

BPS

Brokerage Payment System NYMEX Integration

**FAQ Overview
February 2009**

BPS Brokerage Payment System

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1 What is the Brokerage Payment System (BPS)?

Brokerage Payment System (BPS) facilitates brokerage payments to filling brokers by member firms via automatic debits from member firm and credits to broker group bank accounts. Members and member firms are **required** to use BPS for broker billing and payment. The system eliminates the costly labor-intensive task of preparing and distributing monthly checks to brokers and assures timely brokerage payments.

Daily and monthly reports and data files are produced for firms and brokers detailing executed trades, volume, and rates applied to each trade. Monthly banking reports are produced for brokers and firms.

Within this release, firms and brokers will be able to access their CME, CBOT, NYMEX, and COMEX trade activities and applied rates and brokerage payment information from one access point regardless of original venue.

1.1 BPS - NYMEX Integration

Effective **March 2, 2009** NYMEX will be fully integrated and exclusively use BPS for brokerage processing. NYMEX data will be loaded and converted to BPS. New NYMEX users should experience a seamless transition to the BPS, noting similar functions to manage brokers and broker groups, firms/billing groups, rates, and including trade, payment, and 1099 processing.

BPS will continue to support brokerage payment processes, including the following key features:

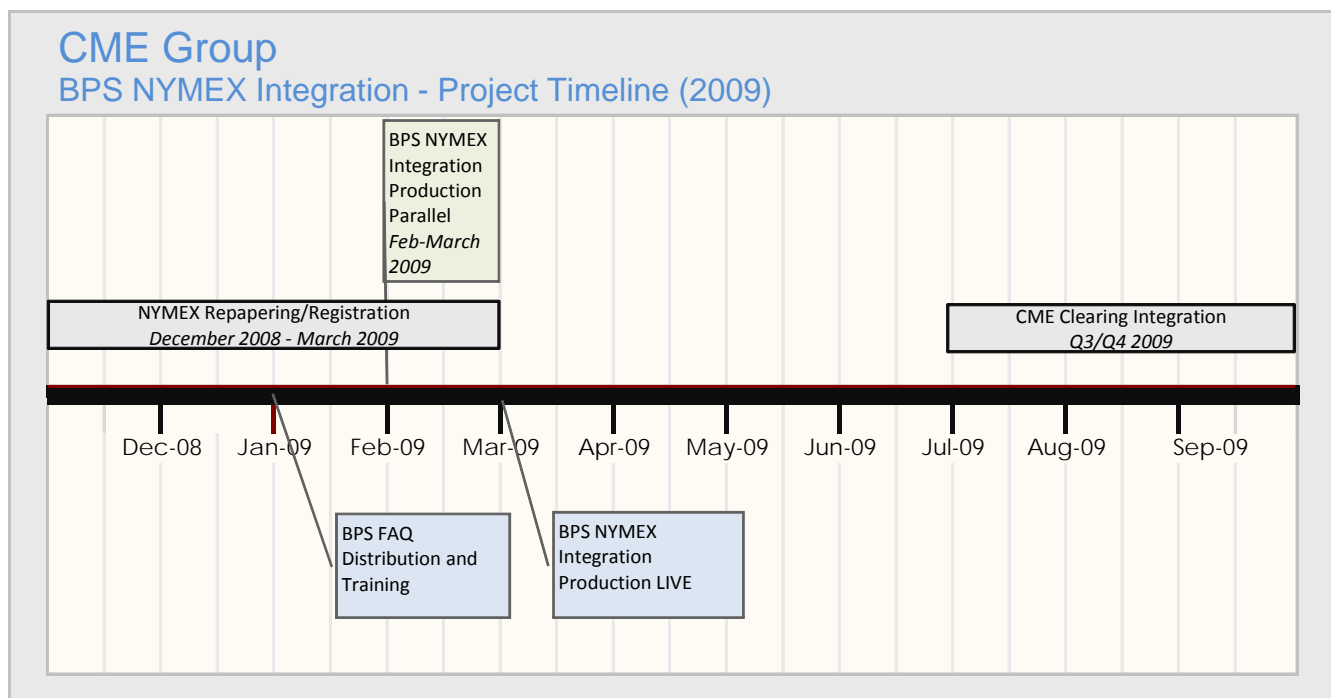
- Web-based application available via CME Group portal
- Rate creation and maintenance; capable of retroactive rate and tiered rate entry
- Daily and monthly ad-hoc report facility
- Daily trade processing
- Ability to search for and view summarized or detailed trades, including rejected trades
- Payment adjustments and hold functions
- Ability to resubmit resolved rejected trades for reprocessing
- Standard bank processing and adjustments schedule

2 BPS Milestone Dates

Beginning March 2, 2009, BPS will be the brokerage payment system of record for CME, CBOT, NYMEX, and COMEX products. CME Group will provide a one month production parallel period (February 2, 2009 through February 28, 2009) to validate the reconciliation of broker payments for new exchanges migrated to the Brokerage Payment System to facilitate a seamless transition. Listed below are key milestone dates:

Key Milestone Dates

- | | |
|--|--|
| • BPS NYMEX Firm/Broker Repapering | December 2008 – March 2009 |
| • NYMEX Integration - <i>Production Parallel</i> : | February 2, 2009 through February 28, 2009 |
| • NYMEX Integration - <i>Production Live</i> : | March 2, 2009 |
| • CME Clearing Integration: | Q3 2009 |



