CME Group

Special Executive Report

S-8777 **May 20, 2021**

Amendments to CME, CBOT, and NYMEX/COMEX Rule 853. (“Transfers of Trades and Customer Accounts”)

Effective on trade date June 7, 2021, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME”), in its capacities as both a designated contract market (“DCM”) and a derivatives clearing organization (“DCO”), 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, and NYMEX/COMEX Rules 853. (“Transfers of Trades and Customer Accounts”).

As part of the migration to migration to FEC+ in 2016, CME Clearing released Clearing House Advisory Notice 16-441 which codified that transfers between accounts in which underlying beneficial ownership is identical are required to be identified via transfer code C. The Advisory Notice intentionally did not distinguish transfers on the books of the same clearing member firm from transfers between clearing member firms, as all such transfers are required to be submitted to CME Clearing.

The current text of Section A.6. of Rule 853. is being amended to ensure that the Rule text is clear.

The amendment to Rule 853. is set forth in Exhibit A with additions underscored.

Questions regarding the amendments may be directed to one of the following individuals:

Brian Sayers, Executive Director, Clearing House Operations, 312.361.4232

Erin Middleton, Manager, Market Regulation Department, 312.341.3286

CME, CBOT, and NYMEX/COMEX Rulebooks
Chapter 8
(“Clearing House and Performance Bonds”)
(additions are underscored)

853. TRANSFERS OF TRADES AND CUSTOMER ACCOUNTS

853.A. Transfers of Trades

[Subsections A.1. – A.5. are unchanged.]

6. All transfers shall be reported to the Clearing House in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The clearing member(s) involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

[The remainder of the Rule is unchanged.]