



Special Executive Report

S-8518

January 17, 2020

Amendments to CME, CBOT, NYMEX/COMEX Rule 418. ("Consent to Exchange Jurisdiction")

Effective on February 3, 2020, and pending all relevant CFTC regulatory review periods, 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 an amendment to CME, CBOT, NYMEX/COMEX Rule 418. ("Consent to Exchange Jurisdiction") to add a provision subjecting any intermediary that charges a commission or fee who may not otherwise be involved in a client's trade flow to the jurisdiction of the Exchanges.

The same or similar provision will be adopted by all U.S. designated contract markets ("DCMs"), and results from an industry-wide effort to ensure that DCMs have full jurisdiction over such entities where a commission or fee is charged in connection with a client's trading activities in the applicable DCM's markets. The provision is being adopted to ensure that all DCMs have the ability to gather information from the intermediaries, including, but not limited to, information on the firm's clients and the firm's practices with respect to its clients.

The amendment is set forth below, with additions underscored.

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

Steve Schwartz, Executive Director, Enforcement, 212.299.2853

Robert Sniegowski, Executive Director, Rules & Regulatory Outreach, 312.341.5991

Andrew Vrabel, Executive Director, Investigations, 312.435.3622

CME, CBOT, and NYMEX/COMEX Rulebook **Chapter 4** **("Enforcement of Rules")** (Additions are underscored.)

418. CONSENT TO EXCHANGE JURISDICTION

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Any futures commission merchant, introducing broker, associated person, or foreign Person performing a similar role that charges a commission or fee in connection with transactions on or subject to the Rules of the Exchange also expressly consents to the Exchange's jurisdiction.