3 Production Parallel: Key Steps for Brokerage Reconciliation

3.1 User and Security Registration: BPS Application and CME Cert Portal

- a. **BPS Application:** All users (existing and new) must register with CME Group's Customer Support Group (CSG) to obtain access to the NYMEX and COMEX trade activity by using the following form: <http://www.cmegroup.com/clearing/files/onlineaccess.pdf>.
 - User registration will ensure that the user has an ID and appropriate role and access granted to the data and functions that they need to perform within BPS.
 - Once access is granted, security will not need to be reissued for the production launch. The BPS team will carry over all registration to the production environment.
 - **Note:** Upon review, if a user appears to be registered in error, please contact CME Group's Customer Support Group hotline at (312) 930-3444 between the hours of 6:30am CST and 5:30pm CST so that the issue can be resolved immediately.
- b. **CME CERT Portal:** All new users must register with CME Group's Customer Support Group to obtain access to CME Group's CERT Portal. The BPS application will reside within the CERT environment throughout production parallel. Once access is granted to the CERT Portal, the same security information may be used for the production portal. Therefore, existing users may use their current CME Group production portal security access to log into the CERT Portal.
 - To obtain access to BPS and/or the CME Portal, please fill out the Online System Access Request Form (referenced above). Direct any inquiries to the CME Group's Customer Support Group hotline at (312) 930-3444 between the hours of 6:30am CST and 5:30pm CST.

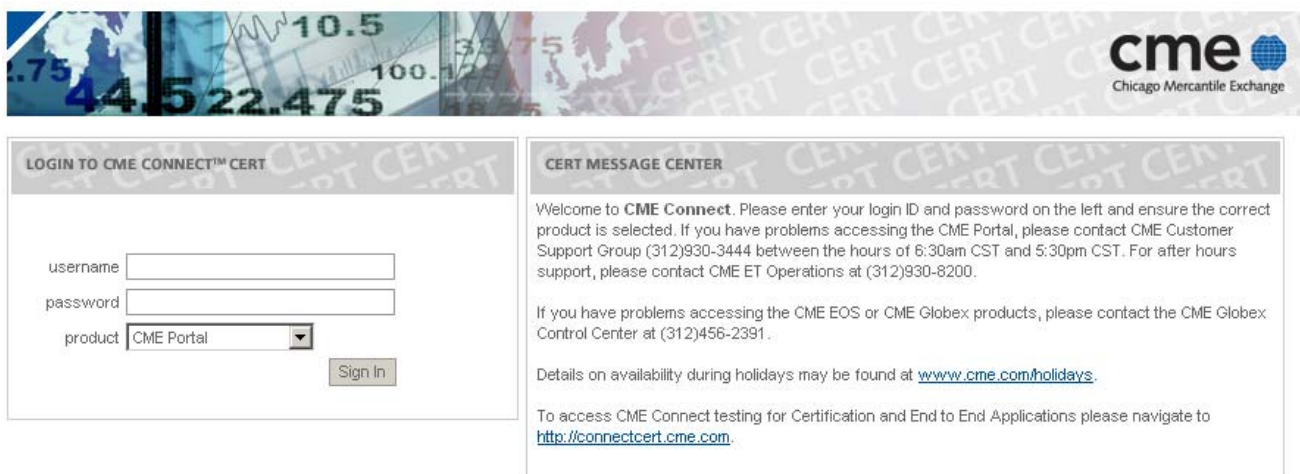
BPS Brokerage Payment System

3.2 Accessing BPS during Production Parallel

To access BPS during production parallel, you must use the CME Certification Portal which can be located by entering the following address in your internet browser: <http://connectcert.cme.com>.

In the username and password fields, enter the CME Connect access credentials issued to you by CME Group's Customer Support team. This username and password will be the same as the one used for the regular production CME Portal (connect.cme.com).

If you do not have this information, please refer to the CERT Message Center on the homepage for assistance. Once the username and password have been entered, the product selection should be set to "CME Portal". After entering the appropriate information, click the "Sign In" button.



LOGIN TO CME CONNECT™ CERT

username

password

product

CERT MESSAGE CENTER

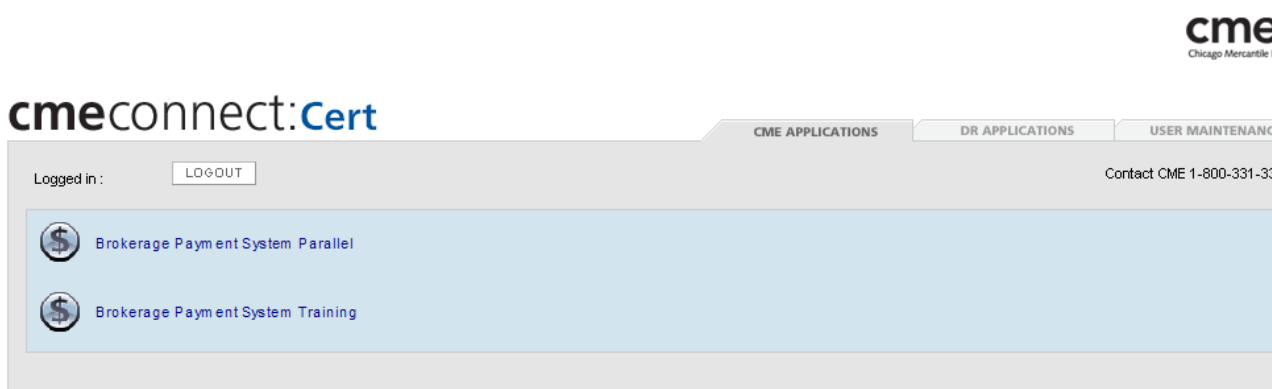
Welcome to **CME Connect**. Please enter your login ID and password on the left and ensure the correct product is selected. If you have problems accessing the CME Portal, please contact CME Customer Support Group (312)930-3444 between the hours of 6:30am CST and 5:30pm CST. For after hours support, please contact CME ET Operations at (312)930-8200.

