



Special Executive Report

Please be advised that (pending all relevant CFTC regulatory review periods) information described in this SER related to the elimination of the open outcry trading venue will become effective beginning at 4:46 p.m. (Eastern Time)/3:46 p.m. (Central Time) on July 6, 2015.

S-7396

June 18, 2015

Amendments to Various CME, CBOT, NYMEX, and COMEX Trading Rules in Connection with the Elimination of the Futures Trading Pits (Except for the CME Standard & Poor's 500 Stock Price Index Futures Pit) Effective on Trade Date Monday, July 6, 2015

As previously announced, CME Group will close futures trading pits, with the exception of the CME Standard & Poor's 500 Stock Price Index ("SP") futures pit, on July 2, 2015. In connection with the elimination of the open outcry trading pits for all but SP futures, CME, CBOT, NYMEX and COMEX will adopt amendments to various rules, **which will become effective on Monday, July 6, 2015.**

The elimination of open outcry futures trading pits will not impact the ability of qualified members to continue to execute options/futures spreads via open outcry in the applicable options trading pit. A description of the amendments appears below, followed by the text of the amendments with additions underscored and deletions overstruck.

CBOT Rule 129 ("CBOT Mini-Sized Contract Permit Holders' Trading Privileges")

References to open outcry trading of mini CBOT Grain and Oilseed futures will be eliminated.

NYMEX/COMEX Rule 524 ("Trading at Settlement ("TAS"), Trading at Marker ("TAM") and Matched Order ("MO") Transactions")

A reference in Rule 524 to the requirements for the open outcry execution of Trading at Settlement ("TAS") transactions will be eliminated.

Additionally, with the closure of the Copper futures trading pit, Matched Order ("MO") transactions will no longer be permitted. MO Transactions are open outcry executions in the Copper futures pit where the price of the transaction is the daily settlement price for the applicable Copper futures contract month. The title of the Rule will also be modified to eliminate the MO reference.

CBOT/NYMEX/COMEX Rule 544 ("Closing Day Orders")

The Rule is currently applicable solely to futures trades executed via open outcry and will be eliminated. The Rule will remain at CME based on the SP futures pit remaining open.

CME/NYMEX/COMEX Rule 550 ("Post Close Session")

Various amendments will be adopted to eliminate references to post-close sessions in NYMEX/COMEX futures contracts. Additionally, CME Rule 550 will be modified to specify that the Rule will be solely applicable to open outcry trading of SP futures contracts as CME does not permit a post close session in any options contracts.

CBOT Rule 550 (“Post Close Session”)

Various amendments will be adopted to eliminate references to post-close sessions in CBOT futures contracts. Additionally, the post close session in CBOT grain and oilseed options will be increased to five minutes from three minutes (financial options do not have a post close session) which will align with the decision to allow grain and oilseed options to trade on CME Globex until 1:20 p.m.

CME Rule 552 (“Dual Trading Restrictions”)

Section D. (“Side-by-Side Trading in Eurodollar Futures Contracts”) will be eliminated as the Eurodollar futures pit is closing.

CME/CBOT/NYMEX/COMEX Rule 589 (“Special Price Fluctuation Limits”)

A reference to floor trading of futures contracts will be eliminated from the Rule.

CBOT/NYMEX/COMEX Quotation Changes Interpretation

The Quotation Changes provision in the Interpretations & Special Notices Section of Chapter 5 will be amended to eliminate references to requests for quote changes concerning futures trades executed via open outcry.

CME Rule Revisions

Chapter 5

Trading Qualifications and Practices

550. POST CLOSE SESSION

As soon as practicable, trading may resume for a period of three minutes after the close of Regular Trading Hours for pit traded S&P 500 Stock Price Index™ futures ~~and designated options~~ contracts. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. ~~The post-close session for related products shall commence simultaneously.~~

During the post close session, members are obligated to bid or offer any orders that were received prior to or after the close which are executable in the post close session.

~~Outright futures and options~~ trades during the post close session may occur at any price, provided such price is within the daily limits ~~as set forth in Rule 35102 for contracts with daily price limits.~~

~~Spreads or combination transactions during the post close session may occur at any price, provided that both legs are priced within the daily price limits for contracts with price limits.~~

The prices at which trades occur during the post close session may establish a new high or low in the outright contract month or spread or combination.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post close session.

