

Memorandum

FEE POLICY BULLETIN

TO: CME 106.J. Equity Member Firms #14-01
CME 106.I. Affiliate Member Firms
Chief Compliance Officers
Chief Financial Officers
New Firm Approval Contacts
Firm EFS Contacts

FROM: Financial and Regulatory Surveillance Department, Clearing House Division

DATE: January 31, 2014

SUBJECT: CME Rule 106.I. Affiliate Member Firm and CME 106.J. Equity Member Firm –
Required Registration for Qualified Affiliates and Subsidiaries

CME Rule 106.I. allows for the trading activity of certain affiliates of a CME Clearing Member Firm with shares or CME 106.J. Equity Member Firm (collectively, “CME Equity Member Firms”) to qualify for CME equity member fees (each such affiliate, a “Qualified Affiliate”).¹ In addition, CME rules allow for 100% wholly owned subsidiaries of a CME Equity Member Firm to qualify for CME equity member fees (each such subsidiary, a “Qualified Subsidiary”).

In order to better harmonize the approval and registration requirements for member firms, effective April 7, 2014, Chicago Mercantile Exchange Inc. (“CME”) will require each Qualified Affiliate and each Qualified Subsidiary to be separately registered with and approved by CME Group. Each Qualified Affiliate and Qualified Subsidiary will be required to submit a membership application form to the Financial and Regulatory Surveillance (“FRS”) Department to be approved for the relevant CME membership status.

Qualified Affiliates will be approved with a membership status of “CME 106.I. Qualified Affiliate Member Firm” and Qualified Subsidiaries will be approved with a membership status of “CME 106.J. Qualified Subsidiary Member Firm” or “CME Clearing Qualified Subsidiary Member Firm”, as applicable. Once approved, clearing members will be required to register the trading accounts and GLOBEX ID’s under the membership status of the applicable Qualified Affiliate or Qualified Subsidiary in CME Group’s Exchange Fee System.

Firms that are currently receiving CME equity member fees as a Qualified Affiliate or a Qualified Subsidiary are required to submit the attached Application for Corporate Membership - Agreement for Membership application and supporting documentation to FRS for review by no later than Friday, March 7, 2014 in order to continue receiving CME equity member fees. Firms that are not registered and approved by FRS prior to April 7, 2014 will no longer be eligible for CME equity member fees effective April 7, 2014.

¹ Qualified affiliates of a CME 106.I. Affiliate Member Firm include a firm that either owns, directly or indirectly, 100% of a CME Equity Member Firm or has 100% ownership, direct or indirect, in common with a firm that owns, directly or indirectly, 100% of a CME Equity Member Firm.

CME 106.I. Affiliate Member Firm CME 106.J. Equity Member Firms – Required Registration for Qualified Affiliates and Subsidiaries

January 31, 2014

Page 2

Any firms not currently receiving CME equity member fees (and firms that are currently receiving such fees but that do not submit the attached documentation by March 7, 2014) can apply for such benefits by submitting a completed (1) Application for Corporate Membership / Incentive Program Participation – Corporate Information application and (2) CME Qualified Affiliate / Qualified Subsidiary Member Firm Agreement for Membership application to FRS for review and approval. These applications are located on CME Group's web-site at <http://www.cmegroup.com/company/membership/membership-resources.html>. These new registration requirements are effective pending regulatory approval.

If you have any questions, please contact the FRS Department at (312) 930-3230.