



Special Executive Report

S-7149

August 6, 2014

NYMEX and COMEX Rule 984 (“Clearing Member Acceptance of Executed Customer Trades”)

Pending all relevant regulatory review periods, effective on Tuesday, August 19, 2014, NYMEX and COMEX will adopt a revision to Rule 984 (“Clearing Member Acceptance of Executed Customer Trades”) eliminating the requirement that brokerage be paid through the Brokerage Payment System (“BPS”).

Currently, Rule 984.A.4 contains language requiring that all brokerage be paid through the BPS. The revision removes the reference to BPS, as well as the requirement of a specific manner in which brokerage must be paid. Brokerage may be paid via any viable means including but not limited to BPS.

The text of Rule 984 appears below, with the deletions overstruck.

Questions concerning the revisions to Rule 984 may be directed to Nancy Minett, Executive Director, Market Regulation, 212.299.2940.

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

NYMEX & COMEX

984. CLEARING MEMBER ACCEPTANCE OF EXECUTED CUSTOMER TRADES

The following provisions define the minimum responsibilities and obligations of those parties to the clearance of a customer trade.

The term "executing broker" as used in this Rule is the Member Firm or Floor Broker to whom the order is transmitted.

984.A. Responsibilities and Obligations of Clearing Members

The acceptance for clearance of a trade by a Clearing Member shall not relieve any party to the solicitation, handling, execution or clearance of such trade from the duty to act in good faith and with reasonable care and diligence.

1. Acceptance or Rejection of an Allocated Trade

A Clearing Member that has been allocated a customer trade may only reject such trade in accordance with the provisions of section A.3 of this Rule.

If after accepting an allocated trade a Clearing Member determines that such trade is an error or exceeds limits which have been communicated to an executing broker and his Primary Clearing Member (“PCM”) in accordance with section A.3 of this Rule, the Clearing Member may reject such trade.

2. Limits Placed by Clearing Member

A Clearing Member may place trading limits or impose a complete cessation on the trades it will accept for clearance for a customer's account from an executing broker, provided, however, that both the executing broker and his

respective PCM receive prior written, telephonic or electronic notice from the Clearing Member of the applicable trading limits or trading cessation imposed on that customer account. Such notice must be given to all applicable executing brokers that within the prior 90 days have executed trades on behalf of said customer and allocated such trades to the applicable Clearing Member, and to such executing brokers' PCMs.

A copy of any and all correspondence evidencing any notice required by section A.2 of this Rule shall be retained as part of the books and records of the Clearing Member, the executing broker and his PCM.

3. Trade Rejection

A Clearing Member may only reject a trade that has been given up to it for clearance if: (1) the trade exceeds the trading limits established in accordance with section A.2 of this Rule for that customer and such limits have been communicated to the executing broker and his PCM in accordance with section A.2 of this Rule; or (2) the trade is an error for which the executing broker is responsible. If a rejected trade, or an unclaimed but pending trade, was allocated to the Clearing Member by the executing broker beyond the time period required under Rule 536.A, that fact shall be taken into consideration in any dispute between such Clearing Member and executing broker regarding such trade that is governed by Exchange Rules.

4. Billing

~~A Clearing Member will pay brokerage fees incurred for all transactions by the executing broker for the customer and subsequently accepted by the Clearing Member by means of the Brokerage Payment System ("BPS"). Brokerage fees will be agreed upon in advance among the Clearing Member, the customer and the executing broker.~~