Special Executive Report

S-7647 **April 25, 2016**

REMINDER: Amendments to CME/CBOT/NYMEX/COMEX Rule 561 ("Reports of Large Positions")

As announced in Market Regulation Advisory Notice RA1606-5 ("RA1606-5") and Market Surveillance Notice MSN11-04-14, effective Thursday, September 29, 2016, CME, CBOT, NYMEX and COMEX (collectively, the "Exchanges") will adopt amendments to Rule 561 ("Reports of Large Positions") to incorporate similar large trader and volume threshold reporting requirements into Rule 561 as those set forth in the CFTC's Ownership and Control Reporting ("OCR") rules.

Additionally, effective September 29, 2016 and with a compliance date of January 17, 2017, the amendments establish language in Rule 561 requiring an account with reportable positions in a particular contract, report all positions, regardless of size, in any contract month and in any contract that aggregates with that contract. In order to determine the products that are aggregated for purposes of this Rule, please refer to the Position Limit, Position Accountability and Reportable Level at the end of Chapter 5 of each Exchange's Rulebook.

While the amendments to Rule 561 will be effective on September 29, 2016, Form 40 requests will be effective November 18, 2016. With respect to Form 102B, the Exchanges' thresholds are the same as the quantity thresholds established by the CFTC Division of Market Oversight No-Action Letter No. 16-32 issued on April 8, 2016; therefore, Form 102B will be required for trading volume of 250 contracts or more from September 30, 2016 to September 29, 2017, and for trading volume of 100 contracts or more from September 30, 2017 to August 30, 2018. Effective August 30, 2018, Form 102B will be required for trading volume of 50 contracts or more.

For detailed guidance on compliance with amended Rule 561 please review RA1606-5 here: http://www.cmegroup.com/rulebook/files/RA1606-5.pdf

The amendments to Rule 561 appear below, with additions underscored and deletions overstruck.

CME, CBOT, NYMEX and COMEX

561. SUBMISSION OF ~~REPORTS OF~~ LARGE TRADER POSITIONS AND VOLUME THRESHOLD ACCOUNTS

561.A. Large Trader Reporting~~General Provisions~~

Clearing members, omnibus accounts and foreign brokers shall electronically submit to the Exchange a daily large trader position report of all positions required to be reported as set forth in the Position Limit, Position Accountability and Reportable Level Table, in the Interpretations Section at the end of Chapter 5.

~~Positions at or above the reportable level in a particular expiration month of a futures contract~~, or in all puts or in all calls of a particular option contract expiration month, ~~trigger~~ are required to be reported~~reportable status~~. For an account ~~person in~~ with reportable positions~~status~~ in a particular contract, all positions, regardless of size, in any ~~futures~~ contract month and in any ~~put or call on~~contract that aggregates with that ~~futures~~ contract must be reported.

Additionally, T~~t~~he daily l~~L~~arge t~~T~~rader position report submitted ~~submission~~ to the Exchange must also include, for each reportable account, 1) the EFRP volume bought and sold in the reportable instrument, by contract month, and for EOOs by put and call strike and 2) the number of delivery notices issued and the number of deliveries stopped in the reportable instrument.

~~Failure by an omnibus account or foreign broker to submit required information may result in a hearing by the Business Conduct Committee and result in limitations, conditions or denial of access of such omnibus account or foreign broker to any Exchange market. Notwithstanding the above, clearing members carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an omnibus account or foreign broker has failed to provide the information to the Exchange.~~

In addition to the large trader position report, clearing members, omnibus accounts and foreign brokers must electronically provide the Exchange with the required CFTC Form 102A ("Identification of Special Accounts") accurately identifying the owners, controllers, controlled accounts and any additional information required for each reportable account within three business days of the first day that the account in question becomes a reportable account. Notwithstanding the three business day submission requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Exchange, provide the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

All large trader reports shall be submitted in ~~a form acceptable to the Market Regulation Department~~. The Exchange may require that more than one large trader position report be electronically submitted daily. The Business Conduct Committee or the Market Regulation Department may require reports or additional account identification from any clearing member, omnibus account or foreign broker on a lesser number of positions than reflected in the Position Limit, Position Accountability and Reportable Level Table.

If any material change causes the information previously submitted to the Exchange to become inaccurate, then such clearing member, omnibus account or foreign broker must electronically submit to the Exchange an updated form reflecting the accurate information within three business days of such changes becoming effective. Additionally, in the absence of any material changes, the Exchange may require the electronic submission of a new form on an annual basis for the maintenance of accurate records. A material change includes, but is not limited to, change of account name, address, controllers or controlled accounts.

561.B. Volume Threshold Reporting

A volume threshold account is any account that meets the volume threshold of contracts traded in a single trading day as defined in CFTC Regulation 15.04. Clearing members, shall electronically submit to the Exchange the required CFTC Form 102B ("Identification of Volume Threshold Accounts") accurately identifying account information for volume threshold accounts, including the owners, controllers, controlled accounts and any additional information required by the report within three business days of the first day that the account in question becomes a volume threshold account. Notwithstanding the three business day submission requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Exchange, provide the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

~~Clearing members, omnibus accounts and foreign brokers must provide the Market Regulation Department with the required CFTC Form 102 ("Identification of Special Accounts") accurately identifying the owners, controllers, controlled accounts and any additional information required for each reportable account~~

~~within three Business Days of the first day that the account in question becomes reportable. Notwithstanding the three Business Day requirement, on the first day that an account becomes~~

~~reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Market Regulation Department, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.~~

If any material change causes the information previously submitted to the Exchange to be inaccurate, then such clearing member, omnibus account or foreign broker must electronically submit to the Exchange an updated form reflecting the accurate information within three business days of such changes becoming effective. ~~Any material changes to the information previously provided to the Market Regulation Department will require the submission of a revised form within three Business Days of such changes becoming effective.~~ Additionally, in the absence of any material changes, the Exchange~~Market Regulation Department~~ may require the submission of a new form on an ~~biennial~~ annual basis for the maintenance of accurate records. A material change includes, but is not limited to, change of account name, address, controllers or controlled accounts.

561.C. Obligations of Omnibus Accounts and Foreign Brokers

Failure by an omnibus account or foreign broker to submit required information may result in a hearing by the Business Conduct Committee and result in limitations, conditions or denial of access of such omnibus account or foreign broker to any Exchange market. Notwithstanding the above, clearing members carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an omnibus account or foreign broker has failed to provide the information to the Exchange. Clearing firms must require their clients to provide accurate and timely owner and control information, including any material changes.

[The following sentence will become effective on November 18, 2016.]

Upon request from the Exchange, clearing members, omnibus accounts and foreign brokers must provide CFTC Form 40.

561.D~~B~~. Reportable Levels

The large trader reportable levels for all contracts are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations Section at the end of Chapter 5.

Any trading account with a trading volume of 50 or more contracts during a single trading day, in a particular expiration month of a futures contract or in all puts or in all calls of a particular options contract expiration month is a reportable volume threshold account.

Questions concerning these revisions may be directed to the following:

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