552. DUAL TRADING RESTRICTIONS

[Sections A. – C. are unchanged.]

~~552.D. Side-by-Side Trading in Eurodollar Futures Contracts~~

~~During Regular Trading Hours, the dual trading restrictions applicable to open outcry trading of Eurodollar futures contracts apply to the on-floor trading of the same contract months on Globex pursuant to the following provisions:~~

- ~~1. On floor Globex brokers and terminal operators who handle, process, or fill a customer order in a restricted Eurodollar futures contract month (either on Globex or in the pit) may not trade or place an order for their own account, an account in which they have a direct or indirect financial interest, or an account they control for the remainder of that session in that contract month either on Globex or in the pit.~~

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~~2. Pit brokers who handle, process, or fill a customer order in a restricted Eurodollar futures contract month (either in the pit or on Globex) may not trade or place an order for their own account, an account in which they have a direct or indirect financial interest, or an account they control for the remainder of that session in that contract month either in the pit or on Globex.~~

589. SPECIAL PRICE FLUCTUATION LIMITS

The special price fluctuation limits applicable to those contracts with special price fluctuation limits are set forth in the Special Price Fluctuation Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

Notwithstanding any other provisions of this rule, the GCC may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating price fluctuation limits at any time and/or determining whether to halt or not to halt trading. The GCC will promptly issue an alert with respect to actions taken pursuant to this provision.

[Sections A. and B. are unchanged.]

C. Price Fluctuation Limits on Trading Floor (Floor Trading)

(i) The special price fluctuation limits cited in Section 589.A. of this rule shall be applicable on the trading floor. All markets on the trading floor shall be limited to trading at these special fluctuation price levels (locked limit); however, such trading shall not constitute a Triggering Event for purposes of a Temporary Trading Halt.

(ii) In all instances when a Temporary Trading Halt in the lead contract month of the Primary Futures Contract occurs on Globex, floor trading in all contract months ~~of the Primary Futures Contract and in all contract months of Associated Products of the Primary Futures Contract of this rule shall immediately halt.~~ Additionally, trading in any option related to the Primary Futures Contract or in an option contract related to any Associated Product of the Primary Futures Contract of this rule shall be subject to a coordinated Temporary Trading Halt.

(iii) Whenever Globex markets are re-opened with expanded price limits pursuant to the provisions of Section 589.B. of this rule, the affected markets on the trading floor shall simultaneously re-open with the expanded limits in place.

CBOT Rule Revisions

Chapter 1

Membership

129. CBOT MINI-SIZED CONTRACT PERMIT HOLDERS' TRADING PRIVILEGES

Floor Access Members of the MidAmerica Commodity Exchange ("MidAm") who were on record as of September 1, 2001 and who remained Floor Access Members thereafter, at least for as long as MidAm continued to have contracts listed for trading, shall be classified as CBOT mini-sized Contract Permit Holders. These Permit Holders will be eligible to trade as principal and as broker for others in CBOT mini-sized Corn, Soybean, and Wheat futures ~~on the Exchange Floor~~ and Rough Rice futures on the Globex system and Rough Rice ~~futures and futures~~ options contracts on the Exchange Floor and on the Globex system. Such persons may communicate from the Exchange Floor with non-member customers in the same manner as members may do so, but only with respect to CBOT mini-sized Corn, Soybean and Wheat contracts and Rough Rice contracts.

In the exercise of these privileges, such persons shall be subject to the jurisdiction of the Exchange and to all duties and obligations imposed upon members under the Rules and Regulations; provided, however, that the Exchange may exempt such persons from any such duty or obligation which, in its sole judgment, is incompatible or in conflict with, or is unrelated to, the activities performed by them.

The Exchange may, in its discretion, impose fees, charges and assessments upon Permit Holders pursuant to this rule.

