

# Corporate Membership Application Form – Non-Hedge Fund

AUGUST 2022

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**Chicago Mercantile Exchange Inc. ("CME")**

**Board of Trade of the City of Chicago, Inc. ("CBOT")**

**New York Mercantile Exchange, Inc. ("NYMEX")**

**Commodities Exchange, Inc. ("COMEX")**

**Note to Applicant:** This PDF works best when completed using the application [Adobe Reader](#). Alternative PDF viewer software may not support fillable form fields.

## Section 1

### Information Summary

Thank you for your interest in Corporate Membership with one or more CME Group Inc. ("CME Group") Exchanges. Please review and follow all directions contained in this application packet carefully. A preliminary review of your application submission will be conducted to ensure completeness. Please note that any incomplete or missing information will extend the preliminary review process and delay the application from being submitted for its due diligence review.

Prior to submitting the application, each applicant should ensure the following:

- 1. Ensure ALL questions on the application have been thoroughly reviewed and completely answered.**
- 2. Ensure ALL supporting documents listed in Section 6 of the application are submitted.**
- 3. Ensure the following forms are executed by authorized and appropriate signors of the applicant:**
  - Attestation, Authorization, and Agreement for Membership;
  - CME Group Inc. Firm Trading Attestation; and,
  - Designated Spokesperson and Authorized Signor Acknowledgment.
- 4. Ensure a scanned copy of the application and all applicable supporting documentation is emailed\* to [conciergeteam@cmegroup.com](mailto:conciergeteam@cmegroup.com).**

**If you have any questions or if you have submitted an application and have not received a confirmation email within 3 business days of your submission, please contact CME Group's Concierge Team at +1 312 435 3555 or at [conciergeteam@cmegroup.com](mailto:conciergeteam@cmegroup.com).**

*\*Please note CME Group's incoming email attachment limit is 10 MB (10240 KB). As such, if the sum total of email attachments is greater than 10 MB, please send multiple emails attaching the required documents.*

CME Group Inc. policies require all its directors, officers, employees, consultants, and agents ("Representatives") to treat as confidential and to use a reasonable degree of care to maintain the confidential nature of all information received from an Applicant in conjunction with an application for member firm status on a CME Group Exchange (i.e., CME, CBOT, NYMEX and COMEX). Such confidential information may only be disclosed to CME Group representatives who have a need to know such information and who are bound by these policies and who agree to protect the confidential information from unauthorized use and disclosure. CME Group collects and uses personal information for the purposes for which it was obtained. All personal information provided under this Application will be used, distributed, and maintained in accordance with CME Group's Privacy Policy. If completing this Application on behalf of another individual, you will ensure that you have the required consent from the individual to whom the personal information relates, or you satisfy an applicable legal basis for doing so, in compliance with all applicable laws, to enable CME Group Inc. to process such personal information. For further information, please reference CME Group's Privacy Policy or contact the Privacy Group at [privacy@cmegroup.com](mailto:privacy@cmegroup.com).

Due to the confidential and proprietary nature of CME Group Exchange Membership, Applicant and its affiliates or related entities will treat the Membership Terms and Conditions including, but not limited to, the Membership incentives, and all material correspondence or other information exchanged between the Applicant and the Exchange in connection with this application and the development of the arrangement between them ("Confidential Information") as confidential. The Applicant shall not disclose the Confidential Information other than in accordance with this application and shall use the same degree of care used to protect its own confidential or proprietary information of like importance, but in any case, using no less than a reasonable degree of care. Applicant may allow access to Confidential Information received hereunder to it and its affiliates and their respective directors, officers, employees, futures clearing merchants or other entities clearing Applicant's and its affiliate's trades who have a need to know, for the purpose of this Membership, and who are directed to protect the received confidential information from unauthorized use and disclosure. Notwithstanding the foregoing, each party may disclose confidential information received by it to the extent required by a valid subpoena or other order of court, law, or other regulation, or to the extent required or requested by any governmental or regulatory authority with jurisdiction, provided that, in any such case, the receiving party shall use reasonable efforts to secure confidential treatment of the information so disclosed.

