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OFFICE OF THE SECRETARIAT

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June 30, 2010

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

**RE: CME & CBOT Market Regulation Advisory Notices RA1003-3 and
RA1004-3
CME/CBOT Submission No. 10-187**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission that they will issue CME & CBOT Market Regulation Advisory Notices RA1003-3 and RA1004-3 on July 1, 2010. These Advisory Notices supersede the former CME & CBOT Advisory Notices on block trades and All-or-None transactions and are being issued based on today's delisting of options on CME 13-week Treasury Bill futures, CME E-mini Five-Year Eurodollar Bundle futures and CME Japanese Government Bond futures. The revised notices eliminate references to those products in the list of products eligible to be traded as block trades or all-or-non transactions.

A copy of the Advisory Notices begins on the next page of this submission.

The Exchanges certify that the Advisory Notices comply with the Commodity Exchange Act and regulations thereunder.

If you have any questions regarding the Advisory Notices, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or me at 312.648.5422. Please reference CME/CBOT Submission No. 10-187 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Regulatory Counsel

MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	Block Trades
Rule References	Rule 526
Advisory Date	July 1, 2010
Advisory Number	CME & CBOT RA1003-3

This Advisory Notice supersedes CME & CBOT Market Regulation Advisory Notice RA1002-3 from June 14, 2010, and is being issued based on the June 30, 2010, delisting of CME options on 13-Week U.S. Treasury Bill futures and CME E-mini 5-Year Eurodollar Bundle futures.

As a result of the delisting, these products have been removed from the complete list of CME and CBOT products in which block trading is permitted in Section 10 which begins on page 5 of this Advisory Notice. The text of CME and CBOT Rule 526 appears in Section 12 which begins on page 8.

1. Definition of Block Trades

Block trades are privately negotiated futures, options or combination transactions that meet certain quantity thresholds which are permitted to be executed apart from the public auction market. All block trades are subject to the conditions set forth in CME and CBOT Rule 526 ("Block Trades") and in this Advisory Notice.

2. Participation in Block Trades

Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(12) of the Commodity Exchange Act. Eligible Contract Participants generally include exchange members and member firms, broker/dealers, government entities, pension funds, commodity pools, corporations, investment companies, insurance companies, depository institutions and high net-worth individuals. Commodity trading advisors and investment advisors who are registered or exempt from registration, and foreign persons performing a similar role and subject as such to foreign regulation, may participate in block transactions provided they have total assets under management exceeding \$25 million and the block trade is suitable for their customers.

A customer order may be executed by means of a block trade only if the customer has specified that the order be executed as a block trade.

Orders may not be bunched to meet the minimum block quantity thresholds.

3. Time and Prices of Block Trades

Block trades may be executed at any time, including times during which the public auction market is closed.

Block trades must be transacted at prices that are "**fair and reasonable**" in light of (i) the size of the transaction, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including, without limitation, the underlying

cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.

The trade price must be consistent with the minimum tick increment for the market in question.

Additionally, each outright transaction and each leg of any block eligible spread or combination trade must be executed at a single price.

Block trade prices are reported independently of transaction prices in the regular market and are not included as part of the daily trading range. Block trade prices do not elect conditional orders (e.g. stop orders) or otherwise affect orders in the regular market.

4. Block Trade Minimum Quantities for Outrights, Spreads and Combinations

The block trade minimum quantity requirements for outright futures and options are set forth in the list of block trade eligible products in Section 10 beginning on page 5 of this Advisory Notice. Additional information with respect to spreads and combinations executed as blocks appears below.

a) Intra-Commodity Futures Spreads and Futures Combinations

i) All Products Excluding U.S. Treasury, Interest Rate Swap and GSCI Futures

Intra-commodity futures spreads and futures combinations may be executed as block trades provided that the **sum** of the quantities of the legs meets the minimum block quantity threshold. For example, 2,000 Eurodollar future calendar spreads executed during RTH hours would meet the Eurodollar futures minimum quantity requirement of 4,000 contracts.

