



Jason Silverstein  
Executive Director and Associate General Counsel  
Legal Department

March 6, 2013

**VIA E-MAIL**

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

**RE: CME/CBOT/NYMEX Rule 980.  
CME/CBOT/NYMEX Submission No. 13-073.**

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" and together with CME and CBOT, the "Exchanges") pursuant to Commodity Futures Trading Commission ("the "Commission") Regulation 40.6(a) hereby notifies the Commission of proposed clarifying amendments to CME/CBOT/NYMEX Rule 980 relating to clearing member records and reports. The Exchanges intend to implement the proposed amendments on March 21, 2013.

Current Rule 980.B requires each clearing member to maintain adequate books and records in accordance with Commission Regulation 1.16(d)(2) and then further identifies specific requirements in sub-clauses 980.B.1 (preparation and maintenance of complete and accurate reconciliations for all accounts) and 980.B.2 (resolution of reconciling items in a timely manner) which are requirements of the Exchanges in addition to requirements under Commission Regulation 1.16(d)(2). In order to clarify such requirements, the Exchanges are proposing to amend rule 980 to provide for a separate clause requiring compliance with Commission Regulation 1.16(d)(2) as a new sub-clause 980.B.3.

The text of Appendix 1 is attached, with the additions underscored and deletions represented with strikethrough.

The proposed amendments comport with DCO Core Principles C (Participant and Product Eligibility) and K (Recordkeeping) and Commission Regulations promulgated thereunder by requiring all clearing members to maintain proper recordkeeping through the preparation and maintenance of complete and accurate reconciliations for all accounts and resolution of reconciling items in a timely manner.

No substantive opposing views regarding these proposed rule revisions were expressed to the Exchanges. The Exchanges certify that this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>. The Exchanges further certify that these proposed amendments comply with the Commodity Exchange Act and regulations promulgated thereunder.

If you require any additional information regarding this submission, please contact me at 212-299-2228 or via email at [Jason.Silverstein@cmegroup.com](mailto:Jason.Silverstein@cmegroup.com). Please reference our CME/CBOT/NYMEX Submission No. 13-073 in any related correspondence.

Sincerely,

/s/ Jason Silverstein  
Executive Director & Associate General Counsel

Attachment: Appendix 1

# APPENDIX 1

## Revisions to CME/CBOT/NYMEX Rules 980

### **CME RULE 980. REQUIRED RECORDS AND REPORTS**

A. Each clearing member shall prepare, maintain and keep current those books and records required by the rules of the Exchange, the Commodity Exchange Act and the Regulations thereunder. Such books and records shall be open to inspection and promptly provided to the Exchange upon request.

B. Each clearing member shall maintain an adequate accounting system, internal accounting controls, and procedures for safeguarding customer and firm assets ~~as set forth in CFTC Regulation 1.16(d)(2)~~. This includes, but is not limited to, the following:

1. Preparation and maintenance of complete and accurate reconciliations for all accounts; ~~and~~
2. Resolution of reconciling items in a timely manner; ~~and~~
3. Prevention of a material inadequacy as defined in CFTC Regulation 1.16(d)(2).

C. A clearing member must file any information requested by the Exchange within the time period specified in the request.

D. Each clearing member shall maintain at all times the ability to provide to the Exchange in an acceptable form a complete set of equity system reports (including, at a minimum, the equity run, open position listing, day trade listing, cash adjustments listing and performance bond call and debit equity listing). Such reports shall be available to the Exchange in Chicago no later than 8:00 a.m. Chicago time on the business day following the report date.

E. Each clearing member shall maintain at all times the ability to provide to the Exchange a listing of each customer's method of access to CME markets, including front end applications and network connections.

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### **CBOT RULE 980. REQUIRED RECORDS AND REPORTS**

A. Each clearing member shall prepare, maintain and keep current those books and records required by the rules of the Exchange, the Commodity Exchange Act and the Regulations thereunder. Such books and records shall be open to inspection and promptly provided to the Exchange upon request.

B. Each clearing member shall maintain an adequate accounting system, internal accounting controls, and procedures for safeguarding customer and firm assets ~~as set forth in CFTC Regulation 1.16(d)(2)~~. This includes, but is not limited to, the following:

1. Preparation and maintenance of complete and accurate reconciliations for all accounts; ~~and~~
2. Resolution of reconciling items in a timely manner; ~~and~~
3. Prevention of a material inadequacy as defined in CFTC Regulation 1.16(d)(2).

C. A clearing member must file any information requested by the Exchange within the time period specified in the request.

D. Each clearing member shall maintain at all times the ability to provide to the Exchange in an acceptable form a complete set of equity system reports (including, at a minimum, the equity run, open position listing, day trade listing, cash adjustments listing and performance bond call and debit equity listing). Such reports shall be available to the Exchange in Chicago no later than 8:00 a.m. Chicago time on the business day following the report date.

E. Each clearing member shall maintain at all times the ability to provide to the Exchange a listing of each customer's method of access to CBOT markets, including front end applications and network connections.

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## **NYMEX RULE 980. REQUIRED RECORDS AND REPORTS**

A. Each clearing member shall prepare, maintain and keep current those books and records required by the rules of the Exchange, the Commodity Exchange Act and the Regulations thereunder. Such books and records shall be open to inspection and promptly provided to the Exchange upon request.

B. Each clearing member shall maintain an adequate accounting system, internal accounting controls, and procedures for safeguarding customer and firm assets ~~as set forth in CFTC Regulation 1.16(d)(2)~~. This includes, but is not limited to, the following:

1. Preparation and maintenance of complete and accurate reconciliations for all accounts; ~~and~~
2. Resolution of reconciling items in a timely manner; and
3. Prevention of a material inadequacy as defined in CFTC Regulation 1.16(d)(2).

C. A clearing member must file any information requested by the Exchange within the time period specified in the request.

D. Each clearing member shall maintain at all times the ability to provide to the Exchange in an acceptable form a complete set of equity system reports (including, at a minimum, the equity run, open position listing, day trade listing, cash adjustments listing and performance bond call and debit equity listing). Such reports shall be available to the Exchange in New York no later than 9:00 a.m. New York time on the business day following the report date.

E. Each clearing member shall maintain at all times the ability to provide to the Exchange a listing of each customer's method of access to NYMEX markets, including front end applications and network connections.