## Section 2

### What to Expect - Application Flow

#### Application received by Concierge Team

Applicant will be assigned liaison from Concierge Team  
Review for completeness of Initial Required Documentation

Upon completion, applicant will receive e-mail indicating transfer of application for Due Diligence Review



#### Application forwarded to Financial and Regulatory Surveillance (FRS) Department

Applicant will be assigned liaison from FRS Department  
Due Diligence review for membership requirements  
Additional documents may be requested

Upon completion, applicant will receive e-mail indicating Due Diligence Review is complete



#### Application returned to Concierge Team Liaison

Applicant purchase or lease of required memberships  
(and shares or EMSRP participation as applicable)

#### Firm approved for Applicable Membership Status

Applicant will receive e-mail indicating effective date of approval

## Section 3

### Corporate Membership Type

#### 1. Please indicate the Exchange and Membership Type Applied for:

##### CME:

CME 106.J. Equity Member Firm *(please choose one)*

CME Group Shares      EMSRP

CME 106.J. Qualified Subsidiary Member Firm

*Please indicate CME 106.J. Equity Member Firm under which applicant is applying:*

CME 106.H. Trading Member Firm *(please indicate Division)*

CME      IMM      IOM

CME 106.R. Electronic Corporate Member Firm *(please indicate Division)*

CME      IMM      IOM

CME 106.I. Qualified Affiliate Member Firm

*Please indicate CME 106.I. / Clearing Firm under which applicant is applying:*

CME Clearing Firm Qualified Subsidiary Member Firm

*Please indicate CME Clearing Member Firm under which applicant is applying:*

CME      IMM      IOM

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##### CBOT:

CBOT 106.J. Equity Member Firm *(please indicate Division and either Shares or EMSRP)*

Full      AM

CME Group Shares      EMSRP

CBOT 106.H. Trading Member Firm *(please indicate Division)*

Full      AM      IDEM      COM

CBOT 106.R. Electronic Corporate Member Firm *(please indicate Division)*

Full      AM

CBOT 106.I. Qualified Affiliate Member Firm

*Please indicate CBOT 106.J. / Clearing Firm under which applicant is applying:*

CBOT 106.I. Membership Umbrella Firm

*Please indicate CBOT 106.J. / Clearing Firm under which applicant is applying:*

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##### NYMEX:

NYMEX 106.J. Member Firm *(please indicate either Shares or EMSRP)*

CME Group Shares      EMSRP

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##### COMEX:

COMEX 106.J. Member Firm *(please indicate Division)*

Full      Options Only

## Section 4

### Applicant's Details

#### 1. About the applicant

Full Legal Name

Date Established

Tax Identification Number

Country of Incorporation

Main Address

Main Address Line Two

City

Country/State/Province

Zip/Postal Code

Phone Number

Website Address

Local Address

Local address Line Two

City

Country/State/Province

Zip/Postal Code

Phone Number

#### 2. Type of organization:

Corporation

Limited Liability Company

Limited Partnership

General Partnership

Other (please specify)

## Section 5

### General Questions

#### 1. Please respond to the below questions with respect to the following:

- The applicant firm itself;
- Each entity that has a direct or indirect ownership interest in the applicant firm;
- Each individual owner of the applicant firm (including individual owners of entities with a direct or indirect ownership interest in the applicant firm); and
- Each trader of the applicant firm (employees, independent contractors and CTA entities, as applicable).
- Each individual listed as Designated Spokesperson or Authorized Trader (Sec. 10)

Question	Yes	No
A. Have any of the above ever been denied registration, or had a registration suspended, revoked, or conditioned by a governmental or regulatory authority?		
B. Have any of the above ever been denied membership or clearing privileges by any commodity or securities exchange/clearing organization?		
C. Has any commodities exchange, securities exchange, clearing organization or other self-regulatory body ever fined, suspended, conditioned, or revoked privileges of any of the above?		
D. Have any of the above ever been convicted, pleaded guilty, entered a plea of "no contest" or entered into a voluntary settlement as to any violation of any criminal or penal code?		
E. Are any of the above subject to any current investigation or have any charges been brought by any governmental or regulatory authority or exchange/clearing organization for violation of its laws or rules?		
F. Do any of the above currently have any judgments, liens, attachments, or other encumbrances filed against it?		

