

March 28, 2013

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**RE: Regulation 40.6(a) Rule Certification. Chicago Mercantile Exchange Inc., The Board of Trade of the City of Chicago, Inc., New York Mercantile Exchange, Inc., Commodity Exchange, Inc. and the Board of Trade of Kansas City, Missouri, Inc. Submission # 13-113R: Issuance of CME Group Market Regulation Advisory Notice RA1305-5R**

Dear Ms. Jurgens:

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") and the Board of Trade of Kansas City, Missouri, Inc. (collectively, the "Exchanges") are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying the issuance of CME Group Market Regulation Advisory Notice RA1305-5R ("RA1305-5R") concerning large trader reporting requirements.

Please note that KCBT is submitting 13-113R to correct an inaccuracy in RA1305-5 with respect to the large trading reporting level in KCBT Wheat options. The original submission incorrectly reflected a level of 150 contracts in RA1305-5, which is set forth in the text of KCBT Rule 561.00. ("Reports of Large Positions"). The reportable position level in KCBT Wheat options is 50 contracts. RA1305-5R will be disseminated to the marketplace on April 2, 2013, showing the correct reportable position level of 50 contracts in KCBT Wheat options. The text of KCBT Rule 561.00. has been corrected in today's Submission 13-107RR.

RA1305-5R has been updated and is being reissued based on revisions to Rule 561 ("Reports of Large Positions") that were adopted on October 8, 2012, concerning the required time period for reporting entities to submit CFTC Form 102 ("Identification of Special Accounts"). In October 2012, CME/CBOT/NYMEX and COMEX adopted revisions to Rule 561 extending from one to three business days the time period in which to submit CFTC Form 102, and added a provision to allow the Market Regulation Department to require certain types of information to be provided on the first business day that the account becomes reportable.

On April 15, 2013, the revised Advisory Notice will also begin to apply to reporting requirements under KCBT Rule 561.00., which will be mostly harmonized with CME/CBOT/NYMEX/COMEX Rule 561. The only difference will be that KCBT Rule 561.00. will include the specific reportable levels attendant to KCBT products at the end of the Rule whereas CME/CBOT/NYMEX/COMEX Rule 561 includes a reference in Section B. to the reportable levels as set forth in the Position Limit, Position Accountability and Reportable Level Tables in Chapter 5 of each Exchange's rulebook.

RA1305-5R is set forth in Exhibit A, and will be disseminated to the marketplace on April 2, 2013.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act").

During the review, we have identified that the changes described in this Submission may have some bearing on the following Core Principles:

Compliance with Rules: RA1305-5R provides additional regulatory guidance to the marketplace on the requirements attendant to the reporting of large trader positions. As such, RA1305-5R is therefore in compliance with this core principle.

Position Limitations or Accountability: Accurate large trader information submitted to the Exchanges by clearing members, omnibus accounts and foreign brokers is instrumental in the Market Regulation Department's ability to effectively monitor for position limit violations and for positions that exceed a defined position accountability level. The adoption of KCBT Rule 561.00. on April 15, 2013, and the issuance of RA1305-5R are intended to harmonize the large trader reporting requirements across all five CME Group designated contract markets.

Availability of General Information: RA1305-5R concerns requirements attendant to large trader reporting. As such, it contains regulatory guidance and is being broadly disseminated to the marketplace in order to ensure that affected market participants understand the requirements in this regard.

The Exchanges certify that the issuance of RA1305-5R complies with the Act and regulations thereunder. There were no opposing views to the issuance of RA1305-5R.

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

If you have any questions regarding this submission, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or via email at [Robert.Sniegowski@cmegroup.com](mailto:Robert.Sniegowski@cmegroup.com). Alternatively, you may contact me at 212.299.2200 or via email at [Christopher.Bowen@cmegroup.com](mailto:Christopher.Bowen@cmegroup.com). Please reference CME/CBOT/NYMEX/COMEX/KCBT Submission # 13-113R in any related correspondence.

Sincerely,

/s/Christopher S. Bowen  
Managing Director, Chief Regulatory Counsel

Attachments: Exhibit A – RA1305-5R

## Exhibit A

# MARKET REGULATION ADVISORY NOTICE

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<b>Exchange</b>	<b>CME, CBOT, NYMEX, COMEX and KCBT</b>
<b>Subject</b>	<b>Daily Submission of Large Trader and Open Interest Data</b>
<b>Rule References</b>	<b>CME/CBOT/NYMEX/COMEX Rule 561/KCBT Rule 561.00.</b>
<b>Advisory Date</b>	<b>April 2, 2013</b>
<b>Advisory Number</b>	<b>CME Group RA1305-5R</b>
<b>Effective Date</b>	<b>April 15, 2013</b>

This Revised Advisory Notice supersedes Market Regulation Advisory Notice RA1305-5 from April 1, 2013. It is being issued to correct an error in the text of the Board of Trade of Kansas City, Missouri, Inc. ("KCBT") Rule 561.00. ("Reports of Large Positions") with respect to the reportable position level in KCBT Wheat options. The reportable position level in KCBT Wheat options is 50 contracts. RA1305-5 incorrectly reflected the reportable level in Wheat options as 150 contracts.