ii) U.S. Treasury and Interest Rate Swap Futures

Intra-commodity calendar spread block trades are prohibited in CBOT U.S. Treasury futures and Interest Rate Swap futures. Parties may not execute contingent block trades in outright contracts to circumvent the prohibition on the execution of block trades in intra-commodity calendar spreads. Additionally, Tandem spreads may not be executed as block trades.

iii) GSCI Futures

In GSCI futures and GSCI Excess Return Index futures the block trade minimum is 300 contracts for each leg of the spread or combination. For example, the minimum quantity for a GSCI calendar spread would require 300 contracts in each leg of the spread for a total of 600 contracts while a GSCI futures butterfly would require a minimum volume of 1,200 contracts.

b) Inter-Commodity Futures Spreads

i) All Products Excluding Short Term Interest Rate Futures

In all products excluding Short Term Interest Rate futures, inter-commodity futures spreads may be executed as block trades provided that the quantity of **each** leg of the spread meets the **larger** of the threshold requirements for the underlying products. For example, the minimum quantity thresholds for 10-Year Notes and 30-Year Treasury Bonds during RTH are 5,000 and 3,000 contracts, respectively. Therefore, a block trade in the NOB spread (10 Year Note/30 Year Bond spread) can be executed only if the quantity of each leg is at least 5,000 contracts.

ii) Short Term Interest Rate Futures

In Short Term Interest Rate futures (Eurodollars, Eurodollar E-minis, T-Bills, OIS, One-Month Eurodollar, Euroyen and 30-Day Fed Funds) inter-commodity futures spreads may be executed as block trades provided that the **sum** of the legs of the spread meets the **larger** of the threshold requirements for the underlying products. For example, the minimum quantity thresholds for One-Month Eurodollar and

Eurodollars during ETH are 200 and 2,000 contracts, respectively. Therefore, a block trade in the One-Month Eurodollar/Eurodollar spread can be executed provided that the sum of the legs is at least 2,000 contracts.

c) Intra-Commodity Option Spreads and Combinations

Intra-commodity option spreads and combinations may be executed as block trades provided that the quantity of **each leg** of the spread meets the designated minimum quantity threshold.

d) Inter-Commodity Option Spreads and Combinations

Inter-commodity option spreads and combinations may be executed as block trades provided that the quantity of **each leg** of the spread meets the **larger** of the threshold requirements for the underlying products.

e) Options/Futures Spreads

In general, options/futures spreads may be executed as block trades provided that the options component of the spread meets the minimum quantity threshold for the outright option or option combination and the quantity of futures executed is consistent with the delta of the options component of the spread. An exception applies to Weather, Real Estate and Non-Farm Payroll options/futures spreads, where the legs of the spread may be summed to meet the 20-contract minimum threshold.

5. Block Trade Reporting Requirements

a) Time Requirements

i) Interest Rate Block Trades

Block trades must be reported to the Exchange by the seller within **five minutes** of the transaction for block trades executed during RTH and within **fifteen minutes** of the transaction for block trades executed during ETH and ATH. For purposes of interest rate block trades, RTH, ETH and ATH are defined in Section 10 on page 5 of this Notice.

ii) Other Block Trades Excluding Interest Rates, Weather and Housing Block Trades

Block trades must be reported to the Exchange by the seller within **five minutes** of the transaction.

iii) Weather and Housing Block Trades

Block trades must be reported to the Exchange by seller within **fifteen minutes** of the transaction.

b) Reporting Methods

Block trades must be reported to the Exchange via one of the methods described below.

i) Globex Control Center ("GCC")

All block trades (except for block trades in Weather futures and options executed between 8:00 a.m. and 3:30 p.m. Chicago time, Monday – Friday on regular business days – see subsection iv on the next page) may be reported to the GCC. The seller reports the trade by calling the GCC at **312.456.2391**. When the GCC is closed – for example, during the weekend – the block trade must be reported no later than five minutes prior to the opening of the next electronic trading session for that product.

