

**Elimination of CME Rule 194 (New Product Access Program)**

Effective on trade date April 1, 2016, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or the "Exchange"), will eliminate CME Rule 194 ("New Product Access Program"). In relation to this elimination, CME will also amend Rules 120 ("Membership Categories"), 135 ("GEM Division"), and the Interpretations & Special Notices Relating to Chapter 1 to remove references and applicability of Rule 194.

The New Product Access Program ("Program") set forth in CME Rule 194 was adopted in an effort to increase the number of participants eligible to trade newly listed products, for a limited time, by allowing participating members in all CME divisions to trade, broker, and solicit customer business in such products from the trading floor. However, the participation in this Program has diminished over time. Therefore, the Exchange will eliminate the Program set forth in CME Rule 194.

The elimination of CME Rule 194 and amendments to CME Rules 120, 135, and the Interpretations & Special Notices Relating to Chapter 1 appear in below, with additions underscored and deletions ~~overstruck~~.

Questions regarding this Special Executive Report may be directed to one of the following individuals in the Market Regulation Department:

Jason Matsumoto, Director, Client Engagement, 312.930.6942  
Julie Balzarini, Senior Director, Exchange Fee System, 312.466.4402

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or [news@cmegroup.com](mailto:news@cmegroup.com).

**CME**  
**Chapter 1**  
**Membership**

(Additions are underscored and deletions ~~overstruck~~.)

**120. MEMBERSHIP CATEGORIES**

There are four categories of membership: CME, IMM, IOM and GEM. CME Division membership privileges extend to all CME products; IMM Division membership privileges are limited to products assigned to that Division, the IOM Division and the GEM Division by the Board; IOM Division membership privileges are limited to products assigned to that Division and the GEM Division by the Board; and GEM Division membership privileges are limited to products assigned to that Division by the Board. CME, IMM, IOM and/or GEM members may also be granted Expanded-Access Product privileges in connection with designated products listed by CBOT.

A member of the IMM, IOM or GEM Division who personally executes trades on the floor in products other than those assigned to his respective Division or designated Expanded-Access Products shall be deemed to have committed an act detrimental to the interest or welfare of the Exchange, ~~except as provided by Rule 194~~. A member who trades products on Globex in which he does not have membership privileges is not entitled to member's rates for such trades.

**135. GEM DIVISION****135.A. Trading Privileges of GEM Members<sup>1</sup>**

---

<sup>1</sup> Revised April 2008.

A GEM member shall have access to the trading floor to trade as principal and as broker for others in all products assigned to the GEM Division and all products available pursuant to Rule 194, hereinafter collectively referred to as GEM accessible products. A GEM member who trades electronically or places orders for pit- or electronically-traded products in which he does not have membership privileges is not entitled to member rates for such trades. GEM members may not solicit business from the floor of the Exchange except for business in GEM accessible products and bona fide spreads involving such products as set forth in the Interpretations Section at the end of this chapter. The time during which a GEM membership is held will not be counted toward satisfaction of the holding period necessary to permit lessees to become order fillers in the CME, IMM, or IOM Divisions unless the holder can demonstrate that he was primarily engaged in active trading or order filling in GEM Division accessible products during that holding period. Lessees in all divisions may fill orders in GEM Division accessible products without regard to such holding period.

[The remainder of the Rule is unchanged.]

### **136. – 193.194. [RESERVED]**

### **194. NEW PRODUCT ACCESS PROGRAM**

#### **194.A. General**

The New Product Access Program ("Program") is intended to increase for a limited time the number of individuals eligible to trade new products by allowing participating members in all divisions to trade, broker and solicit customer business in such products from the trading floor.

Every product listed for trading by the Exchange after the effective date of this Program will be regarded as a "new product" covered by this Program unless the Board of Directors determines that such product should not be covered by this Program. A new product that merely modifies or replaces an existing product will not be covered by this Program. The Board may also, at its discretion, allow participating members to have access to certain existing products under the terms of this Program.