Chapter 5
Trading Qualifications and Practices

~~543. [RESERVED]~~

~~544. CLOSING DAY ORDERS~~

~~During the last day of trading in an expiring futures contract, all allowable types of orders that reach the trading floor less than 15 minutes prior to the close of trading, except for market, closing, spread, limit and stop orders, will be accepted solely at the risk of the customer on a not held basis. A broker shall not be responsible for cancellations unless the cancellation reaches the broker at least 15 minutes prior to the close on the last day of trading in an expiring futures contract.~~

~~543.-545. [RESERVED]~~

550. POST CLOSE SESSION

As soon as practicable, trading may resume for a period of ~~three~~five minutes after the close of Regular Trading Hours for ~~pit traded futures and~~ designated pit traded options contracts. Such trading must begin with 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. ~~The post close session for related products shall commence simultaneously.~~

During the post close session, members are obligated to bid or offer any orders that were received prior to or after the close which are executable in the post close session.

Outright ~~futures and~~ options and options-only spread and combination trades during the post close session may occur at any price, ~~provided such price is within the daily limits for contracts with daily price limits.~~

An option spread which includes a futures leg executed~~Spreads or combination transactions~~ during the post close session may occur at any price, provided that the futures~~both~~ legs is~~are~~ priced within the daily price limits for futures contracts with price limits.

The prices at which trades occur during the post close session may establish a new high or low in the outright contract month or spread or combination.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post close session.

589. SPECIAL PRICE FLUCTUATION LIMITS

The special price fluctuation limits applicable to those contracts with special price fluctuation limits are set forth in the Special Price Fluctuation Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

Notwithstanding any other provisions of this rule, the GCC may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating price fluctuation limits at any time and/or determining whether to halt or not to halt trading. The GCC will promptly issue an alert with respect to actions taken pursuant to this provision.

[Sections A. and B. are unchanged.]

C. Price Fluctuation Limits on Trading Floor (Floor Trading)

(i) The special price fluctuation limits cited in Section 589.A. of this rule shall be applicable on the trading floor. All markets on the trading floor shall be limited to trading at these special fluctuation price levels (locked limit); however, such trading shall not constitute a Triggering Event for purposes of a Temporary Trading Halt.

(ii) In all instances when a Temporary Trading Halt in the lead contract month of the Primary Futures Contract occurs on Globex, floor trading in all contract months ~~of the Primary Futures Contract and in all contract months of Associated Products of the Primary Futures Contract of this rule shall immediately halt. Additionally, trading~~ in any option related to the Primary Futures Contract or in an option contract related to any Associated Product of the Primary Futures Contract of this rule shall be subject to a coordinated Temporary Trading Halt.

(iii) Whenever Globex markets are re-opened with expanded price limits pursuant to the provisions of Section 589.B. of this rule, the affected markets on the trading floor shall simultaneously re-open with the expanded limits in place.

INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 5

QUOTATION CHANGES

I. GENERAL PROCEDURES

- A. Corrections requested up to 15 minutes from the time the bid, offer or trade occurred or reportedly occurred: Changes must be authorized by a member of the Pit Committee or an Exchange Official.
- B. Corrections requested more than 15 minutes from the time the bid, offer or trade occurred or reportedly occurred: Changes must be authorized by:
1. 15-30 Minutes: A member of the Pit Committee and one Exchange Official.
 2. Over 30 Minutes: A member of the Pit Committee, a member of the Floor Conduct Committee and a Senior Exchange Official.
- C. Unanimous Approval Required: Unanimous approval among the individuals participating in the quote change consideration is required to effectuate the requested change. In the absence of unanimity, the proposed quote adjustment shall not be made.
- D. A request for a quote change which results in a new high or low for the day must be made within ~~5-minutes (futures) or~~ 10 minutes (~~options~~) of the time the bid, offer or trade occurred or reportedly occurred.
- A request for a quote change which affects an established opening range must be made within 15 minutes after the posting of the range, or, in the case of a request for a quote change which affects an established closing range, within 10 minutes of the posting of the closing range. Such requests shall be considered by a member of the Pit Committee, a Floor Conduct Committee member and a Senior Exchange Official. Failure to make such a timely request will bar consideration of the quote change. The time limitations described in this Section D will not apply in the case of options strikes ~~or futures contracts~~ deemed by a Senior Exchange Official to be inactive or illiquid or in the case of a fast market designation. These requests may be considered by a member of the Pit Committee, a Floor Conduct Committee member and a Senior Exchange Official at any time during the same day's trading session.
- E. A decision to adjust a quote must be made within 15 minutes after a quote change request has been made. However, in the event a fast market has been declared while the quote adjustment is under consideration, the period for consideration may continue for 15 minutes after the end of the fast market. To the extent practicable, quote change adjustments shall be announced to the pit.
- F. Reconsideration: Once a request for a particular quote change has been resolved, or if no decision is reached within the allotted time pursuant to paragraph 5 above, a subsequent request for reconsideration involving the original quote or adjustment may be considered if a Senior Exchange Official deems that new relevant information pertaining to the original request is now available. Such request for reconsideration must be considered by the same individuals who ruled on, or failed to reach a timely resolution of, the original request. In the event one or more of the individuals who participated in the consideration of the original quote change request is unavailable to consider the request for reconsideration, a Senior Exchange Official shall designate a substitute. However, this reconsideration process may not be utilized for a correction involving a quote change which results in a new high or low for the day, with the exception of option strikes ~~or futures contracts~~ deemed by a Senior Exchange Official to be inactive or illiquid, or in declared fast markets.

