



## Special Executive Report

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S-8415

July 18, 2019

### **Amendments to CME, CBOT, NYMEX/COMEX Rule 435** **("Effect of Suspension or Expulsion")**

Effective on Thursday, August 1, 2019, 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") (collectively, the "Exchanges") are adopting amendments to CME, CBOT, NYMEX/COMEX Rule 435. ("Effect of Suspension or Expulsion") (the "Rule Amendments") to limit the scope of suspensions or expulsions to access to the Company's CFTC-regulated entities.

The current language of Rule 435. provides that any suspension or expulsion extends to "access to the Globex platform or any other electronic trading or clearing platform or facility owned or controlled by CME Group." As a result of the recent CME Group acquisition of NEX, the Rule Amendments are intended to codify that any suspension or expulsion would also include denial of access to NEX SEF, a CFTC-regulated entity. NEX SEF will be adopting a similar provision into its Rulebook.

The Rule Amendments are set forth below with additions underscored and deletions ~~overstruck~~.

#### **CME, CBOT, NYMEX/COMEX**

#### **Chapter 4**

#### **("Enforcement of Rules")**

(Additions are underscored; Deletions are ~~overstruck~~.)

#### **435. EFFECT OF SUSPENSION OR EXPULSION**

Unless otherwise determined by the committee with jurisdiction over such matters, a suspended or expelled Member shall not be entitled to any of the privileges of membership during the period of such suspension or expulsion, including, but not limited to, the right to:

- A. access any trading floor ~~or facility~~ owned or controlled by CME Group;
- B. direct and indirect access to ~~the Globex platform or any other electronic trading or clearing platform or facility~~ any designated contract market, derivatives clearing organization or swap execution facility owned or controlled by CME Group;
- C. obtain member rates; and
- D. any applicable cross-exchange trading privileges.

A member who has been expelled may not lease out an owned membership in any exchange owned or controlled by CME Group and must relinquish ownership of such membership(s) within 30 days of the date that the expulsion becomes the final decision of the Exchange.

Questions regarding the Rule Amendments may be directed to one of the following individuals in the Market Regulation Department:

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