If you have problems accessing the CME EOS or CME Globex products, please contact the CME Globex Control Center at (312)456-2391.

Details on availability during holidays may be found at www.cme.com/holidays.

To access CME Connect testing for Certification and End to End Applications please navigate to <http://connectcert.cme.com>.

Upon successful log-in, you will be directed to the CME Applications menu. Here, you will be able to access BPS by selecting the Brokerage Payment System Portal icon (refer to the screen shot below). Select the icon or the "Brokerage Payment System Parallel" link to enter the application.





cmeconnect:Cert

CME APPLICATIONS **DR APPLICATIONS** **USER MAINTENANCE**

Logged in:

Contact CME 1-800-331-3333


 [Brokerage Payment System Parallel](#)

 [Brokerage Payment System Training](#)

The Brokerage Payment System Login page should now appear (refer to the screen shot below). If you have already contacted CME Group's Customer Support team to obtain access to the new exchanges, enter your user id and password information.

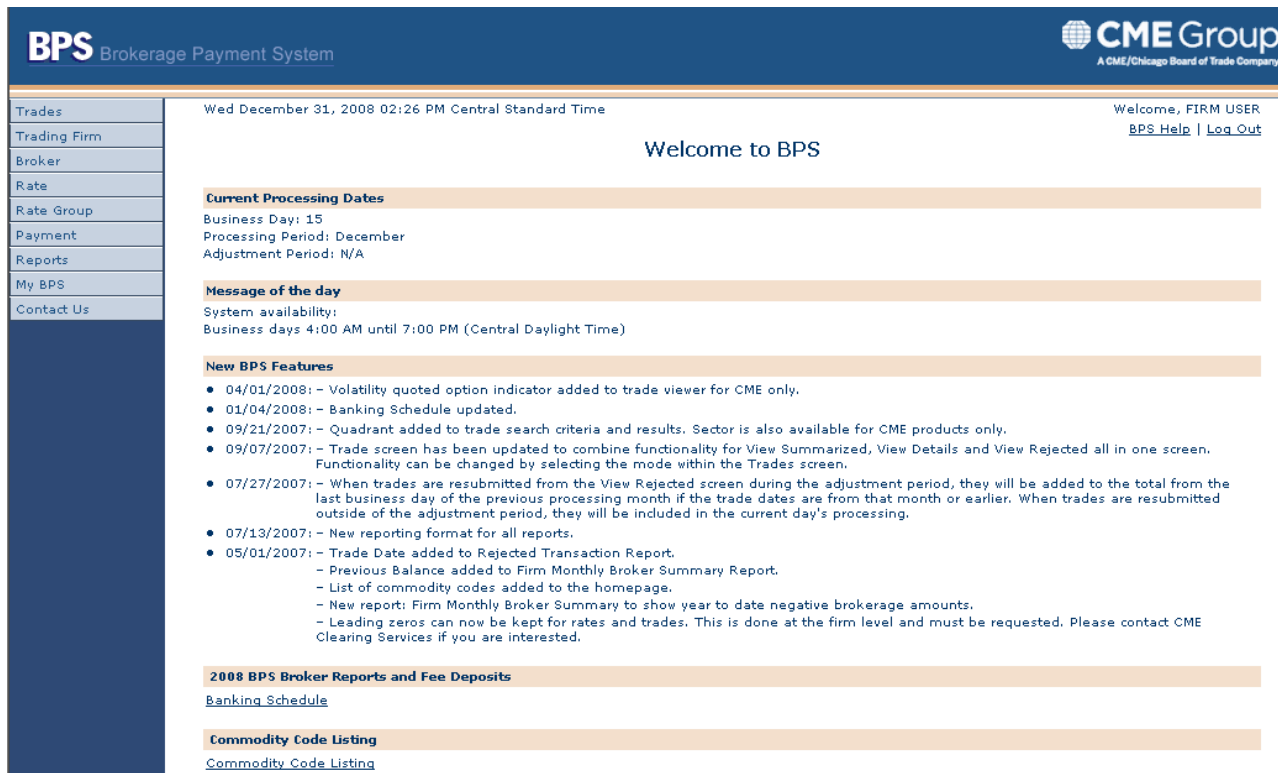
NOTE: All validation should occur within the Brokerage Payment System Parallel link. The Brokerage Payment System Training link is applicable to the online training environment only.

BPS Brokerage Payment System



The login screen for the BPS Brokerage Payment System. It features the CME Group logo at the top right. The main heading is 'BPS Brokerage Payment System'. Below this, there are input fields for 'Username:' and 'Password:', followed by a 'Log in' button. At the bottom right, there are links for 'Reset', 'New User', and 'Help'.

After successfully logging in to BPS, you will be directed to the BPS Menu page that will display all functions to which you have been granted access (refer to the screen shot to the below as an example).



