

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 17-009 (3 of 4)

**Organization:** New York Mercantile Exchange, Inc. ("NYMEX")

**Filing as a:**  DCM  SEF  DCO  SDR

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 1/9/17

**Filing Description:** Issuance of Revised CME Group Market Regulation Advisory Notice RA1606-5R Regarding Daily Submission of Large Trader Positions, Ownership/Control Reports, and Open Interest Data.

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:** 561

**New Product**

**Please note only ONE product per Submission.**

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Official Product Name:**

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**

January 9, 2017

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Issuance of CME Group Market Regulation Advisory Notice RA1606-5R Regarding Daily Submission of Large Trader Positions, Ownership/Control Reports, and Open Interest Data. NYMEX Submission No. 17-009 (3 of 4)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”), The Board of Trade of the City of Chicago, Inc. (“CBOT”), New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) hereby notify the Commission that they are self-certifying the issuance of CME Group Market Regulation Advisory Notice RA1606-5R (“RA1606-5R”) concerning Rule 561. (“Submission of Large Trader Positions and Volume Threshold Accounts”) to change the compliance date with respect to the requirement that an account with reportable positions in a particular contract report all positions, regardless of size, in any contract month, and in any contract that aggregates with that contract. The compliance date is being extended to May 1, 2017, from January 17, 2017. This Submission shall become effective on January 25, 2017.

Recently, the Exchanges were made aware by a large financial technology solutions firm that it has not completed the system changes necessary to permit its clients to comply with the above-referenced provision, and that the changes would not be completed by January 17, 2017. The firm indicated that it would complete the required changes by March 31, 2017, and would then need to conduct one month of client impact testing. Given that the firm provides services to a large number of Exchange clearing members, omnibus accounts and foreign brokers, accordingly, the Exchanges have agreed to move the compliance date to May 1, 2017.

The Exchanges reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the issuance of RA1606-5R may have some bearing on the following Core Principles:

Compliance with Rules: RA1606-5R provides guidance to the marketplace on the regulatory requirements attendant to Rule 561. and is expressly intended to assist market participants in remaining in compliance with the rule.

Availability of General Information: As required by this Core Principle, the Exchanges are publicly issuing RA1606-5R to ensure that market participants have updated guidance and information attendant to the daily submission of large trader positions, ownership/control reports, and open interest data. RA1606-5R will also be available on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the issuance of RA1606-5R complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact the undersigned at 212.299.2200 or via email at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: Market Regulation Advisory Notice RA1606-5R

## EXHIBIT A

### MARKET REGULATION ADVISORY NOTICE

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<b>Exchange</b>	<b>CME, CBOT, NYMEX &amp; COMEX</b>
<b>Subject</b>	<b>Daily Submission of Large Trader, Ownership/Control Reports, and Open Interest Data</b>
<b>Rule References</b>	<b>Rule 561</b>
<b>Advisory Date</b>	<b>January 10, 2017</b>
<b>Advisory Number</b>	<b>CME Group RA1606-5R</b>
<b>Effective Dates and Compliance Dates</b>	<b>See Below</b>

This Revised Advisory Notice supersedes Market Regulation Advisory Notice RA1605-5 from April 25, 2016, and is being issued to amend the compliance date with respect to requiring an account with reportable positions in a particular contract to report all positions, regardless of size, in any contract month and in any contract that aggregates with that contract. While the language in Rule 561 became effective on September 29, 2016, the compliance date is being extended from January 17, 2017, to May 1, 2017.

In order to determine the products that are aggregated for purposes of this Rule, please refer to the applicable "Aggregate Into Futures Equivalent Leg" columns in the Position Limit, Position Accountability and Reportable Level Table in the Interpretation Section at the end of the Chapter 5 of each Exchange's Rulebook.