ii) CME ClearPort

Block trades may be electronically reported directly to CME Clearing via CME ClearPort. For information on reporting block trades through CME ClearPort, please contact customer service at 1.800.438.8616 or via email at ClearPort@cmegroup.com.

iii) CME Clearing360 Trade Reporter

Block trades may be electronically reported directly to CME Clearing via CME Clearing360 Trade Reporter, available through the CME EOS Trader web-based front end. For additional information on reporting block trades via CME Clearing360 Trade Reporter, please visit <http://cmegroup.com/clearing/trading-practices/cme-clearing360-tradereporter.html> or contact CME Clearing Customer Support at 312.207.2525 or via email at CCS@cmegroup.com.

iv) Weather Blocks on CME Clearing360 via Pivot Instant Markets

Block trades in Weather futures and options may be electronically reported directly to CME Clearing360 via Pivot Instant Markets by eligible inter-dealer brokers. For additional information on reporting block trades via Pivot Instant Markets, please contact Angie DiCarlo, Associate Director, CME Group Alternative Investments at 312.930.4515 or via email at Angie.DiCarlo@cmegroup.com.

v) Weather Block Trades Executed Between 8:00 a.m. and 3:30 p.m.

Block trades in Weather futures and options executed between 8:00 a.m. and 3:30 p.m. Chicago time, Monday – Friday on regular business days should be reported to Exchange staff by calling 312.648.3935 or 312.648.3936.

When reporting a block trade, the following information will be required:

- Name and phone number of the clearing firm representative reporting the trade (unless the block trade is electronically reported);
- Buyer's clearing firm and seller's clearing firm;
- Contract, contract month and contract year for futures;
- Contract, contract month, contract year, strike price and put or call designation for standard options, as well as the expiration date and exercise style for flex options;
- Quantity of the trade or, for spreads and combinations, the quantity of each leg of the trade;
- Price of the trade or, for spreads and combinations, the price of each leg of the trade; and
- Execution time (in Central Time) of the trade (i.e. the time at which the trade was consummated).

6. Block Trade Submission Requirements to CME Clearing

Block trades must be submitted for clearing through the front-end clearing UI via the portal under BLOCK entry. Block trades are entered by both the buyer's and seller's clearing firm and go through a two-sided match process. Upon entry, confirmation records will be routed back to the firms for bookkeeping purposes. When reporting spread or combination transactions, each leg must be entered individually.

The execution time is required to be entered and must be the actual time at which the transaction was consummated by the two parties, not the time at which the trade is reported by the parties to their respective firms. Thus, if the clearing member has not acted as either principal or agent in the transaction, it must ensure that its customer provides an accurate execution time.

A block trade in a block-eligible option may be executed up to and including the day on which an option contract expires for purposes of offsetting an open option position. The offsetting block trade must be reported to the GCC pursuant to the requirements of section 4 above, and the offset must be reported to

CME Clearing no later than the Position Change Submission (“PCS”) deadline on the day on which the option contract expires. The current PCS deadline is 7:30 p.m. Central Time.

7. Block Trade Recordkeeping

Complete order records for block trades must be created and maintained pursuant to Rule 536 and CFTC Regulations. However, as noted in Section 5, the time of execution of the block trade must also be recorded.

8. Dissemination of Block Trade Information

The date, execution time, contract details, price and quantity of block trades are reported upon receipt of the block information by GCC. Block trade information is reported on the MerQuote system and may be accessed by entering the code “BLK”. The information will also be displayed on cmegroup.com at the following link: <http://www.cmegroup.com/tools-information/blocktrades.html>. Block trade information is also displayed on the trading floor.

Block trade prices are published separately from transactions in the regular market.

Block trade volume is also included with other privately negotiated transactions in the daily volume reports published by the exchange.

9. Pre-Execution Communications

The prohibition on prearranged trading and the requirements related to pre-execution communications with respect to certain Globex trades set forth in Rule 539 do not apply to block trades.