The BPS Menu page displays the following information:

- Header:** BPS Brokerage Payment System, CME Group logo, and 'Welcome, FIRM USER' with links for 'BPS Help' and 'Log Out'.
- Left Navigation Menu:** Trades, Trading Firm, Broker, Rate, Rate Group, Payment, Reports, My BPS, Contact Us.
- Current Processing Dates:** Business Day: 15, Processing Period: December, Adjustment Period: N/A.
- Message of the day:** System availability: Business days 4:00 AM until 7:00 PM (Central Daylight Time).
- New BPS Features:**
 - 04/01/2008: - Volatility quoted option indicator added to trade viewer for CME only.
 - 01/04/2008: - Banking Schedule updated.
 - 09/21/2007: - Quadrant added to trade search criteria and results. Sector is also available for CME products only.
 - 09/07/2007: - Trade screen has been updated to combine functionality for View Summarized, View Details and View Rejected all in one screen. Functionality can be changed by selecting the mode within the Trades screen.
 - 07/27/2007: - When trades are resubmitted from the View Rejected screen during the adjustment period, they will be added to the total from the last business day of the previous processing month if the trade dates are from that month or earlier. When trades are resubmitted outside of the adjustment period, they will be included in the current day's processing.
 - 07/13/2007: - New reporting format for all reports.
 - 05/01/2007: - Trade Date added to Rejected Transaction Report.
 - Previous Balance added to Firm Monthly Broker Summary Report.
 - List of commodity codes added to the homepage.
 - New report: Firm Monthly Broker Summary to show year to date negative brokerage amounts.
 - Leading zeros can now be kept for rates and trades. This is done at the firm level and must be requested. Please contact CME Clearing Services if you are interested.
- 2008 BPS Broker Reports and Fee Deposits:** [Banking Schedule](#)
- Commodity Code Listing:** [Commodity Code Listing](#)

3.3 What validation processes are required during Production Parallel?

- **BPS NYMEX Integration:** During Production Parallel, BPS will process NYMEX and COMEX data on a daily basis (Ex: firm, broker, rate, and daily trade files). This will provide a parallel test environment to compare the data from the current system with the BPS output.
 - **Daily Processing during Production Parallel:** The BPS Production Parallel environment is to be used for validation purposes only. Users should continue daily processing tasks within their current system up until PROD cutover. Dual maintenance is not required.
 - Effective March 2, 2009, BPS will be fully implemented and should be exclusively used for NYMEX brokerage processing.
 - Any changes made within BPS during Production Parallel will apply only to BPS and not propagated to any other legacy system(s).
 - Tracking of historical data (changes to rates, brokers, and firms) will begin within the BPS Production Parallel environment.
- **BPS Validation Tasks:** To ensure the production validation period is successful, CME Group recommends that BPS Administrators verify their data in BPS to ensure a seamless transition:
 - a. Verify firm, broker, rate, and banking information data in BPS.
 - b. Review trade details and reports within BPS, ensuring that trades are matched to their appropriate brokers and firms. Validate that brokerage payments are processed according to the expected firm rate structure.
 - c. Review new functionality available within BPS. Use the BPS FAQ, User Manual, online training course, or other training materials as a reference.
 - d. Provide timely feedback to CME Group to investigate and resolve any concerns you have before Production Cutover occurs.
- **BPS Production Parallel Availability:** The BPS Production Parallel environment will be available daily from 7:00 a.m. CST to 7:00 p.m. CST.

4 What features are unique to BPS?

4.1 Trades/Trade Processing

- **Trading Exchanges:** Users can request their search results by additional trading exchanges: CME (Chicago Mercantile Exchange), CBT (Chicago Board of Trade), CMX (COMEX), NYX (NYMEX).
- **Adding, Editing, and Deleting Trades:** The BPS Trades Viewer provides the ability to search for and view summarized, detailed, or rejected trades. For trades that require an add/edit/delete function, users are encouraged to leverage the rejected trades/resubmission process or the payment/tax adjustment and hold facilities to meet their objectives.
- **Cabinet Trades:** Cabinet trades (CAB) are omitted from processing. These transaction types are infrequent and can be accommodated by the current BPS adjustment functionality when they occur.
- **Customer Type Indicator of “1”:** BPS automatically rejects any trades with a Customer Type Indicator of “1”, a broker trading for their own account (or one for which they are the account controller). This customer type is not valid for brokerage payments and will show up as a ‘rejected trade’, viewable via the Trades screen.

- **Give-Up Trades:** BPS translates any Clearing Member Trade Agreement (CMTA) transfers (cancels/adjustments) as a 'give-up' transaction type. Transfer/cancel trades are translated to a 'give-up from' and transfer/adjustments are translated to a 'give-up to' transaction type. The translation will not change the current transfer/CMTA process, but is simply a change in terminology and transaction type.
- **Position Transfers:** Position transfers are omitted from processing. (An example of a position transfer is when a firm posts to another firm with no brokerage transferred – not a give-up transaction type.)
- **Historical Data/Tracking Changes:** History of rates, broker, or firm modifications will be tracked beginning January 1, 2009 to integrate with BPS processing and maintenance requirements.
 - Adjustments will not be carried over (as they apply only to the current month in the legacy system). Firms must re-enter or add any new adjustments in BPS.

