clearing firm register an EMBIP firm 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). The Tag 50 ID represents the person(s) entering orders into CME Globex. The EMBIP's clearing firm is responsible for registering the Tag 50 ID and account into EFS. Once an entity is approved, their clearing firm will be informed and will register the participant's accounts in EFS. EMBIP firms should contact their clearing firms to ensure that the 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**

**18. Can the branch offices located in qualified emerging countries of banking groups incorporated outside those countries participate?**

Yes, absent regulatory prohibitions.

**19. Can the branch offices in non-qualifying countries of banking groups incorporated in qualified countries participate?**



No, the branch office in a non-qualifying country cannot participate. However, a trader located in a non-qualifying branch or representative office but representing the qualified banking group in the qualifying country can trade on behalf of the qualified banking group absent regulatory prohibitions. Additionally, while a trader may be located in the representative or branch office of a non-qualifying country, the trader must be trading the account of the bank located in the qualifying emerging country. The trader may not trade the account of the branch office itself, nor may the trader trade in the qualifying country account and then transfer such trades to the non-qualifying branch office account.

For any new accounts opened with existing or new clearing firms subsequent to EMBIP approval, the EMBIP participant must submit a copy of their most recent futures statement.

**20. The following countries are eligible for the EMBIP:**

**Africa**

Algeria	Gabon	Namibia
Angola	Gambia	Niger
Benin	Ghana	Nigeria
Botswana	Guinea	Republic of the Congo
Burkina Faso	Guinea-Bissau	Rwanda
Burundi	Ivory Coast	Senegal
Cameroon	Kenya	Sierra Leone
Central African Republic	Lesotho	South Africa
Chad	Liberia	Swaziland
Dem. Republic of the Congo	Madagascar	Tanzania
Djibouti	Malawi	Togo
Egypt	Mali	Tunisia
Equatorial Guinea	Mauritania	Uganda
Eritrea	Morocco	Zambia
Ethiopia	Mozambique	Zimbabwe

**Asia and Middle East**

Afghanistan	Kazakhstan	South Korea
Bahrain	Kuwait	Sri Lanka
Bangladesh	Kyrgyzstan	Taiwan
Bhutan	Laos	Tajikistan
Brunei	Lebanon	Thailand
Cambodia	Mongolia	Turkey
China	Nepal	Turkmenistan
India	Oman	United Arab Emirates
Indonesia	Pakistan	Uzbekistan
Iraq	Philippines	Vietnam
Israel	Qatar	
Jordan	Saudi Arabia	



### Europe

Albania	Estonia	Poland
Armenia	Georgia	Romania
Azerbaijan	Hungary	Serbia
Belarus	Kazakhstan	Slovakia
Bosnia and Herzegovina	Kosovo	Slovenia
Bulgaria	Latvia	Turkey
Croatia	Macedonia	Ukraine
Cyprus	Moldova	
Czech Republic	Montenegro	

### Latin America

Argentina	Ecuador	Nicaragua
Belize	El Salvador	Panama
Bolivia	French Guyana	Paraguay
Brazil	Guatemala	Peru
Chile	Guyana	Suriname
Colombia	Haiti	Uruguay
Costa Rica	Honduras	
Dominican Republic	Mexico	

Please note that this list of Eligible Countries is subject to change without notice and additional limitations on qualification may apply to entities located in some of the countries listed.

#### **21. How can I make the application fee payment?**

Please contact the CME Group Membership Concierge Team at [conciergeteam@cmegroup.com](mailto:conciergeteam@cmegroup.com) for wire instructions.

*The information contained in this FAQ is provided for informational, discussion and educational purposes only and is not an offer or solicitation of any nature whatsoever, of products or interest in such products. No representation or warranties are made under this FAQ and nothing herein shall be construed to amount to an opinion or be binding on any of the persons referred to herein.*

*Futures and options trading is not suitable for all investors and involves the risk of loss. This communication does not constitute and shall under no circumstances be deemed to constitute investment advice. This communication is not intended to constitute a public offering of securities within the meaning of any applicable legislation.*