If your response is yes to any of the above, please describe below and provide supporting documentation.

## Section 5

### General Questions *(continued)*

2. Does the applicant engage in futures and options customer business? If so, please describe.  
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3. Is the applicant subject to any restrictions which would prohibit it from becoming a member firm?
4. Is the applicant registered in any capacity with a regulatory agency? If so, indicate the nature and country of the registration(s), your primary regulator(s) and the regulator's website(s).
5. List all commodity or security exchanges/clearing organizations at which membership privileges are held or pending. Please indicate the type of membership held (*e.g. clearing or non-clearing*).
6. List all CME, CBOT, NYMEX and/or COMEX membership or CME Group Inc. incentive programs held or pending. If applicable, please indicate the type of membership held (*e.g. clearing or non-clearing*). (*e.g. clearing or non-clearing*).

## Section 5

### General Questions *(continued)*

**7. Describe the nature of the applicant's anticipated firm trading activity:**

- a. Please list CME, CBOT, NYMEX and/or COMEX products that the applicant intends to trade:
  
  
  
  
- b. Please indicate whether the applicant's trading activity will utilize an automated trading system (ATS).
  
  
  
  
- c. Please indicate whether the applicant's trading activity will be for speculative and/or for hedging purposes.
  
  
  
  
- d. Please indicate if the applicant will day trade, carry positions overnight, or a combination.

**8. Indicate the CME, CBOT, NYMEX and/or COMEX clearing member(s) that will clear the applicant's trades and the trading account number(s).**

CLEARING FIRM NAME	ACCOUNT NUMBER



## Section 6

### Supporting Documents

*Please confirm that you have attached the following supporting documents to this application.*

Supporting documents	Yes	No
1. Most current (including all amendments) Company Organizational Documents (e.g. Certificate of Incorporation AND Memorandum of Association, Articles of Incorporation, Limited Liability Company Operating Agreement, Partnership Agreement) and Shareholders Registries as applicable. Please provide for all entities with ownership interest vertically through the entire organizational chart.		
2. Most recent Certified/Audited Financial Statement. If the firm does not have audited statements, please provide most recent month-end financial statement reflecting the assets, liabilities and capital of the company or a recent tax return filing.		
3. A copy of a recent day's trading account statement(s) for all accounts at each of the applicant's CME, CBOT, NYMEX and/or COMEX clearing member(s) indicating that the firm's account is opened, funded and properly titled in the name of the corporate member applicant.		
4. An ownership chart detailing the applicant's ownership (including percentages of ownership) up to and including the applicant's Ultimate Beneficial Owner(s). The chart must also include any and all affiliates that trade CME Group Exchanges or houses/employs traders of CME Group Exchanges or are current CME Group Exchange member firms or incentive program participants.		
5. A completed CME Group Trader Listing found in Section 7 of this application.		
6. Trader Agreements (i.e. compensation detail agreements), as applicable. If the firm does not utilize formal trader agreements, please provide attestation on firm letterhead confirming employment status and a brief description of compensation arrangements for all firm traders. This attestation must be executed by a senior HR representative, firm director or owner.		

