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## Regulatory Advisory

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**TO:** All Members, Clearing Member Firms, Employees and CME  
Globex® Users RA-06-02  
(supersedes  
RA-05-05)

**FROM:** CME Market Regulation Department

**DATE:** March 22, 2006

**SUBJECT:** Updated Requirements for Workstation Operator Identifiers on CME  
Globex Orders Entered through CME iLink® Connections

CME requires that every electronic order submitted to CME Globex contain information which identifies the workstation operator. This Advisory, which supersedes Regulatory Advisory RA-05-05, will discuss the conventions for identifying workstation operators on orders sent in through CME iLink connections depending upon whether the orders are entered manually, or via automated or semi-automated means. Further, this Advisory will discuss a simplified process for registering an Automated Trading System ("ATS") with CME.

All market users should be aware that CME Rule 576 ("Identification of GLOBEX Terminal Operators") requires that terminal operators be identified to the Exchange in the manner prescribed by the Exchange. The rule also states that "it is the duty of the clearing member to ensure that registration is current and accurate at all times."

The workstation operator identifier (also known as the senderSubID, or Tag 50) is required for all orders entered through CME iLink connections. This identifier can be up to 18 bytes (characters) maximum length and should be transmitted in FIX Tag 50. Accurate data in this FIX tag is necessary for regulatory purposes, and in some circumstances is required for the proper fees to be applied. Failure to submit accurate data, including workstation operator identifier data, into the Exchange Fee System ("EFS") may be a violation of Exchange Rule 576.

The following are the specific requirements depending on whether CME Globex orders are entered by an individual terminal operator or through an ATS:

### **Individual Workstation Operators**

For manually entered orders, the workstation operator identifier must uniquely identify the person who entered the instruction into the system. The clearing firm that guarantees the connection point must ensure that the workstation operator identifier used through its connection point is unique to

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that firm, and not shared with anyone else. This requirement applies to everyone, including individual members, employees of a clearing firm, customers, or anyone else entering an order on behalf of another party.

Regardless of whether the workstation operator identifier is registered in EFS, clearing firms must be able to provide Market Regulation with the identity of the person assigned a particular user code upon request, and must maintain historical records for at least five years to identify each user code. A person should not have multiple user codes within a particular front-end system.

### **Automated Trading Systems**

An ATS is an electronic system or computer software that is programmed to generate and send orders into CME Globex in an automated or semi-automated fashion. An ATS controller is a person who operates, and/or administers the ATS system. Typically this is a person who initiates or disables particular algorithms or strategies, or adjusts the parameters of the automated program.

All ATSs that do not require an individual to initiate or manually confirm the creation of a specific instruction must identify the workstation operator identifier by assigning a unique Tag 50 value for each independent model, algorithm, program, and/or process under each ATS controller. If there are multiple ATS programs/models that are administered by the same party, each should be assigned a separate Tag 50 value. Any deviations from this requirement must be approved by CME Market Regulation.

In the Exchange Fee System, the clearing firm should associate each ATS workstation operator identifier with the name of the person who is directly responsible for controlling the trading of that ATS system, and must check the box on the EFS screen to indicate that the Tag 50 represents an ATS system. It is the responsibility of each ATS client to provide accurate and up to date information to their clearing firm on their ATS controllers and their Tag 50 values.

Effective with the issuance of this Advisory, CME will no longer require every ATS system to file an Automated Trading System Connection Registration form (Schedule 8). However, when registration of TAG 50 is required in the fee system, the Clearing Firm registering the TAG 50 must check the ATS box on the registration screen to indicate that the registration is on behalf of an automated or semi-automated trade entry. This will replace the current process of filing registration forms. Existing ATS systems which have previously filed a schedule 8 do not need to have their clearing firms modify their existing registration in the fee system.

Further, if CME needs additional information on an ATS system, it may ask that the ATS operator fill out the Automated Trading System Connection Registration form which can be downloaded at <http://www.cme.com/files/CMEGlobexSch8ATS.pdf>.

### **Registration of Workstation Operator Identifiers (Tag 50)**

While every person or ATS entering orders through CME iLink connections must be identified by a workstation operator identifier, registration of those IDs in the Exchange Fee System is only required for individual members and their approved clerks, employees and independent

contractors of clearing members, and other traders or employees of trading entities which are receiving preferential rates as a result of membership or enrollment in incentive programs. This includes CME Rule 106.H. ("Corporate Member Firm Transfers") members, CME Rule 106.I. ("Related Party Employee Transfers") members, CME Rule 106.R. ("Electronic Corporate Member Transfers") members ("ECMs"), CME Rule 106.S. ("Family of Funds Transfers") members, Asian Incentive Program ("AIP") participants, Emerging Market Partner Program ("EMPP") participants, European Incentive Program ("EIP") participants, FX Bank Incentive Program ("BIP") participants and CTA/Hedge Fund Pilot Program participants. The workstation operator identifier value that is registered in EFS must exactly match the workstation operator identifier (i.e. the Tag 50) value that is submitted to the Exchange on orders entered through CME iLink connections.

If you have any questions relating to this Advisory please contact James Moran at 312/930.8520, Lou Abarcar at 312/648.3623, Robert Sniegowski at 312/648.5493 or Kathy Zaino at 312/930.-2341. Fee questions should be directed to the EFS support line at 312/648.5470.