4.2 Rates

- **Rate Types:** BPS provides a 'rate type' attribute. Terminology differences are as follows:

Legacy	BPS
H (house)	F (firm)
M (customer-member)	M (member)
N (customer -non-member)	C (customer)

- **Rate Structure:** The BPS rate feature includes recent enhancements to add or improve functionality and usability. New users should notice no change to their rate structure or schedule, but a reduction in required future rate maintenance.
 - **Rate Type (optional):** The rate type field can be applied at the firm, member, customer level. However, by leaving this field blank/null, the rate type can be applied across all rate types, which allows generation and maintenance of only one instead of three records (one per each rate type –firm, member, and customer). This feature greatly reduces rate maintenance.
 - **Tiered Rates/Capping:** BPS provides capping as an implicit feature of tiered rates. Capping allows the user to assign an upper quantity for which a rate can be assessed.
Ex: Implicit capping through tiered rates

Quantity	Rate
1-5,000	\$.50
5,000 – 10,000	\$.25
10,000 and up	none/(cap)
 - **User Defined Groups/Rate Groups:** BPS provides the ability to create rate groups for groupings of accounts, brokers, or commodities. Rate groups minimize the setup and maintenance required by allowing the user to manage groups that require the same rate specifications.
- **Accounts and Rates – Left Justification and Zero Suppression:** By default, BPS account and rate data is left-justified and stripped of leading zeros before matching data. This feature improved data quality by eliminating the opportunity for firms to enter multiple variations of account information.
 - BPS has also implemented an indicator that provides an override for firms that are not able to accommodate this functionality. To request this override functionality, please contact CME Group Clearing Services at (312) 207-2525 between the hours of 6:30 am CST and 5:30 pm CST or via e-mail at ccs@cmegroup.com.

4.3 Real-Time Pricing

- BPS provides real-time pricing and therefore is not dependent on a batch/nightly process to apply changes. For example, once a rate is changed in BPS online, those changes will be propagated immediately to all affected transactions.

4.4 Payments: Adjustments and Holds

- **Payment Adjustments:** BPS provides the ability to manage payment and tax adjustments. For other types of modifications, users can manage rates via rate groups, create/edit rates per specific attributes, modify rate effective/expiration dates, etc.
- **Payment Holds:** BPS provides Payment Holds, which enables trading firms to recoup monies owed to them by a specific broker or per various administrative or legal purposes (ex: missing IRS details, IRS notice of levies, etc). Payment Holds may also be used to hold back funds from a broker because the firm has agreed to pay the broker a flat salary as opposed to a per transaction compensation.
 - Users may establish partial or full/entire payment holds and define the effective dates.

4.5 Rejected Trades and Resubmissions

- **Rejected Trades:** BPS provides the ability to view trades that have been rejected through the daily interrogation/batch process. Trades are rejected if the **(1)** firm is not recognized by BPS **(2)** broker is not recognized by BPS or **(3)** trade is a Customer Type Indicator of “1” – broker trading for own account.
 - In many cases, the firm or broker needs to be registered. Users are expected to review and resolve the rejected trades, then contact their Membership or Customer Support Group representative to resolve any registration issues.
- **Resubmissions:** After resolving rejected trades by registering the firm or broker, the trades can be resubmitted for re-pricing and reprocessing. However, trades that have not been resolved (ex: non-registered firms or brokers) and CTI transaction type “1” will continue to be rejected by BPS.

4.6 Test Firms

- BPS recognizes trades by invalid or inactive firms and brokers and sets them to rejected status. After the firm or broker registration is completed, the rejected trades can be resubmitted for pricing. (See Rejected Trades and Resubmissions).
- Test firms will be retired as they are not supported within the current BPS application.

4.7 Withholding

- The BPS ‘Withholding’ component provides the ability to search, view, create, or edit a miscellaneous withholding for a broker across all firms. BPS withholding allows full or partial withholding including flexibility for effective and expiration dates.

4.8 Broker Groups/Combined Deposit Accounts

- Broker Groups are a collection of independent brokers that are aligned for tax reporting purposes. BPS provides an online function to manage the definition and maintenance of Broker Group entities by establishing the exchange, group ID, group name, banking information, tax information, associated brokers, and effective dates.
- BPS will manage the transfer of the legacy 'combined deposit accounts' to the BPS broker group format.
- BPS will leverage the broker groups to meet interim report printing requirements that enable designated clerks to receive and distribute reports per their assigned broker groups.

4.9 Systematic Broker Group and Firm Changes

- Broker Groups and Firms may switch their affiliations at any time, which often impacts their payment and tax reporting requirements. BPS systematically processes broker group and firm changes. For example, BPS will automatically process mid-month/year switches, calculating brokerage payments per the new broker group/rates and generating separate reports, payments, taxes for the old and new affiliation(s), etc.

4.10 Service Surcharge Harmonization

- NYMEX service fees/surcharges will be harmonized with CME Group fees beginning March 2, 2009.

BPS applies a \$0.25 service fee for each firm where a broker's earned brokerage meets or exceeds \$25.00.

Ex: If a broker fills trades for four firms and earns \$50.00 for each firm, each firm will be charged \$.25 and the broker will be charged a \$1.00 service fee at month-end.

4.11 Clear Port Clearing (CPC) Payments

- CPC brokerage payment will follow the same registration and papering procedures to gain access to BPS services as other BPS users. Once registration is complete, BPS will recognize CPC brokers/broker groups and support payment of CPC brokers (e.g. member/ non-member clients), including (1) daily trade processing, (2) banking debit (firm) and credit (broker) processing and (3) broker/broker group tax /1099 processing.
- CPC brokers will be paid per the filling member firm rates.
 - **Note:** Firms have the flexibility to define their rates/rate groups per specific attributes including per account, broker ID, classification code, etc. Therefore, firms have the ability to define rates specific to CPC brokers (if required).
- For assistance with CPC registration please contact, CME Group Shareholder Relations and Membership Services representative in New York, specifically, Carolyn Sterling at (212) 299-2377

