

MARKET REGULATION ADVISORY NOTICE

Exchanges	CME, CBOT, NYMEX & COMEX
Subject	CME Globex Operator ID Requirements
Rule References	Rule 576
Advisory Date	September 2, 2020
Advisory Number	CME Group RA2012-5
Effective Date	September 17, 2020

Effective on trade date September 17, 2020, and pending all relevant CFTC regulatory review periods, this Advisory Notice will supersede CME Group Market Regulation Advisory Notice RA1902-5 from March 7, 2019. It is being issued to harmonize references to Globex Terminal Operators and the way that such parties are to be identified to the Exchange by replacing references to Tag 50 IDs with “operator ID.”

No other material changes have been made to the Advisory Notice.

Rule 576 (“Identification of Globex Terminal Operators”) requires that each Globex Terminal Operator be identified to the Exchanges by the submission of a unique operator ID. For CME iLink, operator IDs are issued by an Exchange Clearing Member firm (“Clearing Member”) or their contracted vendors or assignees, or in some circumstances, by the CME Group Global Command Center (“GCC”).

Clearing Members are responsible for ensuring that all operator IDs are unique at the Clearing Member level and that all non-administrative messages (“messages”), inclusive of orders, sent to Globex are properly submitted with the correct operator ID. Operator IDs are not case sensitive and Clearing Members must ensure that uniqueness is achieved by means other than solely modifying the letter case between different operator IDs (For example, “ABC” and “abc” would be viewed as the same operator ID). Further, all operator IDs must be between 2 and 18 bytes (characters) in length, and the Market Regulation Department (“Market Regulation”) strongly encourages the use of alphanumeric characters only. If the operator ID contains non-alphanumeric characters, the only characters permitted are as follows:

- underscore
- dash
- : colon
- @ (commercial) at
- . period

With respect to accounts that are carried by Clearing Members on a disclosed basis, Clearing Members must provide the identity of the “Individual” or “Team” assigned to each operator ID associated with the Clearing Member immediately upon request by Market Regulation. Clearing Members must maintain or cause to be maintained historical records related to the identity of the “Individual” or “Team” assigned to each operator ID for a minimum of five years.

With respect to omnibus accounts that are carried by a Clearing Member on an undisclosed basis, Clearing Members must be able to either obtain and provide the identity or require the omnibus account to obtain and provide the identity of the “Individual” or “Team” assigned to each operator ID within the undisclosed omnibus account immediately upon request by Market Regulation. Clearing Members must maintain or cause to be maintained historical records related to the “Individual” or “Team” assigned to each operator ID for a minimum of five years. Such historical records need not include the identity of the “Individual” or “Team.”

For operator IDs which require registration, it is the responsibility of the Clearing Member to ensure that each operator ID is properly registered in the Exchange Fee System ("EFS"). Registered operator IDs must be identified as either "Individual" or "Team" in EFS, and all registrations must be current and accurate at all times.

The text of Rule 576 is set forth below and is followed by a Frequently Asked Questions ("FAQ") section which begins on page 4.

576. IDENTIFICATION OF GLOBEX TERMINAL OPERATORS

Each Globex Terminal Operator shall be identified to the Exchange, in the manner prescribed by the Exchange, and shall be subject to Exchange rules. If operator IDs are required to be registered with the Exchange, it is the duty of the clearing member to ensure that registration is current and accurate at all times. Each individual must use a unique operator ID to access Globex. In no event may a person enter an order or permit the entry of an order by an individual using an operator ID other than the individual's own unique operator ID.

Required Registration of operator IDs

Registration of operator IDs is required for individual members, employees of individual members, employees or contractors of a Clearing Member, CME and CBOT Rule 106.J. ("Equity Member Firm") and NYMEX and COMEX Rule 106.J. ("Member Firm") firms. Additionally, operator ID registration is required for any other party receiving preferential fees in accordance with other programs offered by any of the Exchanges, unless the terms of a specific program specifically exempt such registration. Additionally, irrespective of whether a party is eligible for preferential fees, Market Regulation or the GCC reserve the right to require the registration of the operator ID of any market participant.

EFS supports the registration of operator IDs that are not otherwise required to be registered if the Clearing Member elects to register the "Individual" or "Team" operator IDs. Trading entities must provide accurate and up-to-date registration information about their "Individual" and "Team" operator IDs to their respective Clearing Members. The operator ID that is registered in EFS must exactly match the operator ID that is submitted on all messages sent to Globex.