10. CME & CBOT Block Trade-Eligible Products

For purposes of the interest rate products in the tables, the following times apply:

ETH: 12:00 a.m. – 7:00 a.m. CT, Monday through Friday on regular business days

RTH: 7:00 a.m. – 4:00 p.m. CT, Monday through Friday on regular business days

ATH: 4:00 p.m. – 12:00 a.m. CT, Monday through Friday on regular business days and at all times on weekends

CME Products	Futures	Options	Flex Options
Eurodollars (RTH)	4,000 contracts - or 1,000 contracts provided that a minimum of 1,000 contracts are transacted in yrs 6-10	10,000 contracts	Not Available
Eurodollars (ETH)	2,000 contracts – or 500 contracts provided that a minimum of 500 contracts are transacted in yrs 6-10	5,000 contracts	Not Available
Eurodollars (ATH)	1,000 contracts – or 250 contracts provided that a minimum of 250 contracts are transacted in yrs 6-10	2,500 contracts	Not Available
Eurodollar E-mini futures (RTH)	40,000 contracts	Not available	Not available
Eurodollar E-mini futures (ETH)	20,000 contracts	Not available	Not available

CME Products	Futures	Options	Flex Options
Eurodollar E-mini futures (ATH)	10,000 contracts	Not available	Not available
3-Month Overnight Index Swaps (OIS)(RTH)	2,000 contracts	Not available	Not available
3-Month Overnight Index Swaps (OIS)(ETH)	1,000 contracts	Not available	Not available
3-Month Overnight Index Swaps (OIS)(ATH)	500 contracts	Not available	Not available
3-Month OIS/Eurodollar spread (RTH)	4,000 contracts (all legs combined)	Not available	Not available
3-Month OIS/Eurodollar spread (ETH)	2,000 contracts (all legs combined)	Not available	Not available
3-Month OIS/Eurodollar spread (ATH)	1,000 contracts (all legs combined)	Not available	Not available
T-Bills (RTH)	100 contracts	Not available	Not available
T-Bills (ETH)	50 contracts	Not available	Not available
T-Bills (ATH)	25 contracts	Not available	Not available
Euroyen (RTH)	200 contracts	200 contracts	Not available
Euroyen (ETH)	100 contracts	100 contracts	Not available
Euroyen (ATH)	50 contracts	50 contracts	Not available
One-Month Eurodollar (RTH)	400 contracts	400 contracts	Not available
One-Month Eurodollar (ETH)	200 contracts	200 contracts	Not available
One-Month Eurodollar (ATH)	100 contracts	100 contracts	Not available
Barclays Capital U.S. Aggregate Bond Index	50 contracts	Not available	Not available
Eurozone Harmonized Index of Consumer Prices (HICP)	50 contracts	Not available	Not available
S&P 500*	Not available	250 contracts	250 contracts
NASDAQ-100*	200 contracts - outright only	100 contracts	100 contracts
S&P SmallCap 600, E-mini S&P SmallCap 600, E-mini MSCI EAFE, E-mini MSCI Emerging Markets, E-mini NASDAQ Composite Index, E-mini FTSE/Xinhua China 25, E-mini S&P Asia 50	50 contracts	Not available	Not available
TRAKRS Indexes	100,000 contracts	Not available	Not available
S&P Technology SPCTR, S&P Financial SPCTR	100 contracts	Not available	Not available
S&P MidCap 400*, S&P 500/Citigroup Growth, S&P 500/Citigroup Value, Nikkei 225	50 contracts	250 contracts	250 contracts
Goldman Sachs Commodity Index (GSCI), GSCI Excess Return Index	50 contracts for outright – 300 contracts for each leg of a spread transaction	Not available	Not available
International Skimmed Milk Powder	20 contracts	Not available	Not available
U.S. Dollar Cash Settled Crude Palm Oil	10 contracts	Not available	Not available
Cheese	20 contracts	Not available	Not available
EUR/USD*, JPY/USD*	150 contracts	250 contracts	Not available
CME Products	Futures	Options	Flex Options

