

## Memorandum

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TO: Clearing Firm Compliance, Back Office and Deliveries Personnel  
FROM: Market Surveillance, Market Regulation Department  
DATE: 4/26/2005  
ADVISORY #: 05-75  
SUBJECT: **Link to Position Limit, Accountability Information; Rule Reminders**

CME has set up convenient links to Position Limit and Position Accountability Definitions, Rules and Levels. You can now view Position Limit and Accountability links on one page instead of searching for such information by individual contract.

You can access the page directly at: [http://rulebook.cme.com/rulebook\\_indexcontent12154.html](http://rulebook.cme.com/rulebook_indexcontent12154.html).

You can also access the page by typing [www.cme.com](http://www.cme.com) in the address bar and:

- Clicking on "Trade CME Products"; then
- Clicking on "Market Regulation" in the "Quick Links" section; then
- Clicking on "Position Limit and Position Accountability Definitions, Rules, and Levels"

To access the entire CME rulebook, use: <http://rulebook.cme.com/>.

We encourage you to share this information with your customers. However, it remains the clearing firm's responsibility to be aware of and to adhere to the position levels as stated in CME rules.

Please remember that positions are aggregated based on ownership and/or control for position limit and accountability purposes. This is true even though an entity may be holding positions at multiple firms. The rules indicate whether positions are aggregated on a gross or net basis for a given contract.

If an entity exceeds a **position accountability** level, CME Market Surveillance will ordinarily request information regarding the nature of the position, trading strategy, and hedging information if applicable.

If an entity exceeds either a hedge or speculative **position limit** level, the clearing firm(s), account executive(s), members(s) and customer(s) may be subject to penalties as described in CME Rule 443.

If your customer is a bona fide hedger and requires a hedge exemption from speculative position limits, please contact CME Market Surveillance for a hedge exemption application. It is recommended that an application be completed well in advance of a pending scaledown. Submission of a hedge exemption application does not guarantee approval. CME Rule 543 explains the types of hedges that are acceptable and the requirements for, and responsibilities of, a CME-approved hedger.

*If you have any questions or need further assistance, please call CME Market Surveillance at (312) 930-8525 or email [mktreg@cme.com](mailto:mktreg@cme.com).*