4.12 BPS Reports

- Reports available within the legacy system have been reviewed and mapped to their equivalent BPS report. Review *BPS Reports* within the *Miscellaneous Information* section for a list of reports available in BPS.
- **Report Access:** BPS provides access to review reports to BPS administrators, brokers, broker groups, and firms. Clearing Member Firms (CMFs) can access reports via the BPS online reporting facility.
 - NYMEX CMFs will access their reports via BPS online reporting tools, assuming pre-requisite tasks are met (Ex: repapering, registration, user ID setup, etc).
 - BPS reports are viewable in *.pdf format or can be extracted to a tab-delimited file that will enable the end user to import into any machine readable format such as MS Access or MS Excel. There will not be a straight import into Excel at this time.
- **Printing and distribution:** Some reports are currently printed and distributed on a daily or monthly basis on the floor to NYMEX and COMEX brokers. The BPS equivalent report(s) will continue to be distributed following current processes until NYMEX can be fully integrated to BPS reports and distribution methods (post Clearing integration). These reports include:

Legacy Report	BPS Report Name (post-conversion)
BFR00013	BPS00013 Broker's Monthly Banking Summary Report
BFR00067	BPS00067 Broker Brokerage Daily Detail Report – Daily Detail/MTD Summary
BFR00067NM	BPS00067NM Broker Brokerage Detail Report – Monthly Detail

If you have any questions concerning reports, please contact CME Group Clearing Services at (312) 207-2525 between the hours of 6:30 am CST and 5:30 CST or via e-mail at ccs@cmegroup.com.

4.13 Payments and Tax Processing

- **Payments:** Payments will be facilitated by BPS the first month post-Production, beginning April 2009, for the March 2009 processing/bank schedule.
- **1099 NYMEX Tax Processing:** NYMEX 2008 tax year processes will be managed by their legacy system. BPS will assume responsibility for 2009 tax year 1099 processes.
- **Tax Equity and Fiscal Responsibility Act (TEFRA) – exemption processing:** Firms or brokers participating in TEFRA will be excluded from 1099 printing and processing, as described within this 2008 notice for current BPS participants (*CME Group Advisory Notice, BPS 1099 Notification #3, 12/09/08*):
 - **Note:** Firm 1099 statements will be produced for all brokers paid \$600.00 or more. If you pay brokerage into a corporation's account, we will produce 1099 statements under the corporation's Tax Identification number. Firms that plan to produce their own 1099 statements should notify the CME Group Clearing Services at ccs@cmegroup.com in writing by December 31, 2008, to request that we not produce 1099 Statements. The CME Group will create and send to the IRS a file that will include a record for each 1099 that we produce.
- For NYMEX1099 support requests, please contact CME Group Clearing Services at (312) 207-2525 between the hours of 6:30 am CST and 5:30 pm CST or via e-mail at ccs@cmegroup.com.
- For Membership contacts, please refer to the *Contact Information* within the *Miscellaneous Information* section.

5 Miscellaneous Information

5.1 BPS Contact Information

- **CME Group Clearing Services (CCS):** For BPS support, please contact CME Group Clearing Services at (312) 207-2525 between the hours of 6:30 am CST and 5:30 CST or via e-mail at ccs@cmegroup.com.
- **CME Group Customer Support Group (CSG):** For assistance with Account and Operator ID setup or verification, please contact CME Group's Customer Support Group hotline at (312) 930-3444 between the hours of 6:30am CST and 5:30pm CST.
- **CME Group Shareholder Relations and Membership Services:** For assistance with Membership requests, please contact your CME Shareholder Relations and Membership Services representative. For NYMEX users, please contact Carolyn Sterling at (212)-299-2377.

5.2 BPS Training

- **On-site training:** On-site training is scheduled for members and firms for morning and afternoon sessions February 5 and 6, 2009.
 - To schedule training class contact CMTS at (312) 930-4523 for a New York or Chicago session.
- **Online tutorial:** Online computer based training is available for users that are unable to attend an on-site session.
 - BPS Tutorial: <http://www.cmegroup.com/clearing/systems-operations/training.html>
 - BPS Manual: <http://www.cmegroup.com/clearing/systems-operations/user-guides.html>
- *Note: There is no charge for the training sessions or online computer-based training.*

BPS Brokerage Payment System

5.3 BPS Reports

- Following are BPS reports available to Clearing Member firms and/or brokers (excluding administrative reports). The current legacy system reports are matched partially or in full to their equivalent BPS report.
- If you have any questions concerning reports, please contact CME Group Clearing Services at (312) 207-2525 between the hours of 6:30 am CST and 5:30 CST or via e-mail at ccs@cmegroup.com.

