



Market Surveillance

DATE: December 5, 2014

NOTICE #: MSN12-05-14

SUBJECT: Position Limits in Treasury Futures during Last 10 Trading Days

Position limits in CBOT Treasury futures contracts are applicable during the last 10 trading days of an expiring contract. The position limits for each contract and the relevant dates for the expiring **December 2014** contracts are detailed in the table below:

December 2014 Contract	Position Limit, Last 10 Trading Days	Effective Date (by close of business on)
Long-Term U.S. Treasury Bond (Ultra)	65,000 contracts	December 5, 2014
U.S. Treasury Bond (30 Year)	20,000 contracts	December 5, 2014
Long-Term U.S. Treasury Note (10-Year)	70,000 contracts	December 5, 2014
Medium-Term U.S. Treasury Note (5-Year)	85,000 contracts	December 16, 2014
3-Year U.S. Treasury Note	20,000 contracts	December 16, 2014
Short-Term U.S. Treasury Note (2-Year)	40,000 contracts	December 16, 2014

No exemptions from these limits are permitted.

Aggregation Standards for Treasury Futures Position Limits

Pursuant to CBOT Rule 559 ("Position Limits and Exemptions"), in determining compliance with these limits, all positions in accounts for which a person by power of attorney or otherwise directly or indirectly holds positions or controls trading, except as set forth below, shall be included with the positions held by the person. The limits upon positions also apply to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single person.

An eligible entity, as defined in CFTC Regulation §150.1(d), will not be considered to have violated the position limits based on positions established on its behalf by one or more independent account controllers, as defined in CFTC Regulation §150.1(e), if each such account controller does not exceed the Treasury futures position limits. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must:

- 1) Have and enforce written procedures to preclude the affiliated entities from having knowledge of, gaining access to, or receiving data about, trades of the other. Such procedures must include

document routing, and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities. However, such procedures may provide for the disclosure of information which is reasonably necessary for an eligible entity to maintain the level of control consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf;

- 2) Trade such accounts pursuant to separately developed and independent trading systems;
- 3) Market such trading systems separately; and
- 4) Solicit funds for such trading by separate Disclosure Documents that meet the standards of CFTC Regulations §4.24 or §4.34, as applicable, where such documents are required.

Additionally, Treasury futures positions carried in independently controlled accounts owned by different legal entities, irrespective of whether the entities qualify as eligible entities, may exceed the position limits provided that affiliated legal entities meet the independence standards specified above and provided that the overall positions held or controlled by each such independent account controller do not exceed the limits.

CBOT Rule 560 ("Position Accountability") which establishes position accountability for Treasury futures contracts also applies to these contracts.

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