[The remainder of the Interpretation is unchanged.]

NYMEX/COMEX Rule Revisions

Chapter 5

Trading Qualifications and Practices

524. TRADING AT SETTLEMENT ("TAS"), ~~AND~~ TRADING AT MARKER ("TAM") ~~AND MATCHED ORDER ("M-O")~~ TRANSACTIONS

The Exchange shall determine the commodities, contract months and time periods during which TAS, ~~and~~ TAM ~~and~~ ~~MO~~ transactions shall be permitted.

524.A. Trading at Settlement ("TAS") Transactions

The following shall govern TAS transactions:

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- ~~1. TAS transactions executed in the pit must be made open and competitively pursuant to the requirements of Rule 521 during the hours designated for pit trading in the particular contract and must be identified as such on the member's trading records.~~
- ~~2. TAS orders may be entered on Globex at any time the applicable contracts are available for TAS trading on Globex and during each TAS contract's prescribed pre-open time period. The initiation of any TAS order on Globex outside these time periods is prohibited.~~
- ~~23. TAS-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526, except that TAS block trades may not be executed on the last day of trading in an expiring contract.~~
- ~~34. TAS transactions may be executed at the current day's settlement price or at any valid price increment ten ticks higher or lower than the settlement price.~~

524.B. Trading at Marker ("TAM") Transactions

The following shall govern TAM transactions:

- TAM orders may be entered on Globex at any time the applicable contracts are available for TAM trading on Globex and during each TAM contract's prescribed pre-open time period. The initiation of any TAM order on Globex outside these time periods is prohibited.
- TAM-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526.
- TAM transactions may be executed at the current day's applicable marker price or at any valid price increment ten ticks higher or lower than the applicable marker price.

~~524.C. Market Order ("MO") Transactions~~

~~MO transactions are open outcry trades competitively executed pursuant to Rule 521 where the price of the trade is that day's settlement price for the contract.~~

~~The following shall govern MO transactions:~~

- ~~1. Members may execute an MO at any time during pit trading hours except during the post close session. Members may execute an order as an MO provided the order is placed as an MO and such instructions are denoted on the order. An order entered as an MO will be executed during the closing period as a Market on Close order if not previously executed as an MO or specifically designated to be executed only as an MO. An order specifically designated for execution only as an MO must be designated as such at the time the order is placed.~~
- ~~2. Members must identify an order executed as an MO on their trading record.~~

543. ~~[RESERVED]~~

~~544. CLOSING DAY ORDERS~~

~~During the last day of trading in an expiring futures contract, all allowable types of orders that reach the trading floor less than 15 minutes prior to the close of trading, except for market, closing, spread, limit and stop orders, will be accepted solely at the risk of the customer on a not held basis. A broker shall not be responsible for cancellations unless the cancellation reaches the broker at least 15 minutes prior to the close on the last day of trading in an expiring futures contract.~~

550. POST CLOSE SESSION

As soon as practicable, trading may resume for a period of three minutes after the close of Regular Trading Hours for ~~pit traded futures and~~ designated pit traded options contracts. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. ~~The post close session for related products shall commence simultaneously.~~

During the post close session, members are obligated to bid or offer any orders that were received prior to or after the close which are executable in the post close session.

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occur at any price, ~~provided such price is within the daily limits for contracts with daily price limits.~~

~~An option spread which includes a futures leg executed~~ ~~Spreads or combination transactions~~ during the post close session may occur at any price, provided that ~~the futures~~ ~~both~~ legs ~~is~~ ~~are~~ priced within the daily price limits for ~~futures~~ contracts with price limits.

