Sean M. Downey
Director and Assistant General Counsel
Legal Department

September 26, 2012

VIA E-MAIL

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

RE: Regulation 40.6(a). Chicago Mercantile Exchange Inc./The Board of Trade of the City of Chicago, Inc./The New York Mercantile Exchange, Inc./Commodity Exchange Inc.
Submission # 12-299: Revisions to Rule 559 ("Position Limit and Exemptions")

Dear Ms. Warfield:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), The New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX"), (collectively, the "Exchanges") are self-certifying revisions to each Exchange's Rule 559 ("Position Limits and Exemptions"). These revisions will be effective on October 12, 2012.

The revisions to Rule 559 are being adopted to ensure that the Exchanges' position limit rules are in conformance with the new requirements of Part 151 (Position Limits for Futures and Swaps) of the Commission's Regulations. The compliance date deadline is October 12, 2012. In addition to these conforming amendments, the Exchanges are also modifying their existing requirement that a person who establishes an exemption-eligible position in excess of position limits must file the exemption request within one business day of exceeding the limits. The revisions adopt a three business day filing requirement after exceeding the limits unless the Market Regulation Department expressly requests that the application be filed sooner.

Given that the Commission has not yet publicly disseminated a listing of Referenced Contracts for purposes of aggregation requirements, the Exchanges are unable to complete the necessary revisions to the Position Limit, Position Accountability and Reportable Level Tables ("Tables") set forth in the Interpretations & Special Notices Section in Chapter 5 of each Exchange's Rulebook. When those Referenced Contracts are publicly disseminated, the Exchanges will make the appropriate revisions to the Tables and submit them to the Commission. Those changes are also intended to become effective on October 12, 2012.

The revisions to Rule 559 appear in Exhibit A, with additions underscored and deletions overstruck.

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 revisions to Rule 559 may have some bearing on the following Core Principles:

> Position Limitations or Accountability: As noted above, the adoption of the revisions to Rule 559 are intended to ensure that the Exchanges' rules remain in compliance with the CFTC

Regulations under Part 151 (Position Limits for Futures and Swaps) by the compliance date deadline of October 12, 2012. The Exchanges have not adopted any changes to existing position limits in connection with this submission.

The Exchanges certify that the revisions to Rule 559 comply with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchange's website at http://www.cmegroup.com/market-regulation/rule-filings.html.

If you have any questions regarding this submission, please contact Joe Hawrysz, Market Regulation, at 312.341.7750 or via email at Joe.Hawrysz@cmegroup. Alternatively, you may contact me at 312.930.8167 or via email at Sean.Downey@cmegroup.com. Please reference CME/CBOT/NYMEX/ COMEX Submission No. 12-299 in any related correspondence.

Sincerely,

/s/ Sean Downey
Director & Assistant General Counsel

Attachments: Exhibit A – Rule 559 (black-lined)

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EXHIBIT A

CME

559. EXCHANGE POSITION LIMITS AND EXEMPTIONS

The Exchange position limit levels applicable to those contracts with position limits are set forth in the Position Limit, Position Accountability and Reportable Level Table ("Table") in the Interpretations Section at the end of Chapter 5.

A person seeking an exemption from Exchange position limits must apply to the Market Regulation Department on forms provided by the Exchange. In order to obtain an exemption from position limits, a person must:

1. Provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions as defined in CFTC Regulation §1.3(z)(1), risk management positions or arbitrage/ and spread positions; pursuant to Section A., B., or C. of this Rule;
2. Provide a complete and accurate explanation of the underlying exposure related to the exemption request;
3. Agree to promptly provide, upon request by the Market Regulation Department, information or documentation regarding the person's financial condition;
4. RESERVEDAffirm that the requested exemption complies with any applicable CFTC requirements;
5. Agree to comply with all terms, conditions or limitations imposed by the Market Regulation Department with respect to the exemption;
6. Agree that the Market Regulation Department may, for cause, modify or revoke the exemption at any time;
7. Agree to initiate and liquidate positions in an orderly manner;
8. Agree to comply with all Exchange rules; and
9. Agree to promptly submit a supplemental statement to the Market Regulation Department whenever there is a material change to the information provided in the most recent application.; and
10. Agree to annually file an updated application not later than one year following the approval date of the most recent application and agree that failure to do so will result in expiration of the exemption.

A person intending to exceed position limits for anticipatory hedge positions pursuant to CFTC Regulation §151.5, including limits established pursuant to a previously approved exemption, must file the required application and receive10 Business Days prior to exceeding such limits, subject to approval from the Market Regulation Department prior to exceeding such limits. However. In all other instances, a person who establishes an exemption-eligible position in excess of position limits and files the required application with the Market Regulation Department shall not be in violation of this rule provided the filing occurs within one (1) business daythree (3) Business Days after assuming the position except in circumstances where the Market Regulation Department has expressly approved a later filing which may not exceed five (5) business days.requested that the application be submitted sooner. In the event the positions in excess of the limits are not deemed to be exemption-eligible or the request is denied, the applicant and clearing firm will be in violation of speculativeposition limits for the period of time in which the excess positions remained openand subject to sanctions pursuant to Rule 562.

The Market Regulation Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Market Regulation Department may approve, deny, condition or limit any exemption request based on factors deemed by the Department to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.