Legacy Report	BPS Report	Description	Security Access
BFR00002 Firm Brokerage Detail	Accumulated Transaction Detail	Trading firm report containing daily buy, sell and total quantities and resulting fee data aggregated to the Broker, Product, Account, CTI, Transaction Type, Rate Type, Trade Date, and Process date level. Grouped by broker.	Trading Firm
BFR00005 Firm Monthly Detail (by broker and account)	Broker Account Detail	Trading firm report containing daily total quantities and resulting brokerage, aggregated to the Account, Broker level. Grouped by broker.	Trading Firm
BFR00006 Firm Monthly Detail (by account and broker)	Account Broker Detail (and BPS00266 Monthly Firm Detail By Account Report)	Trading firm report containing daily total quantities and resulting brokerage, aggregated to the Broker, Account level. Grouped by account.	Trading Firm
BFR00001 Broker Summary of Brokerage	Firm Monthly Broker Summary	Trading firm report containing daily total quantities and resulting brokerage. Grouped by payment month and Broker.	Trading Firm
BFR00002 Firm Brokerage Detail	Firm Brokerage Rates	Trading firm report containing all the firm's current rates, ordered from most-specific to least-specific. Note: When reading down the table the first match will be the rate charged.	Trading Firm
BFR00034 Firm Daily Fee Calculation Report	Firm Daily Trade Fee Calculation	Trading firm report containing the details of the Accumulated Transaction Detail report and indicating the specific rate key used to determine the brokerage. Grouped by broker within rate key.	Trading Firm
BFR00029 Hold Brokerage Report, BFR00053 Firm Monthly Service Charge Report	Firm Monthly Brokerage	Trading firm report containing the brokerage due and brokerage withheld for each broker who has brokerage due from the firm. Listed in broker order. It includes the firm total brokerage service charge.	Trading Firm
BFR00010 Brokerage Held Over Brokerage Report	Firm Negative Brokerage	Trading firm report containing the Calculated Brokerage and Adjustments by Trading Firm or Broker. Grouped by banking cycle.	Trading Firm
BFR00041 Broker Summary of Brokerage, ~BFR00067 Broker Brokerage Daily Detail/Month to Date summary Report	Brokerage Details by Broker	Billing group report containing the Total Brokerage, Non-Bank Amounts, Negative Brokerage and Service Charges. Grouped by banking cycle and Billing Group.	Billing Group
	Billing Group Banking Details	Billing group report containing the Total Brokerage, Service Charges and Bank Transfer Amount. Grouped by banking cycle and Billing Group.	Billing Group
BFR00018 Broker Accumulated Trade Data Audit Report	Broker Accumulated Transaction Detail	Broker group report containing detailed transaction data and rates applied. Grouped by Broker Group.	Broker Group
BFR00041 Broker Summary of Brokerage, BFR00053 Firm Monthly Service Charge Report	Brokerage Details by Firm	Broker group report containing Total Brokerage, Service Charges, Lessee Brokerage, New Brokerage, Misc. Withholding & bank transfer amount. Grouped by Broker ID.	Broker Group
BFR00049 Combined Brokerage Deposit Report	Broker Group Banking Details	Broker group report containing Total Brokerage, Non-Bank Amounts, Negative Brokerage and Withholding. Grouped by Trading Firm.	Broker Group
BFR00058 ATOM Trade Data Error Report, BFR00048 (Brokers,	Rejected Transaction	Trading firm report containing rejected transaction details and reason for rejection.	Trading Firm

BPS Brokerage Payment System



A CME/Chicago Board of Trade/NYMEX Company

Legacy Report	BPS Report	Description	Security Access
Firms or Broker Groups) Rejected Banking Report, BFR00047 Rejected Banking Information Report			
BFR00018 Broker Accumulated Trade Data Audit Report, BFR00063 Brokerage Fee Adjustment Edit Report,	Adjustments by Firm	Trading firm report containing detailed Adjustment information. Grouped by Broker ID and Trading Firm.	Trading Firm
BFR00063 Brokerage Fee Adjustment Edit Report	Adjustments by Broker	Broker Group report containing detailed Adjustment information. Grouped by Trading Firm and Broker ID.	Broker Group
BFR00061 Firm Tax Data Confirmation/Broker Tax Data Confirmation	Tax Details by Billing Group	Trading Firm and Broker Group report containing Total Brokerage and Tax Adjustment information by Transaction Month. Group by Broker ID, Broker Group, Firm and Billing Group.	Trading Firm, Billing Group
	Firm Monthly Broker Detail	Trading firm report containing Prior Balance, Calculated Brokerage, Adjustments and Total Brokerage for each banking cycle.	Trading Firm
	Daily Brokerage Report, Month to Date Brokerage Summary Report	Summarizes broker's brokerage activity & dollar adjustments for the current day. Month to date trades are summarized on a separate line. Report is order by firm within broker. (Not online, generated nightly at month-end)	Broker/Broker Group, Trading Firm
BFR00013 Broker Monthly Banking Summary Report	BPS00013-BROKER'S MONTHLY BANKING SUMMARY REPORT	Displays monthly banking summary information including brokerage fee, brokerage withheld, and banking information.	Trading Firm, Broker/Broker Group
BFR00055 Firm 1099- Misc. Transaction Register	BPS00055- FIRM YEARLY BROKER PAYMENT SUMMARY	Displays all year-to-date transactions for each broker's monthly brokerage including tax ID type, tax name, and broker name info.	Trading Firm
BFR00012 Firm Monthly Banking Summary Report	BPS00240-BPS FIRM MONTHLY BANKING SUMMARY REPORT	Provides summary of total brokerage by broker, broker group, and firm.	Trading Firm
BFR00006 Firm Monthly Detail (by account and broker)	BPS 00266-MONTHLY FIRM DETAIL BY ACCOUNT REPORT	Trading firm report containing daily total quantities and resulting brokerage, aggregated to the Broker, Account level. Grouped by account.	Trading Firm
	BPS 00710-MONTHLY FIRM BROKERAGE DETAIL REPORT	Identifies monthly broker transactions by broker ID and various attributes (broker ID, tran type, trade date, clear date, quantity, rate, fee, etc.	Trading Firm
BFR00072 Broker 1099- Misc Summary	BPS00410-BROKER'S YEARLY BANKING SUMMARY REPORT – prelim	Lists monthly payment totals, service charges, payer firm totals for the year and whether a 1099 was created for each firm.	Broker
BFR00072 Broker 1099- Misc Summary	BPS00410-BROKER'S YEARLY BANKING SUMMARY REPORT – final	Lists monthly payment totals, service charges, payer firm totals for the year and whether a 1099 was created for each firm.	Broker
BFR00067 Broker Brokerage Daily Detail/Month to Date Summary Report	Daily Brokerage Report, Month to Date Brokerage Summary Report (NEW)	Provides summary of broker's daily brokerage activity and adjustments for the current date (or month to date summary). Report will be provided to NYMEX/COMEX for print distribution only until full clearing integration is complete.	Broker