**Please note CME Group will not process the application unless all supporting documents have been provided. Please note that all supporting documents must be submitted in English, however, these do not have to be "official" translations.**

If the response is 'No' to any of the above questions, please further describe below why supporting document(s) were not attached:

## Section 7

### CME Group Trader Listing

Please complete the following CME Group Trader Listing for all firm traders that will be trading CME Group products. If a trader maintains a trader agreement, please submit a copy of each trader's executed trader agreement. In addition, if the firm maintains a large number of traders, the firm may elect to attach a separate CME Group Trader Listing which includes all of the required trader information noted below.

Trader Name	Trader Location (Country)	Employee	Independent Contractor	Owner	Trader Agreement (Check if Yes)



Full Legal Name

## Section 7

### CME Group Trader Listing *(continued)*

Trader Name	Trader Location (Country)	Employee	Independent Contractor	Owner	Trader Agreement (Check if Yes)
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## Section 8

### Attestation, Authorization and Agreement for Membership

On behalf of my organization, I make this application for corporate membership at Chicago Mercantile Exchange Inc. ("CME"), Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and/or Commodity Exchange, Inc. ("COMEX"), collectively "Exchanges", as applicable. I represent that my organization meets all of the requirements for corporate membership.

I do hereby agree that, if my organization is accepted as a corporate member, it will comply with and agrees to be bound by the Bylaws, Certificate of Incorporation, Rules and Regulations of Exchanges (as applicable) and all amendments thereto.

I further acknowledge that my organization meets all of the requirements for corporate membership. I further acknowledge that I will abide by CME Group Inc.'s Fee Policy Bulletins located on CME Group Inc.'s website at <http://www.cmegroup.com/tools-information/fee-policy-bulletins.html> regarding member firm trading policies. I further represent that all current and future trading activity of my organization will conform to the requirements for such trading activity established by CME Group Inc.

I authorize CME Group Inc. to obtain information from sources that CME Group Inc. deems appropriate in order to adequately evaluate and process this application. I understand that any person or firm that obtains status by fraudulent representations or concealment, or by any material misstatement, shall be subject to suspension or expulsion pursuant to CME Group Inc. Rules and Regulations, as applicable.

The membership and its terms are subject to all applicable regulatory processes and approvals, and the completion of such processes, and receipt of such approvals, are conditions precedent to the effectiveness of this application. CME Group, Inc., shall have the right, in its sole discretion, but not the obligation, to monitor applicant's trading activity in the products to ensure compliance with the terms of the membership and this application. CME Group, Inc., reserves the right to disqualify any trade that it deems inappropriate to include in the membership from the rights and obligations of this application.

Further, I understand that in order to be eligible for membership with Exchanges, applicants must ensure that their request for membership is lawfully made in accordance with the laws of the jurisdiction in which they are located. Should such a request be made unlawfully, each of the Exchanges shall have the right to terminate said membership. In this situation, the sale of membership process currently described under Rule 132 of Exchanges' rulebook shall be followed.

I attest that the information provided in this application is accurate and complete. I further acknowledge that confirming inaccurate and/or incomplete information may subject me to CME Group Inc. disciplinary action and/or penalties.

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Signed: (on behalf of the applicant\*)

Position

Name (printed)

Date

*\*Authorized Officer, Managing Member, Partner or Director*

## Section 9

### CME Group Firm Trading Attestation

The trades of a CME Group Inc. approved membership ("Member Firm") may receive preferential fee rates – less than charged to non-member customers. Only the entity maintaining an approved Exchange membership is entitled to the preferential fees on its firm trades.

In order for Member Firm to receive preferential fees on CME, CBOT, NYMEX and COMEX trades (as applicable), all trading activity must be conducted in accordance with CME Group Inc.'s Fee Policy Bulletins which can be found on CME Group Inc.'s website at <http://www.cmegroup.com/tools-information/fee-policy-bulletins.html>.

#### Requirements (Absolutes)

A Member Firm trading account is evidenced through:

- The financial benefit and risk shall be solely of the Member Firm – only firm capital is at risk of loss.
- No non-owner traders may make any contributions or payments to the Member Firm or Member Firm trading account nor have any capital at risk in connection with their trading of the Member Firm account.
- All contributions by owners of the Member Firm are subject to risk of loss from any and all trading and business activities of the firm.
- All profits and losses of the Member Firm account are written off to the income of the Member Firm and are taxed to the Member Firm in accordance with applicable regulations.
- All trading must be done in Member Firm trading accounts held in the name of the Member Firm.