The prices at which trades occur during the post close session may establish a new high or low in the outright contract month or spread or combination.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post close session.

589. SPECIAL PRICE FLUCTUATION LIMITS

The special price fluctuation limits applicable to those contracts with special price fluctuation limits are set forth in the Special Price Fluctuation Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

Notwithstanding any other provisions of this rule, the GCC may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating price fluctuation limits at any time and/or determining whether to halt or not to halt trading. The GCC will promptly issue an alert with respect to actions taken pursuant to this provision.

[Sections A. and B. are unchanged.]

C. Price Fluctuation Limits on Trading Floor (Floor Trading)

(i) The special price fluctuation limits cited in Section 589.A. of this rule shall be applicable on the trading floor. All markets on the trading floor shall be limited to trading at these special fluctuation price levels (locked limit); however, such trading shall not constitute a Triggering Event for purposes of a Temporary Trading Halt.

(ii) In all instances when a Temporary Trading Halt in the lead contract month of the Primary Futures Contract occurs on Globex, floor trading in all contract months ~~of the Primary Futures Contract and in all contract months of Associated Products of the Primary Futures Contract of this rule shall immediately halt.~~ ~~Additionally, trading~~ in any option related to the Primary Futures Contract or in an option contract related to any Associated Product of the Primary Futures Contract of this rule shall be subject to a coordinated Temporary Trading Halt.

(iii) Whenever Globex markets are re-opened with expanded price limits pursuant to the provisions of Section 589.B. of this rule, the affected markets on the trading floor shall simultaneously re-open with the expanded limits in place.

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 5

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I. GENERAL PROCEDURES

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 1. 15-30 Minutes: A member of the Pit Committee and one Exchange Official.
 2. Over 30 Minutes: A member of the Pit Committee, a member of the Floor Conduct Committee and a Senior Exchange Official.
- C. Unanimous Approval Required: Unanimous approval among the individuals participating in the quote change consideration is required to effectuate the requested change. In the absence of unanimity, the proposed quote adjustment shall not be made.
- D. A request for a quote change which results in a new high or low for the day must be made within ~~5 minutes (futures) or~~ 10 minutes ~~(options)~~ of the time the bid, offer or trade occurred or reportedly occurred.

A request for a quote change which affects an established opening range must be made within 15 minutes after the posting of the range, or, in the case of a request for a quote change which affects an established closing range, within 10 minutes of the posting of the closing range. Such requests shall be considered by a member of the Pit Committee, a Floor Conduct Committee member and a Senior Exchange Official. Failure to make such a timely request will bar consideration of the quote change. The time limitations described in this Section D will not apply in the case of options strikes ~~or futures contracts~~ deemed by a Senior Exchange Official to be inactive or illiquid or in the case of a fast market designation. These requests may be considered by a member of the Pit Committee, a Floor Conduct Committee member and a Senior Exchange Official at any time during the same

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day's trading session.

- E. A decision to adjust a quote must be made within 15 minutes after a quote change request has been made. However, in the event a fast market has been declared while the quote adjustment is under consideration, the period for consideration may continue for 15 minutes after the end of the fast market. To the extent practicable, quote change adjustments shall be announced to the pit.
- F. Reconsideration: Once a request for a particular quote change has been resolved, or if no decision is reached within the allotted time pursuant to paragraph 5 above, a subsequent request for reconsideration involving the original quote or adjustment may be considered if a Senior Exchange Official deems that new relevant information pertaining to the original request is now available. Such request for reconsideration must be considered by the same individuals who ruled on, or failed to reach a timely resolution of, the original request. In the event one or more of the individuals who participated in the consideration of the original quote change request is unavailable to consider the request for reconsideration, a Senior Exchange Official shall designate a substitute. However, this reconsideration process may not be utilized for a correction involving a quote change which results in a new high or low for the day, with the exception of option strikes ~~or futures contracts~~ deemed by a Senior Exchange Official to be inactive or illiquid, or in declared fast markets.

[The remainder of the Interpretation is unchanged.]

Questions concerning the amendments may be directed to one of the following individuals in the Market Regulation Department:

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