



Special Executive Report

S-8564

March 19, 2020

Amendments to CME and CBOT Rule 536.E. (“Pre-Negotiated Trades”)

Effective on trade date Friday, April 3, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME”) and The Board of Trade of the City of Chicago, Inc. (“CBOT”) are adopting amendments to CME and CBOT Rule 536.E. (“Pre-Negotiated Trades”) to harmonize the rule text with the text of New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) Rule 536.E. (“Negotiated Trades”).

In January 2017, amendments to the NYMEX/COMEX Rulebook were adopted in connection with the elimination of open outcry trading of options products, and the text of NYMEX/COMEX Rule 536.E. was modified to specifically enumerate the requirements for brokers receiving block and EFRP orders from customers. Given that there are no differences among the recordkeeping requirements attendant to block and EFRP orders across the Exchanges, and in order to avoid any confusion in that regard, CME and CBOT Rule 536.E. is being harmonized with the language currently contained in NYMEX/COMEX Rule 536.E.

The amendments to CME and CBOT Rule 536.E. are set forth below with additions underscored and deletions ~~everstruck~~.

CME and CBOT Rulebooks
Chapter 5
(“Trading Qualifications and Practices”)
(additions are underscored, deletions are ~~everstruck~~)

536. RECORDKEEPING REQUIREMENTS FOR PIT, GLOBEX, AND NEGOTIATED TRADES

536.E. Negotiated Trades

~~All orders executed in accordance with Rules 526 and 538, unless otherwise exempted by rule, are subject to the recordation requirements pursuant to Section A.1.~~

At the time of execution, every order received from a customer for execution pursuant to Rule 526 (“Block Trades”) and Rule 538 (“Exchange for Related Positions”) must be in the form of a written or electronic record and include an electronic timestamp reflecting the date and time such order was received, and must identify the specific account(s) for which the order was placed. Such record shall also include an electronic timestamp reflecting the date and time such order was modified, returned, confirmed or cancelled.

[The remainder of the Rule is unchanged.]

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

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