

Eligible Account Controller Accounts

Typically, use of CME ClearPort requires registration of the specific account owner and clearing member firms are required to set the risk values for each account number that has been registered before the account is eligible to trade. However, Rule 526.I. and J. allows Commodity Trading Advisors ("CTAs") and Investment Advisors ("IAs") that are either registered or exempt from registration and foreign persons performing a similar role or function to a CTA or IA and subject to foreign regulation to submit block trades for client accounts that they control, provided that they have total assets under management that exceed \$25 million. For purposes of this notice, the aforementioned CTAs, IAs and foreign persons performing a similar role are hereinafter referred to as "Eligible Account Controllers." For block trades submitted to CME ClearPort by such persons, this notice provides information on CME ClearPort account registration procedures for the accounts they control.

Method #1

An Eligible Account Controller may register under its own name for access to CME ClearPort (for the benefits of block trade entry on behalf of clients, viewing trade details, receiving email notifications on trade entry, etc.). In this case, the Eligible Account Controller name must be reflected as the trading firm with respect to trade entry and as the account owner in CME Account Manager. The clearing firm should note in the account description field that the account is a "client give-up account" and this account may be used only for block trades initiated by the Eligible Account Controller on behalf of its clients. Parties should contact their clearing member for assistance in setting up such an account.

Method #2

In the event that an Eligible Account Controller does not have CME ClearPort registration in its own name, the guaranteeing clearing firm may register an account in its name, with a notation in the account description that names the Eligible Account Controller and notes that the account is a "client give-up account." This account must be specific to a single Eligible Account Controller, and may be used only for trades initiated by the specific Eligible Account Controller on behalf of its clients. Again, parties should contact CME ClearPort Market Operations for assistance in setting up such an account.

Method #3

In the event that a party registered with CME ClearPort as a Broker maintains a relationship with a guaranteeing clearing member firm, the guaranteeing clearing member firm may establish an account in the name of the broker with a notation in the account description which additionally names the Eligible Account Controller and notes that the account is a "client give-up account." For example: "broker A-XYZ CTA-client give-up account." This account must be specific to a single Eligible Account Controller and may be used only for block trades initiated by the specific Eligible Account Controller on behalf of its clients. Again, parties should contact CME ClearPort Market Operations for assistance in setting up such an account.

Regardless of the registration method used, all other attributes of the account must be properly entered in Account Manager – e.g., the account must have a credit limit (which will be enforced), market types and/or specific products must be permitted and eligible brokers may be assigned.

After entry of the block trade into CME ClearPort, the clearing member firm may then reallocate/give-up the trade in Front End Clearing to the end client accounts within the timeframes allowed by CME Clearing for the processing of give-ups. Please note that some products may be eligible for average pricing, but others (such as the BTIC block trades) are not. Normal large trader reporting requirements under Rule 560 regarding account owner identification, and all other Exchange and CME Clearing rules apply.

Please refer to the applicable Market Regulation Advisory Notice concerning additional information and requirements for block trades: cmegroup.com/rulebook/rulebook-harmonization.html

For more information, please contact PlatformSolutions@cmegroup.com

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