AUD/USD, CAD/USD, CHF/USD, GBP/USD, MXN/USD	100 contracts	250 contracts	Not available
EUR/GBP, EUR/CHF, EUR/JPY, NZD/USD, BRL/USD, CZK/USD, CZK/EUR, HUF/EUR, HUF/USD, ILS/USD, KRW/USD, PLN/USD, PLN/EUR, RMB/USD, RMB/EUR, RMB/JPY, RUB/USD, ZAR/USD, USD/TRY, EUR/TRY	50 contracts	250 contracts	Not available
AUD/CAD, AUD/JPY, AUD/NZD, CAD/JPY, CHF/JPY, EUR/AUD, EUR/CAD, EUR/NOK, EUR/SEK, GBP/JPY, GBP/CHF, NOK/USD, SEK/USD	50 contracts	Not available	Not available
Weather	20 contracts	20 contracts	Not available
Wood Pulp	25 contracts	25 contracts	Not available
Housing	20 contracts	20 contracts	Not available
Nonfarm Payroll	20 contracts	20 contracts	Not available

* NOT applicable to E-mini or E-micro FX or E-mini equity indexes except those listed above.

CBOT Products	Futures	Options	Flex Options
2-Year Treasury Notes (RTH)	5,000 contracts**	2,000 contracts	Same as Non-Flex Options
2-Year Treasury Notes (ETH)	2,500 contracts**	1,000 contracts	Same as Non-Flex Options
2-Year Treasury Notes (ATH)	1,250 contracts**	500 contracts	Same as Non-Flex Options
3-Year Treasury Notes (RTH)	5,000 contracts**	Not available	Not available
3-Year Treasury Notes (ETH)	2,500 contracts**	Not available	Not available
3-Year Treasury Notes (ATH)	1,250 contracts**	Not available	Not available
5- and 10-Year Treasury Notes (RTH)	5,000 contracts**	7,500 contracts	Same as Non-Flex Options
5- and 10-Year Treasury Notes (ETH)	2,500 contracts**	3,750 contracts	Same as Non-Flex Options
5- and 10-Year Treasury Notes (ATH)	1,250 contracts**	1,875 contracts	Same as Non-Flex Options
30-Year Treasury Bonds (RTH)	3,000 contracts**	7,500 contracts	Same as Non-Flex Options
30-Year Treasury Bonds (ETH)	1,500 contracts**	3,750 contracts	Same as Non-Flex Options
30-Year Treasury Bonds (ATH)	750 contracts**	1,875 contracts	Same as Non-Flex Options
Long-Term (Ultra) Treasury Bonds (RTH)	3,000 contracts**	Not available	Not available
Long-Term (Ultra) Treasury Bonds (ETH)	1,500 contracts**	Not available	Not available
Long-Term (Ultra) Treasury Bonds (ATH)	750 contracts**	Not available	Not available
30-Day Fed Funds (RTH)	2,000 contracts	1,500 contracts	Same as Non-Flex Options
30-Day Fed Funds (ETH)	1,000 contracts	750 contracts	Same as Non-Flex Options
30-Day Fed Funds (ATH)	500 contracts	375 contracts	Same as Non-Flex Options

			Flex Options
5-, 7-, 10- and 30-Year Interest Rate Swaps (RTH)	2,000 contracts	500 contracts	Not available
5-, 7-, 10- and 30-Year Interest Rate Swaps (ETH)	1,000 contracts	500 contracts	Not available
5-, 7-, 10- and 30-Year Interest Rate Swaps (ATH)	500 contracts	500 contracts	Not available
Dow Jones-UBS Commodity Index Excess Return	300 contracts	Not available	Not available
Ethanol	10 contracts	10 contracts	Not available
Distillers' Dried Grain	10 contracts	Not available	Not available

** Block trading of intra-commodity Treasury and Interest Rate Swap futures calendar spreads is prohibited.

11. Contact Information

Questions regarding this advisory may be directed to the following individuals:

Market Regulation:	Colin Garvey, Lead Investigator	312.435.3656
	Robert Sniegowski, Rules & Regulatory Outreach	312.341.5991
	Erin Schwartz, Rules & Regulatory Outreach	312.341.3083
CME Clearing:	CME Clearing Support	312.207.2525

12. Text of CME & CBOT Rule 526

Rule 526 BLOCK TRADES

The Exchange shall designate the products in which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. The following shall govern block trades:

- A. A block trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in order to achieve the minimum transaction size, except by those entities described in Sections I. and J.
- B. Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(12) of the Commodity Exchange Act.
- C. A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.
- D. The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.
- E. Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.