This Advisory Notice continues to reflect changes to Rule 561 in connection with the CFTC Ownership and Control Reports ("OCR") rule. As noted in [Market Surveillance Notice # MSN11-04-14](#) ("MSN11-04-14") from November 4, 2014, CME, CBOT, NYMEX and COMEX ("the Exchanges") require submission of new CFTC Forms 102A and 102B in line with the CFTC OCR rule and require that the new forms be submitted to the Exchanges in the same form and manner as required by the CFTC's OCR rule. The Exchanges accept submissions of new CFTC Forms 102A and 102B in XML formatted files (as specified in the CFTC OCR rule), or manual submissions of the new CFTC Forms 102A and 102B through the enhanced Firm Regulatory Portal ("[FRP](#)"). The XML formatted files can be submitted with the following filename:

PFTP\_OCR\_XCME\_[FIRMID]\_[YYMMDD]\_[HHMMSS].xml or  
PFTP\_OCR\_XCME\_[FIRMID]\_[YYMMDD]\_[HHMMSS]\_[UNIQUEIFIER].xml

The text of CME/CBOT/NYMEX/COMEX Rule 561 appears at the end of this Advisory Notice.

#### **CFTC Form 102A Submission**

Since September 29, 2016, reporting parties have been required to provide the Market Regulation Department ("Market Regulation") with an electronic submission of CFTC Form 102A ("Identification of Special Accounts") which accurately identifies the owners, controllers, controlled accounts and any additional information required on the form for each account that becomes reportable for the first time.

Complete CFTC Form 102A information must be provided within three (3) business days of the first date the account becomes reportable. However, Market Regulation requires preliminary account information including *Special Account Origination, Reporting Number and Name, House or Customer Indicator, and NFA ID*, within one (1) business day of the first date the account becomes reportable.

Market Regulation requires an updated report for accounts with material changes that cause the information previously submitted to be inaccurate. The updated reports are required to be submitted within three (3) business days of such changes becoming effective. A material change includes change of account name, address, owners, controllers, or controlled accounts. Notwithstanding the above, Market Regulation may also request an update on an as-needed basis for any account as it deems necessary. Any account(s) deemed reportable to the CFTC, in accordance with the CFTC-assigned refresh update schedule that is to be provided to each reporting firm, can be included in the file submission to the Exchanges.

Where notification has been provided to the CFTC that an account has been deemed expired/closed, Market Regulation must be provided a similar notification.

### **CFTC Form 102B Submission**

Since September 30, 2016, and continuing until September 29, 2017, clearing members are required to provide a new CFTC Form 102B for any trade account that meets the volume threshold of 250 contracts or more in a single trading day.

On September 30, 2017 until August 29, 2018, clearing members will be required to provide a new CFTC Form 102B for any trade account that meets the volume threshold of 100 contracts or more in a single trading day.

On August 30, 2018, clearing members will be required to provide a CFTC Form 102B for any trade account that meets the volume threshold of 50 contracts in a single trading day as defined by CFTC Regulation 15.04.

Complete CFTC Form 102B information must be provided within three (3) business days of the first date the account becomes reportable under the revised rule. However, Market Regulation requires preliminary account information such as, *Trading Account Data for the Volume Threshold Account, Associated Special Account Number, Volume Threshold Account Owner(s), and NFA ID*, within one (1) business day of the first date the account becomes reportable.

Any account(s) deemed reportable to the CFTC, in accordance with their refresh update schedule, can be included in the file submission to the Exchanges. Market Regulation requires an updated report for accounts with material change that causes the information previously submitted to be inaccurate. The updated reports are required to be submitted within three business days of such changes becoming effective. A material change includes change of account name, address, owners, controllers, or controlled accounts. Notwithstanding the above, Market Regulation may also request an update on an as-needed basis for any account as it deems necessary.

Where notification has been provided to the CFTC that an account has been deemed expired/closed, Market Regulation must be provided similar notification.

### **CME Group Firm Regulatory Portal**

The CME Group Firm Regulatory Portal, ("[FRP](#)") provides various reports and screens to assist in accurate and timely account and position reporting.

The FRP has been enhanced to allow reporting clearing firms the capability to generate a large trader and open interest comparison report (“Misreporting Report”) by product, contract month and, for options, by strike price. The Misreporting Report also allows clearing member firms to query reported positions and to utilize static queries to assist in identifying additional potential reporting discrepancies such as potential offsets and over- or under-reporting of positions. Market Regulation strongly encourages firms to utilize this functionality to assist in the identification of potential reporting discrepancies in order to ensure that any necessary adjustments are submitted by the established adjustment deadlines.

The FRP has been recently enhanced to assist clearing firms and omnibus accounts in OCR reporting. An Unidentified Special Accounts Reports allows reporting firms to identify CFTC Forms 102A and 102B accounts for which Market Regulation does not have any account information. The FRP portal also contains screens that will allow reporting firms to manually enter account information for CFTC Forms 102A and 102B accounts.