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5.4 Glossary of Terms

Legacy Term	BPS Term	Description
Combined Deposit Account(s)	Broker Group(s)	<i>A Broker Group is a logical entity which is a collection of independent Brokers that align themselves for tax reporting. A Broker Group may perform any of the actions its associated Brokers perform.</i>
Cabinet Trades	Cabinet Trades	<i>Cabinet trades allow options trades to liquidate deep out-of-the money options by trading the option at a price equal to one-half tick.</i>
CMTA	CMTA	<i>Clearing Member Trade Agreement; Any position transfer cancels and adjustments will be processed as give-up from/give-up to transactions in BPS.</i>
Give-Up Transactions (transfers from/to)	Give-Up Transaction	<i>Give-up transactions are those in which one firm places an order for execution on behalf of another firm (who will ultimately carry the trade). This transaction type can also occur within a firm between two accounts.</i>
	Payment/Tax Adjustments	<i>BPS Payments functionality provides the ability to create and maintain adjustments (payment and tax) and holds within BPS. Payment adjustments are used to make corrections to the current payment period by increasing or decreasing the dollar amount to be paid to the broker. Payment Adjustments are combined with total brokerage due for each payment period.</i>
	Payment Holds	<i>Payment Holds are used by trading firms to recoup monies owed to them by a specific broker or per administrative or legal reasons (Ex: missing IRS details, IRS notice of levies, etc). Payment Holds may also be used to hold back monies from a broker because the firm has agreed to pay the broker a flat salary as opposed to the per transaction compensation.</i>
	Rate Groups	<i>BPS offers flexibility for firms or billing groups to define a wide variety of rate structures across a grouping of accounts, brokers, or commodities. Rate groups allow the user to alleviate duplicate work by creating a group with a single rate rather than having several line items of the same individual rate. For example, a user could create a grouping of 20 commodities and apply a single rate that is applied across all 20 commodities.</i>
Service surcharge	Service surcharge	<i>The service surcharge is a fee charged to Brokers and Trading Firms for using BPS. The broker's service surcharge is assessed for each trading firm that the broker executed trades for during the billing month that has met a minimum brokerage. The firm's service surcharge is charged for each broker that executed trades for them during the month that has met the minimum brokerage.</i>
	Withholding	<i>BPS currently provides a function to create and maintain miscellaneous withholdings (Ex: liens, court ordered deductions). Miscellaneous withholding is a deduction component that is defined for a Broker at the Trading Exchange level (across all firms) and applied on accrued monthly brokerage. This deduction is the last in the order of various deductions that can be applied on accrued Brokerage.</i>

* For additional information on BPS functionality, please access the User Manual or online tutorial.

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5.5 2009 BPS Banking Schedule: Broker Reports and Fee Deposits

- For the latest BPS banking schedule, access the BPS online application or the following CME Group website:
<http://www.cmegroup.com/clearing/systems-operations/bps.html>

	Day 1 Date Preliminary Banking and Adjustment Reports Available	Day 4 Date Final Banking and Adjustment Reports Available	Day 8 Date Broker's' Accounts Are Credited
January	Friday, January 2, 2009	Wednesday, January 7, 2009	Tuesday, January 13, 2009
February	Monday, February 2, 2009	Thursday, February 5, 2009	Wednesday, February 11, 2009
March	Monday, March 2, 2009	Thursday, March 5, 2009	Wednesday, March 11, 2009
April	Wednesday, April 1, 2009	Monday, April 6, 2009	Monday, April 13, 2009
May	Friday, May 1, 2009	Wednesday, May 6, 2009	Tuesday, May 12, 2009
June	Monday, June 1, 2009	Thursday, June 4, 2009	Wednesday, June 10, 2009
July	Wednesday, July 1, 2009	Tuesday, July 7, 2009	Monday, July 13, 2009
August	Monday, August 3, 2009	Thursday, August 6, 2009	Wednesday, August 12, 2009
September	Tuesday, September 1, 2009	Friday, September 4, 2009	Friday, September 11, 2009
October	Thursday, October 1, 2009	Tuesday, October 6, 2009	Tuesday, October 13, 2009
November	Monday, November 2, 2009	Thursday, November 5, 2009	Thursday, November 12, 2009
December	Tuesday, December 1, 2009	Friday, December 4, 2009	Thursday, December 10, 2009

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CME Business Day	ACTIVITY
Day 1	<ul style="list-style-type: none"> Firms' preliminary Monthly BPS Detail, Summary and Banking reports are available for review. Brokers' preliminary Banking reports are available in MRS.
Day 3	<ul style="list-style-type: none"> Final Day to make adjustments to the previous month BPS data.
Day 4	<ul style="list-style-type: none"> Firms' final Monthly BPS Detail, Summary and Banking reports are available for review. Brokers' final Banking reports are available in MRS. The CME enters debit instructions for the clearing member firms' account into the Harris Bank ACH System.
Day 5	<ul style="list-style-type: none"> The Harris Bank ACH System issues debit instruction to the Clearing Member firms' banks.
Day 7	<ul style="list-style-type: none"> The CME enters credit instructions to the broker's accounts into the Harris Bank ACH System.
Day 8	<ul style="list-style-type: none"> The Harris Bank ACH System issues credit instruction to the Brokers banks (via electronic fund transfer).