This Advisory Notice concerns changes to CME, CBOT, NYMEX and COMEX Rule 561 that became effective on October 8, 2012, and to incorporate a reference to the Board of Trade of Kansas City, Missouri, Inc. ("KCBT") Rule 561.00. which will become effective on April 15, 2013.

The texts of CME/CBOT/NYMEX/COMEX Rule 561 and KCBT Rule 561.00. appear at the end of this Advisory Notice.

### **CFTC Form 102 Submissions**

Clearing members, omnibus accounts and foreign brokers must provide the Market Regulation Department with the required CFTC Form 102 ("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 reportable. Notwithstanding the three Business Day requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Market Regulation Department, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

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

All clearing firms and omnibus accounts are reminded of their obligation 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, CBOT and KCBT products

**Open Interest (PCS) Adjustments:** The deadline for PCS adjustments for all CME Group Exchanges is 8:00 a.m. CT / 9:00 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 must be completed using the web-based LTFE portal application.

### **Large Trader: Firm Edition Portal**

The LTFE portal can be accessed at <https://fltr.cmegroup.com/firmlargetrader/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 [Large Trader: Firm Edition homepage](#). For technical issues please email [LargeTraderSupport@cmegroup.com](mailto:LargeTraderSupport@cmegroup.com).

The LTFE portal, [LTFE](#) has been enhanced to allow clearing member firms 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 the new 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.

An LTFE manual is available on the [LTFE](#) portal for reference.

### **Omnibus Account Reporting**

Omnibus accounts that carry reportable positions pursuant to Rules 561 or 561.00., as applicable, must submit reportable large trader positions directly to the exchange via FTP 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 FTP, 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 timely reported no later than the established adjustment deadlines set forth above.

Failure to comply with any of the above reporting requirements may result in sanctions pursuant to CME, CBOT, NYMEX and COMEX Rule 512 or KCBT Rule 1001.01.

Questions regarding this Advisory should be directed to Sandra Valtierra, Manager, Market Surveillance, at 312.347.4137 or [Sandra.Valtierra@cmegroup.com](mailto:Sandra.Valtierra@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      Reports of Large Positions**

### **561.A. General Provisions**

Clearing members, omnibus accounts and foreign brokers shall submit to the Exchange a daily 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 trigger reportable status. For a person in reportable status in a particular contract, all positions, regardless of size, in any futures contract month and in any put or call on that futures contract must be reported.

Additionally, the daily Large Trader submission to the Exchange must 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.

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.

All large trader reports shall be submitted in a form acceptable to the Market Regulation Department. The Exchange may require that more than one large trader report be submitted daily. The Business Conduct Committee or the Market Regulation Department may require reports 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.

Clearing members, omnibus accounts and foreign brokers must provide the Market Regulation Department with the required CFTC Form 102 ("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 reportable. Notwithstanding the three Business Day requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Market Regulation Department, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

Any material changes to the information previously provided to the Market Regulation Department will require the submission of a revised form within three Business Days of such changes becoming effective. Additionally, in the absence of any material changes, the Market Regulation Department may require the submission of a new form on a biennial basis for the maintenance of accurate records.

### **561.B. Reportable Levels**

The 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.

## **KCBT Rule 561.00.      REPORTS OF LARGE POSITIONS**

### **General Provisions**

Clearing members, omnibus accounts and foreign brokers shall submit to the Exchange a daily report of all positions required to be reported as set forth below. 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 trigger reportable status. For a person in reportable status in a particular contract, all positions, regardless of size, in any futures contract month and in any put or call on that futures contract must be reported.

Additionally, the daily Large Trader submission to the Exchange must 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.

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.

All large trader reports shall be submitted in a form acceptable to the Market Regulation Department. The Exchange may require that more than one large trader report be submitted daily. The Business Conduct Committee or the Market Regulation Department may require reports 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.

Clearing members, omnibus accounts and foreign brokers must provide the Market Regulation Department with the required CFTC Form 102 ("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 reportable. Notwithstanding the three Business Day

requirement, on the first day that an account becomes reportable, clearing members, omnibus accounts and foreign brokers must, at the direction of the Market Regulation Department, submit the following information: account type, reportable account number and names and addresses of the owners and controllers of the account.

Any material changes to the information previously provided to the Market Regulation Department will require the submission of a revised form within three Business Days of such changes becoming effective. Additionally, in the absence of any material changes, the Market Regulation Department may require the submission of a new form on a biennial basis for the maintenance of accurate records.

#### Reportable Levels

Wheat futures – 150 contracts

Wheat futures options – 50 contracts

Wheat Calendar Swaps (Cleared-Only) – 25 contracts