The FRP can be accessed at <https://fltr.cmegroup.com/firmregulatoryportal/logon.jsp> using a registered SMART Click ID and requesting access to [MarketRegLTRAlerts@cmegroup.com](mailto:MarketRegLTRAlerts@cmegroup.com). Registration instructions for obtaining a SMART Click ID can be found at [FRP homepage](#). For technical issues please email [LargeTraderSupport@cmegroup.com](mailto:LargeTraderSupport@cmegroup.com).

A manual is available on the [FRP](#).

### **Omnibus Account Reporting**

Omnibus accounts that carry reportable positions pursuant to Rule 561 must submit reportable large trader positions directly to the Market Regulation Department via Secure FTP (“SFTP”) to the CME Group File Server. Omnibus reporting entities may submit large trader positions using the CFTC-assigned alpha firm ID. If an omnibus entity does not currently submit large trader positions and is not set up to submit via SFTP, the entity should contact the Market Regulation Department [Large Trader Group](#) to obtain further reporting instructions. The omnibus entity may use the following large trader file layout: <http://www.cftc.gov/IndustryOversight/MarketSurveillance/LargeTraderReportingProgram/ltrformat.html>

In order to ensure accurate open interest and large trader positions, clearing members are required to obtain timely offset instructions for all accounts they carry, including omnibus accounts. Clearing members are responsible for the accurate position reporting of accounts carried on their books on an omnibus basis. Accordingly, clearing members must have appropriate procedures in place to ensure that any position offsets for omnibus accounts are reported in a timely manner, no later than the established adjustment deadlines set forth below.

### **CFTC Form 40 Submission**

Market Regulation may require submission of CFTC Form 40 in any instances it deems necessary.

### **Accurate and Timely Reporting Requirements**

All clearing firms and omnibus accounts are reminded that it is their responsibility to accurately report open interest, large trader positions and, where applicable, long positions eligible for delivery consistent with required submission deadlines. This requirement includes ensuring that open interest and large trader positions resulting from option assignments are accurate.

**Open Interest (PCS) Submission:** 6:00 p.m. CT / 7:00 p.m. ET for NYMEX and COMEX products  
7:30 p.m. CT / 8:30 p.m. ET for CME and CBOT products

**Open Interest (PCS) Adjustments:** The deadline for PCS adjustments for all CME Group Exchanges is 8:15 a.m. CT / 9:15 a.m. ET

**Large Trader Submission:** 7:00 a.m. CT / 8:00 a.m. ET for all CME Group products

**Large Trader Adjustments:** 9:00 a.m. CT/10:00 a.m. ET for all CME Group products. Error corrections or any other adjustments to the large trader position file may be completed using the web-based Firm Regulatory Portal ("FRP") portal application.

Positions at or above the reportable level in a particular expiration month of a futures contract, or in all puts or in all calls of a particular option contract expiration month, are required to be reported. For an account with reportable positions in a particular contract, all positions, regardless of size, in any contract month and in any contract that aggregates with that contract must be reported. The Position Limit, Position Accountability and Reportable Level Table at the end of Chapter 5 of each Exchange's Rulebook establishes the aggregation relationship. If an account is reportable in any contract, all "Aggregate Into" contracts noted in the spot-month, single month and all month aggregate into futures equivalent leg (1) and leg (2) columns of the Position Limit, Position Accountability and Reportable Level Table at the end of Chapter 5 of each Exchange's Rulebook should be reported.

The Rule 561 language regarding reporting aggregated contracts will have a compliance date of May 1, 2017.

Failure to comply with any of the above reporting requirements may result in sanctions pursuant to CME, CBOT, NYMEX and COMEX Rule 512.

Questions regarding this Advisory should be directed to the following Market Surveillance Staff:

Sandra Valtierra, Manager, 312.347.4137, or [Sandra.Valtierra@cmegroup.com](mailto:Sandra.Valtierra@cmegroup.com)

Danyelle Franks, Sr. Database Integrity Admin., 312.341.7646, or [Danyelle.Franks@cmegroup.com](mailto:Danyelle.Franks@cmegroup.com)

Erin Middleton, Sr. Rules and Regulatory Outreach Specialist, 312.341.3286 or [Erin.Middleton@cmegroup.com](mailto:Erin.Middleton@cmegroup.com)

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or [news@cmegroup.com](mailto:news@cmegroup.com).