#### **194.B. Trading Privileges and Restrictions**

Participating members are entitled to trade and solicit customer business in a new product until that product's Initial Termination Date. The "Initial Termination Date" for a new product shall be the later of (1) two years after the date that trading in such product starts or (2) the first day of the month after volume of trading for that product (futures and options combined) averaged at least 1,000 contracts per day in CTI-4 non-member trades for a 90-day period.

Notwithstanding the previous paragraph, the Board of Directors may grant exceptions to this rule.

Members participating in the Program may enter orders for specified futures or options in other divisions as part of a spread with a new product position. The new product leg of the spread must be executed simultaneously with or before the other leg.

#### **194.C. Brokerage Privileges and Restrictions**

Participating members are entitled to broker a new product until the earlier of (1) the Initial Termination Date for such product or (2) three months after the volume of trading for such product (futures and options combined) averaged at least 1,000 contracts per day in CTI-4 non-member trades for a 90-day period. Thereafter, a member must hold trading privileges in the division to which the product has been assigned in order to act as a broker in such product.

Notwithstanding the previous paragraph, the Board of Directors may grant exceptions to this rule.

#### **194.D. Jurisdiction**

The Program shall be under the jurisdiction of the Exchange staff.

#### **194.E. Extension of Program for Contributing Members**

A participating member who meets any one of the following criteria with respect to a new product will be deemed to have contributed to the success of such product:

1. A trader whose trading volume in such product is in the top 50 percent of all traders trading such product.
2. A trader whose trading regularity, measured by the number of brackets in which he has traded such product, is in the top 50 percent of all traders trading such product.
3. A broker whose volume of new product contracts filled is in the top 50 percent of all brokers who filled such product.
4. A solicitor whose volume of new product contracts executed based on the orders he generated is in the top 75 percent of all members who solicited customer business in such product from the trading floor.

Each participating member who has contributed to the success of a new product as described above

~~will be permitted to continue to trade or solicit customer business (but not broker) in such new product for an additional three years or such longer period as the Membership Committee may determine.~~

**~~194.F. Clearing Fees~~**

~~Participating members will pay lessee clearing fee rates for trading and brokering new products.~~

**~~194.G. Termination of Program~~**

~~The Exchange may terminate the Program at any time. Upon termination of the Program, participating members who met the criteria set forth in Section E. of this rule may continue to have access to new products for the remaining time specified in that section.~~

## INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 1

### INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

Rule 135.A. provides that GEM members may not solicit business from the floor of the Exchange except for business in GEM accessible products and bona fide spreads involving such products.

The only allowable spreads involving non-GEM products in which GEM members may solicit business while on the trading floor are listed below:

S&P GSCI™ Commodity Index	with	Live Cattle and Lean Hogs
<del>S&amp;P 500/ Growth Index and S&amp;P 500/ Value Index</del>	<del>with</del>	<del>S&amp;P 500, E-Mini S&amp;P 500</del>
<del>East European Currencies- European style currency- options</del>	<del>with</del>	<del>Euro/U.S. Dollar (EUR/USD), British Pound Sterling/U.S. Dollar (GBP/USD), Canadian Dollar/U.S. Dollar (CAD/USD), Euro/U.S. Dollar (EUR/USD), Japanese Yen/U.S. Dollar (JPY/USD) and Swiss Franc/U.S. Dollar (CHF/USD) futures or American style options on these futures</del>
<del>Dow Jones CME-FX\$INDEX™</del>	<del>with</del>	<del>Euro/U.S. Dollar (EUR/USD), Japanese Yen/U.S. Dollar (JPY/USD), British Pound Sterling/U.S. Dollar (GBP/USD), Swiss Franc/U.S. Dollar (CHF/USD), Australian Dollar/U.S. Dollar (AUD/USD), Canadian Dollar/U.S. Dollar (CAD/USD), Swedish Krona/U.S. Dollar (SEK/USD)</del>
E-Mini NASDAQ Composite Index	with	E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400
Yen Denominated Nikkei Stock Average	with	Nikkei Stock Average