



Special Executive Report

S-7047

April 2, 2014

Revisions to Rule 536.D. (“Customer Type Indicator (CTI) Codes”)

As notified in Market Regulation Advisory Notice RA1401-5, effective on April 16, 2014, CME, CBOT, NYMEX and COMEX will adopt revisions to Rules 536.D. to codify that privately negotiated transactions executed as block trades pursuant to Rule 526 (“Block Trades”) or EFRP transactions executed pursuant to Rule 538 (“Exchange for Related Positions”) are subject to accurate Customer Type Indicator (“CTI”) Code reporting by clearing member firms. The revisions also eliminate a reference in CBOT Rule 536.D. to a CTI 2/1 Conversion Program that no longer exists.

The revisions to CME, CBOT, NYMEX and COMEX Rule 536.D. are shown below, with additions underscored and deletions overstruck.

CME Rule 536.D. Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction 1) executed on the trading floor, ~~or 2) executed~~ on the Globex platform or 3) privately negotiated as a block trade pursuant to Rule 526 or an EFRP pursuant to Rule 538 on the record of the transactions submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

CTI 1: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to orders entered or trades executed for the proprietary accounts of a member firm, including Rule 106.H., I., N., R. and S. firms.

CTI 3: Electronic Trading – Applies to orders entered by a member or a nonmember terminal operator for the account of another individual member or an account controlled by such other individual member.

CTI 3: Open Outcry and Privately Negotiated – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by or on behalf of nonmember entities.

CBOT Rule 536.D. Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction 1) executed on the trading floor, ~~or 2) executed~~ on the Globex platform or 3) privately negotiated as a block trade pursuant to Rule 526 or an EFRP pursuant to Rule 538 on the record of the transactions submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

CTI 1: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to orders entered or trades executed for the proprietary accounts of a member firm, including Rule 106.H., I., J., R. and S. firms. ~~Members initiating and executing trades by open-outcry for the proprietary accounts of a member firm may participate in the Exchange's CTI 2/4 Conversion Program.~~

CTI 3: Electronic Trading – Applies to orders entered by a member or a nonmember terminal operator for the account of another individual member or an account controlled by such other individual member.

CTI 3: Open Outcry and Privately Negotiated – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by or on behalf of nonmember entities.

NYMEX Rule 536.D. Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction 1) executed on the trading floor, or 2) executed on the Globex platform or 3) privately negotiated as a block trade pursuant to Rule 526 or an EFRP pursuant to Rule 538 –on the record of ~~the~~ transactions submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

CTI 1: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading, ~~and~~ Open Outcry and Privately Negotiated – Applies to orders entered or trades executed for the proprietary accounts of a member firm.

CTI 3: Electronic Trading – Applies to orders entered by a member or a nonmember terminal operator for the account of another individual member or an account controlled by such other individual member.

CTI 3: Open Outcry and Privately Negotiated – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading ~~and~~ Open Outcry and Privately Negotiated – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by

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