- F. **CME** - The seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution; except that block trades in interest rate futures and options executed outside of Regular Trading Hours (7:00 a.m. – 4:00 p.m. Central Time, Monday – Friday on regular business days) and Housing and Weather futures and options must be reported within fifteen minutes of the time of execution. The report must include the contract, contract month, price, quantity of the transaction, the respective clearing members, the time of execution, and, for options, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.
- F. **CBOT** - The seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution; except that block trades in interest rate futures and options executed outside of Regular Trading Hours (7:00 a.m. – 4:00 p.m. Central Time, Monday – Friday on regular business days) must be reported within fifteen minutes of the time of execution. The report must include the contract, contract month, price, quantity of the transaction, the respective clearing members, the time of execution, and, for options, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.
- G. Block trades must be reported to the Clearing House in accordance with an approved reporting method.
- H. Clearing members and members involved in the execution of block trades must maintain a record of the transaction in accordance with Rule 536.
- I. A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.
- J. A foreign Person performing a similar role or function to a CTA or investment advisor as described in Section I, and subject as such to foreign regulation, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such Persons.

MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	All-Or-None Transactions
Rule References	Rule 521.B.
Advisory Date	July 1, 2010
Advisory Number	CME & CBOT RA1004-3

This Advisory Notice supersedes CME & CBOT Market Regulation Advisory Notice RA0906-3 from June 26, 2009, and is being issued based on the June 30, 2010, delisting of the CME 10-year Japanese Government Bond futures contract.

As a result of the delisting, this product has been removed from the complete list of CME and CBOT products in which AON transactions are permitted which appears on pages 4 and 5 of this Advisory Notice.

Market participants are reminded of the following:

- 1) AON trades may not, under any circumstances, be prearranged or otherwise involve prohibited pre-execution communications.**

Pursuant to Rule 539 ("Prearranged, Pre-negotiated and Noncompetitive Trades Prohibited"), the prearrangement of AON trades and pre-execution communications with respect to AON trades are strictly prohibited. As such, the only information that may be disclosed by any party with respect to an AON order is information that has been publicly exposed in the trading pit. Parties may not solicit potential counterparties to an AON order until the order has been openly bid or offered in the pit.

- 2) AON orders must be competitively and transparently executed in the open market by open outcry.**

All AON trades must be executed openly and competitively, without prearrangement. Pursuant to Rule 521 ("Pit Trading"), bidding and offering practices must at all times be conducive to the competitive execution of trades, and members must ensure that the request for an AON market or the bid or offer for an AON order is clearly and transparently announced to the pit. Additionally, all AON bids and offers must include both quantity and price.

Additionally, in circumstances where a broker has both buy and sell AON orders for accounts with different beneficial ownership, the broker may only cross the orders pursuant to the cross procedures set forth in Rule 533 ("Simultaneous Buy and Sell Orders for Different Beneficial Owners"). Rule 533 requires the broker in these circumstances to bid and offer by open outcry the price and quantity of the AON orders three times. If neither the bid nor offer is accepted, the orders may be matched in the presence, and with the approval, of a designated Exchange official and the member executing the trade must complete the appropriate cross trade form. It is incumbent upon a member handling simultaneous AON buy and sell orders to ensure that his

bids and offers for the orders are announced clearly to the pit, and, if executed opposite each other, that the approval of the Exchange official is obtained contemporaneous with the execution of the orders.

Failure to comply with the aforementioned requirements will result in disciplinary action. CME and CBOT Rule 521.B. ("Pit Trading – All-Or-None Transactions") is set forth below. Market participants are strongly encouraged to review the list of eligible products and quantity thresholds, as well as the FAQ, to ensure an accurate understanding of the requirements for executing AON orders.