Further, Member Firm trading activity must be conducted by traders that are:

- Bona-fide employees of the Member Firm; or
- Independent contractors of the Member Firm; or
- Bona-fide owners of the Member Firm; or
- Registered Commodity Trading Advisors ("CTAs"), exempt CTAs under CFTC Regulations 4.14(a)(4), 4.14(a) (8)(i)(D) or 4.14(a)(10), Investment Managers authorized by the Financial Conduct Authority ("FCA"), or other recognized regulatory authority.

All Member Firm traders must be assigned unique trader IDs. Those IDs and the associated Member Firm traders must be appropriately registered in CME Group Inc.'s Exchange Fee System and all Globex trades (orders) must be identified with the registered ID of the trader executing the trade.

In addition, Member Firm trading must meet the following requirements:

- Traders cannot be responsible for losses beyond their share of profits earned and maintained in the account which have not yet been distributed to the trader.
- The firm must be allocated both a portion of the profits and losses of the Member Firm account.
- The profit split on agreements with any trader, including owners acting as traders, may not exceed 80/20 (i.e. 80% to the trader/20% to the firm).
  - For Member Firm trading conducted by a team of traders, the profit split to the team in total may not exceed 80/20 (i.e. 80% to the trader team/20% to the firm).
  - Further the 80% limit on profit splits to a trader or team of traders includes any individual who has a specific interest in its profitability including those involved in the training/supervision of the account(s) and/or trader(s).

## Section 9

### CME Group Firm Trading Attestation (*continued*)

- Non-owner traders cannot leave their share of profits in the firm for greater than 24 months without becoming an equity owner.
  - Non-owner trader's share of capital in an account may not exceed the trader's share of net profit/loss in the previous 24 month period.
  - If a trader leaves their share of any profits in the account for greater than 24 months, they must become an equity owner.
- Member Firm is prohibited from:
  - Setting minimum account balances for its traders.
  - Charging margin on positions to traders.
  - Charging fees on draws taken by traders.
  - Requiring or accepting security deposits from its traders.

#### **Best Practices**

CME Group Inc. recognizes that certain business practices may be utilized when conducting customer business as well as Member Firm trading activities. The Best Practices were established to allow firms to utilize certain business practices (most not allowed in the past) which are generally prohibited. In order to do so, the Member Firm must clearly demonstrate to CME Group Inc. their application of these non-compliant practices is not inconsistent with CME Group Inc.'s goal of providing preferential fees only for Member Firm trading activity. Such practices will be reviewed individually and in the aggregate in relation to the firm's entire trading activities and operation.

Review of such non-compliant practices will reflect the following key principles of CME Group Inc.'s Member Firm trading policies. First and foremost, the trading activity eligible for preferential fees must be conducted for the account and sole benefit of the Member Firm itself. The trading activity of individual customers/traders conducted in the name of the firm is not eligible for discounted Firm fees to prevent the "selling" of Member Firm rates. Further, a Member Firm may only profit/benefit from the Member Firm trading activity through the performance of the trade and not from any other source such as a commission or charge for trade execution.

Non-compliance with the Best Practices below is generally prohibited as it is indicative of the selling of rates and/ or profiting from sources other than the performance of the Member Firm trade.

As such, while the Best Practices are not absolutes as the Requirements are, any non-compliance with the Best Practices will be carefully reviewed with the burden of responsibility on the Member Firm to clearly support and demonstrate to CME Group Inc.'s satisfaction that the trading is of the Member Firm itself. Under limited circumstances in reviewing the totality of the Member Firm's trading operations and the violative practice(s),

## Section 9

### CME Group Firm Trading Attestation *(continued)*

CME Group Inc. may deem the Member Firm's trading activities in accordance with CME Group Inc.'s policies for Member Firm trading activity that is eligible for Member Firm fees.

