



Special Executive Report

S-7150

August 5, 2014

CME, CBOT, NYMEX and COMEX Rule 854 (“Concurrent Long and Short Positions”)

Pending all relevant regulatory review periods, effective on Tuesday, August 19, 2014, CME, CBOT, NYMEX and COMEX will adopt revisions to Rule 854 (“Concurrent Long and Short Positions”) clarifying the time period during which the restriction on netting down concurrent long and short positions in physically-delivered contracts is applicable.

The revisions clarify that the net down prohibition in physically-delivered products subject to spot month position limits commences when those limits become effective. The restriction remains applicable during the entire time period that the spot month position limits are in effect for that particular product.

The revisions to Rule 854 appear below, with the additions underscored.

Questions concerning the revisions to Rule 854 may be directed to:

Erin Coffey, Market Regulation, 312.341.3286
Jon Farrimond, Market Regulation, +44.2033.793.966

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

CME

854. CONCURRENT LONG AND SHORT POSITIONS

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

[Paragraph A. is unchanged.]

B. Concurrent long and short positions in physically delivered contracts subject to spot month position limits that are held by the same owner during the time that spot month position limits are in effect must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be offset via netting, transfer or position adjustment to correct a bona fide clerical or operational error on the day the error is identified and the quantity of the offset does not represent more than two percent of the reported open interest in the affected futures contract month.

[The remainder of the Rule is unchanged.]

CBOT

854. CONCURRENT LONG AND SHORT POSITIONS

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

[Paragraph A. is unchanged.]

B. Concurrent long and short positions in physically delivered contracts subject to spot month position limits that are held by the same owner during the [time that](#) spot month [position limits are in effect](#) must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be offset via netting, transfer or position adjustment to correct a bona fide clerical or operational error on the day the error is identified and the quantity of the offset does not represent more than two percent of the reported open interest in the affected futures contract month.

[The remainder of the Rule is unchanged.]

NYMEX & COMEX

854. CONCURRENT LONG AND SHORT POSITIONS

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

[Paragraph A. is unchanged.]

B. Concurrent long and short positions in physically delivered contracts subject to spot month position limits that are held by the same owner during the [time that](#) spot month [position limits are in effect](#) must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be offset via netting, transfer or position adjustment to correct a bona fide clerical or operational error on the day the error is identified and the quantity of the offset does not represent more than two percent of the reported open interest in the affected futures contract month.

[The remainder of the Rule is unchanged.]