Rule 521.B. – ("Pit Trading – All-Or-None Transactions")

All-Or-None Transactions: The Exchange shall determine the minimum thresholds for and the commodities in which All-Or-None transactions shall be permitted. The following shall govern All-Or-None trading:

1. A member may request an All-Or-None bid and/or offer for a specified quantity at or in excess of the applicable minimum threshold. Such request shall be made in the pit designated for the trading of the particular transaction.
2. A member may respond by quoting an All-Or-None bid or offer price. A bid or offer in response to an All-Or-None request shall be made only when it is the best bid or offer in response to such request, but such price need not be in line with the bids and offers currently being quoted in the regular market.
3. A member shall not execute any order by means of an All-Or-None transaction unless the order includes specific instructions to execute an All-Or-None transaction or the All-Or-None bid or offer is the best price available to satisfy the terms of the order.
4. An All-Or-None bid or offer may be accepted by one or more members provided that the entire quantity of the All-Or-None order is executed at a single price and that each counterparty to the order accepts a quantity at or in excess of the designated minimum counterparty threshold. Each order executed opposite an All-Or-None order must be for a quantity that meets or exceeds the minimum counterparty threshold. Separate orders may not be bunched to meet the minimum counterparty threshold.
5. All-Or-None transactions shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.
6. All-Or-None transactions must be reported to a designated Exchange official who shall record and publish the quantity and prices separately from reports of transactions in the regular market. The brokers executing All-Or-None transactions must maintain a record of said transaction in accordance with Rule 536.

**FAQ Related to CME and CBOT Rule 521.B.
All-Or-None Transactions**

Q1: What is an All-Or-None (“AON”) Order?

A1: An AON order is an order that meets or exceeds an exchange-specified minimum quantity that can be executed only for its entire quantity and only at a single price. AON orders are permitted only in certain products and are exclusively executed in the open outcry market during regular trading hours.

Q2: What are the significant differences between AON transactions and other futures and options trades?

- A2:
1. AON bids, offers and requests for a market must be for a quantity equal to or in excess of the specified minimum threshold level in an AON-eligible product as set forth in the tables beginning on page 4.
 2. Partial fills for an AON order are not permitted.
 3. The execution price of an AON order may be outside of the best bid/offer in the regular market.
 4. The price at which an AON order is executed does not elect conditional orders (e.g., stop orders, limit orders, MIT orders, etc.) in the regular market or otherwise affect such orders.
 5. AON transactions are reported separately from transactions in the regular market in the Time and Sales record.

Q3: May an AON order be executed opposite more than one counterparty?

A3: Yes. An AON order may be executed opposite multiple counterparties provided that the order is filled in its entirety at a single price and each opposing party to the order meets the designated minimum counterparty threshold. The minimum counterparty thresholds are listed in the tables beginning on page 4.

Q4: May a broker bunch separate orders to meet the counterparty minimum?

A4: No. *Each* order executed opposite an AON order must be for a quantity that meets or exceeds the minimum counterparty threshold.

Q5: What is the proper procedure for initiating an AON transaction in the pit?

A5: The initiator of the AON order may request an AON market for a specific quantity or make an AON bid/offer for a specific quantity and price. **Any requests for an AON market and all AON bids and offers must be made openly and clearly announced in the pit.**

A member may respond by quoting an AON bid and/or offer price and the quantity, at or above the designated counterparty minimum, that he is willing to trade. Brokers who have orders that independently meet the minimum counterparty quantity threshold may also bid/offer in response to a request for an AON market.

The individual representing the AON order must determine if the total quantity bid/offered is sufficient to satisfy the entire quantity of the AON order at a single price. If so, he will consummate the AON trade with the opposing market participants. Just as in the regular market, it is the broker’s responsibility to allocate quantities if there is more than one opposing party.

Q6: May two AON orders be crossed?

A6: AON orders to buy and sell that are for different beneficial owners and are initiated **without prearrangement** may be competitively executed opposite each other in the open market. A single broker may directly cross two AON orders provided that the cross trade procedures set forth in Rule 533 ("Simultaneous Buy and Sell Orders for Different Beneficial Owners") are followed.