If you do **not** comply with any of the following best practices, please check the box AND provide supporting documentation summarizing Member Firm's procedures relating to the indicated best practice.

The firm may not charge interest on debit balances to traders nor may it pay interest on credit balances to traders except where an options trading strategy is utilized in which interest on the premium is a key component of the overall profitability of the strategy.

The firm may not pay interest on capital contributions.

The firm may not charge a fee for capital usage to individual traders of the firm's accounts.

The firm may not charge a fee for the cost of capitalizing the firm (and thus the firm's trading accounts) to individual traders.

Individual owners and investing LLCs (as permitted) of an Member Firm may not have a specific interest in the profitability of a Member Firm account or group of accounts other than a Member Firm account that the individual owner or owners of the investing LLC trade or provide direct supervision/training to.

I represent that all current and future Member Firm trading activity of my organization receiving preferential exchange fee rates will conform to the requirements for such trading activity established by CME Group Inc.

I attest that the above information is true and correct. I further acknowledge that confirming incorrect information may subject me to CME Group Inc. disciplinary action and/or penalties.

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Signed: (on behalf of the applicant\*)

Title

Name (printed)

Date

\*Authorized Officer, Managing Member, Partner or Director

## Section 10

### Designated Spokesperson and Authorized Person Form

CME Group Inc. Exchanges require firms to designate a Designated Spokesperson(s) and Authorized Person(s) who shall be authorized to deal with the Exchanges with respect to memberships owned or leased by the firm, as applicable, and who shall be authorized to represent the firm before the Exchanges. Such authorized representatives shall be responsible to the Exchanges as if such person was a member as defined by Rule 400.

CME Group may only discuss the application and information provided pursuant thereto with those individuals designated by the firm as a Designated Spokesperson and/or an Authorized Person. Please provide a complete listing of the firm's Designated Spokesperson(s) and Authorized Person(s) below. Changes to the list of Designated Spokesperson(s) or Authorized Person(s) may only be made in writing by completing and emailing an updated Designated Spokesperson and Authorized Person Form located at [www.cmegroup.com/membership](http://www.cmegroup.com/membership) to CME Group's Concierge Team at [conciergeteam@cmegroup.com](mailto:conciergeteam@cmegroup.com). CME Group collects and uses personal information for the purposes for which it was obtained. For further information please reference CME Group's Privacy Policy or contact the Privacy Office at [privacy@cmegroup.com](mailto:privacy@cmegroup.com).

Name	Job Title	Phone Number	Email Address	Authorized Person <sup>1</sup>	Designated Spokesperson <sup>2</sup>



## Section 10

### Designated Spokesperson and Authorized Person Form *(continued)*

Name	Job Title	Phone Number	Email Address	Authorized Person <sup>1</sup>	Designated Spokesperson <sup>2</sup>

*1 An Authorized Person shall be defined as an authorized representative who shall have the authority to make membership and/or incentive program related decisions on behalf of the firm including, but not limited to, applying, changing, or withdrawing membership and/or incentive program status, request to deposit or withdraw required seats and/or shares and the buying, selling, releasing or transferring of seats and shares. In addition, an Authorized Person shall have the same authority as the Designated Spokesperson noted below.*

*2 A Designated Spokesperson(s) shall be defined as an authorized representative whereby CME Group, at its sole discretion, may provide or discuss any membership and/or incentive program related information specific to the firm.*

I attest that the information provided above is accurate and complete. This form shall supersede any previously submitted Designated Spokesperson and Authorized Person Form.

\_\_\_\_\_  
Signed: (on behalf of the applicant\*)

Position

Name (printed)

Date

*\*Authorized Officer, Managing Member of an LLC or Partner. **All signors within this application form should also be designated as an Authorized Person above.***