For "Team" registrations, EFS allows for the input of the relevant individual registration information for each person on the team, and also requires the designation of each team member's role. Available roles include: Head Trader, Risk Monitor, Technical/Program Manager, Trader and Trading Monitor. Each "Team" must have a Head Trader, typically the most senior person or the person primarily responsible for the "Team's" activities. If there are changes to the composition of the group of persons represented by the "Team" operator ID, it is the responsibility of the trading entity and the Clearing Member to ensure that those changes are promptly and accurately reflected in EFS.

Identification of operator IDs for "Individual"

An operator ID should be identified as an "Individual" if the operator ID meets one of the descriptions below:

- A single person who is a manual trader, which refers to a person who physically submits messages directly into Globex using a front-end system, typically via keyboard, mouse, or touchscreen, and the messages are then routed in their entirety to the match engine at the time of submission.
- A single person who is solely responsible for, and actively monitors at all times, the administration and operation of an Automated Trading System ("ATS"). An ATS refers to a computer system which generates and/or routes messages without human intervention. This includes any messages generated by a computer system or routed using functionality that manages the submission of an order through automated means (i.e. execution algorithm). The person in this role typically initiates or disables particular algorithms or strategies, adjusts the parameters of any

automated program(s), and monitors the live trading of the ATS. All messages must be submitted with the “Individual” operator ID assigned to the person present at the time of operation.

- A single person who engages in a combination of the trading methods described above. The person must ensure that all messages are submitted with the correct manual order indicator to differentiate between manual and automated activities.

Each “Individual” operator ID must represent a single person. Each person is required to submit messages using their own operator ID and may not, under any circumstances, permit another person to enter messages using their operator ID.

Identification of operator IDs for “Team”

An operator ID should be identified as a “Team” if the operator ID represents a group of persons who are simultaneously administering, operating, and monitoring an ATS while it is operational.

Many ATSs are administered, operated, and monitored over the course of multiple shifts throughout a trading cycle. If the makeup of the group of persons is altered at the shift change time, or if a new group of persons takes over the duties of the prior group at the shift change time, a separate unique “Team” operator ID is required for messages submitted to Globex during the new shift. Where registration is required, the group of persons on the new shift must be registered with a unique “Team” operator ID in EFS so that, at any given time, the operator registration accurately identifies the Team actively monitoring the operation of the ATS.

A single operator ID may be used to represent multiple operators only in true ATS Team situations. Entities may not bundle all their ATS operators under one operator ID if certain operators are primarily responsible for different ATSs or for the same ATS on different shifts.

“Team” operator IDs may submit only automated messages to Globex. Should a situation occur where a “Team” needs to submit a manual message (i.e. during maintenance downtime, system malfunction, etc.), the message must be submitted with an “Individual” operator ID assigned to the specific single person submitting the message, rather than the “Team” operator ID associated with the group. In this scenario, a person would be acting in the capacity of an “Individual” manual trader as described above.

Clearing Members must ensure that all operator IDs which require registration are currently and accurately registered in EFS and must make any necessary updates to operator ID registrations promptly. Failure to transmit operator IDs to Globex in accordance with this Advisory Notice may result in disciplinary action and may also result in a reassessment of fees.

Frequently Asked Questions (FAQ)

Identification and Registration of Globex Operator IDs (operator IDs)

1. What is an administrative message?

Administrative messages, which are not subject to the requirements set forth in this Advisory Notice, include the following: Logon, Heartbeat, Test Request, Resend Request, Session Level Reject, Business Level Reject, Sequence Reset, and Logout.

2. Do messages submitted to Globex require the submission of an accurate operator ID?

Yes. All messages other than administrative messages referenced in the answer to Question 1 above must include the unique operator ID of the “Individual” or “Team” submitting such messages to Globex.

3. What is an operator ID?

An operator or Operator ID is a user ID that uniquely identifies a party that accesses and/or submits messages to Globex. operator IDs are issued by exchange Clearing Members, or their contracted vendors or assignees, or in some circumstances, by the GCC.

4. Is the operator ID submitted on a message visible to other market participants?

No. Trading on Globex is anonymous.

5. Rule 576 states that each individual must use a unique user ID to access Globex. Is it permissible for an individual to have multiple operator IDs?

Yes, an individual may have multiple operator IDs. However, each Clearing Member must be able to uniquely identify the individual assigned to a particular operator ID or identify the individuals assigned in the case of a Team operator ID. To the extent an operator ID is issued to a participant trading through an undisclosed omnibus account, the Clearing Member must be able to either obtain and provide the identity or require the omnibus account to obtain and provide the identity of the "Individual" or "Team" assigned to each operator ID within the undisclosed omnibus account upon request by Market Regulation.

