

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 17-037 (3 of 5)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): February 1, 2017 Filing Description: Amendments to Rule 574. ("Globex Access Restrictions")

**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: 574.

**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:

February 1, 2017

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Center  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to Rule 574. (“Globex Access Restrictions”).  
CBOT Submission No. 17-037 (3 of 5)**

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”), Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) and the Swap Execution Facility Division of Chicago Mercantile Exchange Inc. (“CME SEF”) hereby notify the Commission that they are self-certifying amendments to Rule 574. (“Globex Access Restrictions”) of the Exchanges’ and CME SEF’s Rulebooks (collectively, the “Rule Amendments”). The Rule Amendments will be effective on Thursday, February 16, 2017.

The first sentence of Rule 574. is being amended to eliminate a clause concerning direct connections of non-clearing members or customers to CME Globex. The clause is unnecessary as all connections to CME Globex must be guaranteed by an Exchange clearing member firm, and such firm assumes financial responsibility for all activity through the connection. The remainder of the Rule Amendments eliminate obsolete references to non-member customers, replacing it with the term “Person,” which is defined as the singular or plural, and individuals, associations, partnerships, corporations and trusts.

The Rule Amendments are set forth in Exhibit A, with additions underscoring and deletions ~~overstruck~~.

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

Compliance with Rules: The Rule Amendments concern the responsibilities of Exchange clearing member firms that provide connections to CME Globex, which is one means of accessing the Exchanges. The amendments are in compliance with the Core Principle.

Availability of General Information: The Exchanges will disseminate a Special Executive Report (“SER”) that sets forth information attendant to the Rule Amendments. Additionally, the SER will be published on the Exchanges’ website.

CME SEF reviewed the swap execution facility core principles (“SEF Core Principles”) as set forth in the CEA and identified that the amendments may have some bearing on the following SEF Core Principles:

Compliance with Rules: The Rule Amendments concern the responsibilities of Exchange clearing member firms that provide connections to CME Globex or CME Direct, which are methods of accessing CME SEF. The Rule Amendments are in compliance with the Core Principle.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges and CME SEF certify that the amendments comply with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, 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 – Amendments to Rule 574. (“Globex Access Restrictions”) (blackline format)

**Exhibit A**  
**CME/CBOT**  
**Chapter 5**  
**Trading Qualifications and Practices**

(Additions are underscored; deletions are ~~overstruck~~.)

**574. GLOBEX ACCESS RESTRICTIONS**

All connections to the Globex system, ~~including direct connections of non-clearing members or customers,~~ must be guaranteed by a clearing member that assumes financial responsibility for all activity through the connection. With respect to transactions given up to other clearing members, such guarantee is effective only until such time that the other clearing member accepts the trade.

All individuals entering non-member customer orders in other than a clerical capacity must have appropriate CFTC registration. Non-member customer orders may be entered only from designated areas on the floor of the Exchange or from the premises of an entity registered to conduct customer business.

Clearing members shall assist the Exchange in any investigation into potential violations of the rules or the Act which occur through or with respect to a Globex connection guaranteed by the clearing member. Such assistance must be timely and may include, but not be limited to, requiring any ~~non-member customer~~ Person to produce documents, to answer questions from the Exchange, and/or to appear in connection with an investigation.

Clearing members shall suspend or terminate a ~~Person's non-member customer's~~ Globex access if the Exchange determines that the actions of the ~~Person non-member customer~~ threaten the integrity or liquidity of any contract or violate any Exchange rule or the Act, or if the ~~Person non-member customer~~ fails to cooperate in an investigation.

If a clearing member has actual or constructive notice of a violation of Exchange rules in connection with the use of Globex by a non-member for which it has authorized a direct connection and the clearing member fails to take appropriate action, the clearing member may be found to have committed an act detrimental to the interest or welfare of the Exchange.

**NYMEX/COMEX**  
**Chapter 5**  
**Trading Qualifications and Practices**

**574. GLOBEX ACCESS RESTRICTIONS**

All connections to the Globex system, ~~including direct connections of non-clearing members or customers,~~ must be guaranteed by a clearing member that assumes financial responsibility for all activity through the connection. With respect to transactions given up to other clearing members, such guarantee is effective only until such time that the other clearing member accepts the trade.

All individuals entering non-member customer orders in other than a clerical capacity must have appropriate CFTC registration. Non-member customer orders may be entered only from the Trading Annex or from the premises of an entity registered to conduct customer business.

Clearing members shall assist the Exchange in any investigation into potential violations of the rules or the Act which occur through or with respect to a Globex connection guaranteed by the clearing member. Such assistance must be timely and may include, but not be limited to, requiring any ~~non-member customer~~ Person to produce documents, to answer questions from the Exchange, and/or to appear in connection with an investigation.

Clearing members shall suspend or terminate a ~~Person's non-member customer's~~ Globex access if the Exchange determines that the actions of the ~~Person non-member customer~~ threaten the integrity or

liquidity of any contract or violate any Exchange rule or the Act, or if the ~~Person~~~~non-member customer~~ fails to cooperate in an investigation.

If a clearing member has actual or constructive notice of a violation of Exchange rules in connection with the use of Globex by a non-member for which it has authorized a direct connection and the clearing member fails to take appropriate action, the clearing member may be found to have committed an act detrimental to the interest or welfare of the Exchange.

## **CME SEF Chapter 5 Qualifications for Execution and Trading Practices**

### **574. GLOBEX ACCESS RESTRICTIONS**

All connections to the Globex or CME Direct system, ~~including direct connections of non-clearing members or customers,~~ must be guaranteed by a clearing member that assumes financial responsibility for all activity through the connection. With respect to transactions given up to other clearing members, such guarantee is effective only until such time that the other clearing member accepts the trade.

Clearing members shall assist CME SEF in any investigation into potential violations of the rules or the Act which occur through or with respect to a Globex or CME Direct connection guaranteed by the clearing member. Such assistance must be timely and may include, but not be limited to, requiring any ~~non-member customer~~ Person to produce documents, to answer questions from CME SEF, and/or to appear in connection with an investigation.

Clearing members shall suspend or terminate a ~~non-member customer's~~ Person's Globex or CME Direct access if CME SEF determines that the actions of the ~~non-member customer~~ Person threaten the integrity or liquidity of any contract or violate any CME SEF rule or the Act, or if the ~~non-member customer~~ Person fails to cooperate in an investigation.

If a clearing member has actual or constructive notice of a violation of CME SEF rules in connection with the use of Globex or CME Direct by a non-member for which it has authorized a direct connection and the clearing member fails to take appropriate action, the clearing member may be found to have committed an act detrimental to the interest or welfare of CME SEF.