



Advisory Notice

DATE: June 12, 2020

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 20-238

SUBJECT: **Amendment to the Definition of a U.S. Government Securities Broker-Dealer**

Effective Monday, June 15, 2020, Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") will adopt an administrative change to their rulebooks to update the definition of a U.S. Government Securities Broker-Dealer as indicated below:

CME, CBOT, NYMEX/COMEX Rulebook
Chapter iii. ("Definitions")
(additions underscored)

U.S. Government Securities Broker-Dealer:

A broker-dealer registered with the Securities and Exchange Commission or a state or federally chartered bank or savings association (or a state or federally licensed branch or agency of a foreign bank) that is subject to bank supervision that functions in the operation of markets for U.S. Treasuries. The functions may include, but are not limited to:

- *Acting as a channel for the United States Department of the Treasury and investors in primary market for U.S. Treasuries (for example, by participating in auctions);*
- *Acting as providers of liquidity in primary and secondary markets for U.S. Treasuries; and*
- *Acting as providers of asset transformation and market making services in the market for U.S. Treasuries.*

This update will more closely align the definition of U.S. Government Securities Broker-Dealer with the entity types that function in the operation of markets for U.S. Treasuries. Please refer questions on this subject to CreditRisk@cme.com