Additionally, a broker executing an AON order may not take the opposite side of the order, or any portion of the order, into his own account (or an account in which he has a direct or indirect financial interest or an account over which he has discretionary trading authority) unless the customer has provided prior written consent to waive the application of Rule 531.A. ("General Prohibition") and the broker complies with the cross trade procedures set forth in Rule 533.

Q7: May spreads or combinations be traded pursuant to the AON rule?

A7: Yes, provided that the order meets the minimum quantity requirements set forth in the tables beginning on page 4. For products in the tables which do not specify minimum spread quantity requirements, AON intra-commodity spreads may be executed provided that **each** leg of the spread meets the AON threshold for that contract.

AON-Eligible Products and Minimum Quantity Thresholds - CME

Product	AON Minimum	Counterparty Minimum
Quarterly Eurodollar futures (years 1-5) and Serial Eurodollar futures	2,000 contracts – Per leg for calendar, butterfly and condor spreads	10% of order
Quarterly Eurodollar futures (years 6-10)	1,000 contracts Per leg for calendar, butterfly and condor spreads	10% of order
Eurodollar and Eurodollar MidCurve options*	4,000 contracts – Per leg for spreads and combinations	10% of order
Regular and rolling Eurodollar packs (years 1-5)	2,000 contracts per pack	10% of order
Regular and rolling Eurodollar packs (years 6-10)	1,000 contracts per pack	10% of order
Regular and rolling Eurodollar bundles	2,000 contracts per bundle	10% of order
Regular and rolling Eurodollar bundles (all legs fall in years 6-10, i.e., contracts 21-40)	1,000 contracts per bundle	10% of order
Three-Month Overnight Index Swap ("OIS") futures	2,000 contracts	10% of order
One-Month Eurodollar futures	500 contracts	10% of order
13-Week T-Bill futures	50 contracts	10% of order
Euroyen futures	100 contracts	10% of order

Product	AON Minimum	Counterparty Minimum
All foreign currency futures and options <u>excluding</u> cross rates, Israeli shekel, Chinese renminbi, Korean won, Czech koruna, Hungarian forint and Polish zloty futures and options and Turkish lira, Norwegian krone, Swedish krona and E-micro futures*	20 contracts	10% of order
Norwegian krone and Swedish krona futures, Czech koruna, Hungarian forint and Polish zloty futures and options and all foreign currency cross rate futures and options <u>excluding</u> Chinese renminbi/Euro FX and Chinese renminbi/Japanese yen futures and options*	5 contracts; 5 contracts per leg in calendar spreads	5 contracts; 5 contracts per leg in calendar spreads

* AON spreads involving Eurodollar, foreign currency and foreign currency cross rate options vs futures may be executed provided that at least one option leg of the spread order meets the designated AON minimum order quantity for the option and the quantity of the futures leg is the appropriate delta equivalent:

AON-Eligible Products and Minimum Quantity Thresholds - CBOT

Product	AON Minimum	Counterparty Minimum
Interest Rate Swap futures	1,000 contracts Per leg for inter- and intra-market commodity spreads	10% of order
Interest Rate Swap futures/ Treasury futures spread	1,000 contracts Per leg for spreads	10% of order
Interest Rate Swap options*	1,000 contracts At least one leg must be $\geq 1,000$	10% of order
Treasury futures	2,000 contracts Per leg for inter- and intra-market spreads	10% of order
30-Day Fed Funds futures	2,000 contracts Per leg for spreads	10% of order
Treasury and 30-Day Fed Fund options*	2,500 contracts At least one leg must be $\geq 2,500$	10% of order

* AON spreads involving Treasury, 30-Day Fed Fund and Interest Rate Swap options vs futures may be executed provided that at least one option leg of the spread order meets the designated AON minimum order quantity for the option and the quantity of the futures leg is the appropriate delta equivalent.

Questions regarding this Advisory Notice should be directed to the following individuals in Market Regulation:

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