## **CME/CBOT/NYMEX/COMEX**

### **Rule 561. SUBMISSION OF LARGE TRADER POSITIONS AND VOLUME THRESHOLD ACCOUNTS**

#### **561.A. Large Trader Reporting**

Clearing members, omnibus accounts and foreign brokers shall electronically submit to the Exchange a daily large trader position report of all positions required to be reported as set forth in the Position Limit, Position Accountability and Reportable Level Table, in the Interpretations Section at the end of Chapter 5.

Positions at or above the reportable level in a particular expiration month of a futures contract, or in all puts or in all calls of a particular option contract expiration month, are required to be reported. For an account with reportable positions in a particular contract, all positions, regardless of size, in any contract month and in any contract that aggregates with that contract must be reported.

The daily large trader position report submitted to the Exchange must also include, for each reportable account, 1) the EFRP volume bought and sold in the reportable instrument, by contract month, and for EOOs by put and call strike and 2) the number of delivery notices issued and the number of deliveries stopped in the reportable instrument.

In addition to the large trader position report, clearing members, omnibus accounts and foreign brokers must electronically provide the Exchange with the required CFTC Form 102A ("Identification of Special Accounts") accurately identifying the owners, controllers, controlled accounts and any additional information required for each reportable account within three business days of the first day that the account in question becomes a reportable account. Notwithstanding the three business day submission requirement, on the first day that an account becomes reportable,

clearing members, omnibus accounts and foreign brokers must, at the direction of the Exchange, provide the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

The Exchange may require that more than one large trader position report be electronically submitted daily. The Business Conduct Committee or the Market Regulation Department may require reports or additional account identification from any clearing member, omnibus account or foreign broker on a lesser number of positions than reflected in the Position Limit, Position Accountability and Reportable Level Table.

If any material change causes the information previously submitted to the Exchange to become inaccurate, then such clearing member, omnibus account or foreign broker must electronically submit to the Exchange an updated form reflecting the accurate information within three business days of such changes becoming effective. Additionally, in the absence of any material changes, the Exchange may require the electronic submission of a new form on an annual basis for the maintenance of accurate records. A material change includes, but is not limited to, change of account name, address, controllers or controlled accounts.

#### **561.B. Volume Threshold Reporting**

A volume threshold account is any account that meets the volume threshold of contracts traded in a single trading day as defined in CFTC Regulation 15.04. Clearing members, shall electronically submit to the Exchange the required CFTC Form 102B ("Identification of Volume Threshold Accounts") accurately identifying account information for volume threshold accounts, including the owners, controllers, controlled accounts and any additional information required by the report within three business days of the first day that the account in question becomes a volume threshold account. Notwithstanding the three business day submission requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Exchange, provide the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

If any material change causes the information previously submitted to the Exchange to be inaccurate, then such clearing member, omnibus account or foreign broker must electronically submit to the Exchange an updated form reflecting the accurate information within three business days of such changes becoming effective. Additionally, in the absence of any material changes, the Exchange may require the submission of a new form on an annual basis for the maintenance of accurate records. A material change includes, but is not limited to, change of account name, address, controllers or controlled accounts.

#### **561.C. Obligations of Omnibus Accounts and Foreign Brokers**

Failure by an omnibus account or foreign broker to submit required information may result in a hearing by the Business Conduct Committee and result in limitations, conditions or denial of access of such omnibus account or foreign broker to any Exchange market. Notwithstanding the above, clearing members carrying such accounts remain responsible for obtaining and providing to the Exchange information regarding the ownership and control of positions in circumstances where an omnibus account or foreign broker has failed to provide the information to the Exchange. Clearing firms must require their clients to provide accurate and timely owner and control information, including any material changes.

Upon request from the Exchange, clearing members, omnibus accounts and foreign brokers must provide CFTC Form 40.

#### **561.D. Reportable Levels [effective September 29, 2016]**

The large trader reportable levels for all contracts are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations Section at the end of Chapter 5.

Any trading account with a trading volume of 50 or more contracts during a single trading day, in a particular expiration month of a futures contract or in all puts or in all calls of a particular options contract expiration month is a reportable volume threshold account.