6. Are Clearing Members responsible for ensuring that operator IDs are unique at the Clearing Member level?

Yes, all operator IDs must be unique at the Clearing Member level, irrespective of whether the account is carried by the Clearing Member on a disclosed or undisclosed basis.

7. Is there any circumstance in which a person may use the operator ID of another person?

No. Each message submitted to Globex must reflect the operator ID of the person or team of persons who submitted the message or caused the message to be submitted.

8. If a person deploys an ATS and someone else monitors the operation of the ATS during certain hours, does the operator ID of the person monitoring the ATS have to be entered on new messages?

Yes. The operator ID on all messages must be the operator ID of the person responsible for monitoring the operation of the ATS at that time.

9. If a person deploys an ATS that operates for extended time periods, for example during Regular Trading Hours in addition to European and/or Asian trading hours, may that person's operator ID be sent on all messages?

The operator ID on the messages must reflect the person responsible for operating and monitoring the ATS at the time the messages are sent to Globex. To the extent a single individual is responsible for operating and monitoring the ATS over any given timeframe (e.g. more than one trading session or more than a typical work shift), the individual's operator ID is required to be submitted on all messages. However, upon request, the individual must be able to demonstrate an effective means to monitor the ATS during all times it is operating. During the times that a person is not actively either operating or monitoring the trading operation of the ATS, their name should not be reflected on the active operator.

10. If a trader enters manual messages but also uses automated spreading functionality, may all of those messages be submitted under a single operator ID?

Yes, in this situation, a single operator ID may be used for both manual and automated messages. The manual order indicator value submitted with each message must appropriately identify whether the message was submitted via automated or manual means.

11. What is a “Team operator ID”?

If multiple individuals simultaneously work together to operate or monitor the operation of an ATS, they may be assigned a single operator ID, called a Team operator ID, which represents all of the individuals on the team. The registration process in EFS for a Team operator ID allows a firm to identify the role of each particular individual on the team, for example, Head Trader, Trader, Risk Monitor, Trading Monitor, Technical/Programmer, or Other. Each Team operator must have a Head Trader.

12. May a single Team operator be used for an ATS that operates for extended time periods, for example during Regular Trading Hours as well as European and Asian trading hours?

No, because individuals on a Team operator must be simultaneously working together, and it is expected that the Team operator ID submitted on messages will change as team members' shifts change. For example, if a new team or a team with a different composition takes over the operation of an ATS during European or Asian trading hours, or any other time period or shift, then that new team's Team operator ID must be used for all messages submitted during that period.

13. If a person is financially responsible for, and makes or oversees decisions related to an ATS, may that person be listed as the Head Trader on the Team operator ID for every shift during which the ATS operates?

No. The Team operator ID must represent the team simultaneously working together to operate or monitor the operation of an ATS at any given point in time.

14. If a person is working in a risk management function for a trading entity and as part of the risk function reviews and monitors the multiple ATSs that the entity is operating, does that risk person need to be identified via a Team operator ID?

No, risk managers that are reviewing overall firm exposures and that are separate from the trading function are not required to be identified on a Team operator ID. However, if the risk manager were to manually intervene with the ATS they would need to do so using their own unique operator ID.

15. If a member of a Team that monitors the operation of an ATS needs to submit manual messages, should the Team operator ID be submitted on those messages?

No. The Team operator ID may be used only for messages that are generated from the ATS. To the extent the team needs to submit manual messages, the individual operator ID of the person who manually submits the message must be used.

16. Is there a limit on the number of ATSs an entity or individual may operate?

There is no limit to the number of ATSs an entity or individual can operate, subject to their ability to effectively monitor the operation of the ATSs.

If you have questions on the Exchange fees applicable to an ATS operator, please contact the Fee System Hotline at 312.648.5470 or via email at efsadmin@cmegroup.com.

17. What information is required when registering an operator ID?

Information related to operator ID registration is available in the Exchange Fee System (EFS) User Manual available at www.cmegroup.com.

18. What types of violations related to operator IDs will Market Regulation seek to identify?

Market Regulation's review of operator IDs will be focused on, but not be limited, identifying the following types of violations:

- Missing or Inaccurate Registration
- Non-Identifiable Operators
- Invalid Use of Operator ID
- Invalid Operator ID Format
- Inaccurate Manual Order Indicator Submission

Questions regarding this Advisory Notice may be directed to the following individuals in Market Regulation:

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For fee-related questions or for general assistance with the fee system, please contact the Fee System Hotline at 312.648.5470 or send an email to efsadmin@cmegroup.com.

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.