Nothing in this rule shall in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Market Regulation Department to review at any time the positions owned or controlled by any person and, for cause, in the sole discretion of the Market Regulation Department, to direct that such position be reduced to the position limit provided for in the Table.

A person who has received written authorization from the Market Regulation Department to exceed position limits must annually file an updated application not later than one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.

559.A. Bona Fide Hedging Positions

The Market Regulation Department may grant exemptions from position limits for bona fide hedge positions as defined by CFTC Regulation §1.3(z)(1).1) CFTC Regulation §1.3(z)(1) in excluded commodities as defined in Section 1a(19) of the Commodity Exchange Act or 2) CFTC Regulation §151.5 for all other Referenced Contracts (as defined in CFTC Regulation §151.1), agricultural and exempt commodities.

Approved bona fide hedgers may be exempted from emergency orders that reduce position limits or restrict trading.

559.B. Risk Management Positions

The Market Regulation Department may grant exemptions from the position limits for risk management positions. in excluded commodities as defined in Section 1a(19) of the Commodity Exchange Act. For the purposes of this rule, the term "risk management positions are defined as futures and options" means long positions which are held byeconomically appropriate to the management of risks in the conduct and management of a commercial enterprise and whose underlying commodity value does not exceed the sum of cash set aside in an identifiable manner, or on behalf of an entityunencumbered short-term U.S. Treasury obligations or an affiliate of an entity which typically buys, sells or holds other U.S. dollar denominated, high-quality, short-term debt instruments so set aside, plus any funds deposited as performance bond on such positions. in the underlying cash market,

559.C Arbitrage and Spread Positions

The Market Regulation Department may grant exemptions from position limits for arbitrage or spread positions. If the exemption is requested in a Referenced Contract as defined in CFTC Regulation §151.1, the offsetting exposure must also be in a related cash market,Referenced Contract. If the exemption is requested in a non-referenced contract, the offsetting exposure must be in an economically equivalent contract. No arbitrage or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportuniticsspread exemptions will be granted for arbitrage which provide a close linkage between the futures or options market and the underlying market in question. Exemptions related to indexed positions held in the spot month for physically-delivered contracts.

in the over-the-counter market may include corresponding commodity index-based futures and options and/or individual commodity futures and options used as components in replicating an index.

559.C. Arbitrage and Spread Positions

The Market Regulation Department may grant exemptions from the position limits for arbitrage, intracommodity spread, intercommodity spread, and eligible option/option or option/futures spread positions.

559.D. Aggregation of Positions

1. Positions to be Aggregated - The position limits in the Table shall apply to all positions in accounts for which a person by power of attorney or otherwise directly or indirectly owns the positions or controls the trading of the positions. The position limits in the Table shall also apply to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single person.

2. Ownership of Accounts – Except as set forth in Section E. below, any person holding positions in more than one account, or holding accounts or positions in which the person by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such accounts or positions unless such person is a limited partner, shareholder, member of a limited liability company, beneficiary of a trust or similar type of pool participant in a commodity pool. The foregoing exception for pool participants shall not apply if the person is a commodity pool operator, controls the commodity pool's trading decisions, or has an ownership or equity interest of 25% or more in a commodity pool whose operator is exempt from registration with the CFTC.

Positions shall be aggregated in accordance with CFTC Regulation §151.7.

559.E. Limited Exceptions to Aggregation for Independently Controlled Positions

Positions carried for an eligible entity as defined in CFTC Regulation §150.1(d) in the separate account or accounts of independent account controllers as defined in CFTC Regulation §150.1(e) shall not be aggregated for position limit purposes provided that the positions are not held in the spot month during such time that a spot month position limit is applicable. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must comply with the requirements set forth in CFTC Regulation §150.3(4)(i)(A-D).

discretionary accounts or in guided account programs shall not be aggregated for position limit purposes provided that the accounts are controlled by independent traders and meet the standards set forth in CFTC Regulation §150.4(d).

On July 24, 2012, the CFTC issued temporary no-action relief from certain of the aggregation requirements in Part 151 of its Regulations. The Market Regulation Department may grant exemptions from the aggregation requirements of Section D. above provided that the exemption request complies with requirements set forth in CFTC Letter No. 12-05.

Link to CFTC Letter No. 12-05

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.

559.F. Violations

Violations of position limits and approved exemption limits are subject to the provisions of Rule 562.

CBOT

559. EXCHANGE POSITION LIMITS AND EXEMPTIONS

The Exchange position limit levels applicable to those contracts with position limits are set forth in the Position Limit, Position Accountability and Reportable Level Table ("Table") in the Interpretations Section at the end of Chapter 5.

A person seeking an exemption from Exchange position limits must apply to the Market Regulation Department on forms provided by the Exchange. In order to obtain an exemption from position limits, a person must:

1. Provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions as defined in CFTC Regulation §1.3(z)(1), risk management positions or arbitrage and /spread positions pursuant to Section A., B., or C. of this Rule;
2. Provide a complete and accurate explanation of the underlying exposure related to the exemption request;
3. Agree to promptly provide, upon request by the Market Regulation Department, information or documentation regarding the person's financial condition;
4. Affirm that the requested exemption complies with any applicable CFTC requirements; and, for those contracts with Federal limits, that the exemption request has been approved by the CFTC;
5. Agree to comply with all terms, conditions or limitations imposed by the Market Regulation Department with respect to the exemption;
6. Agree that the Market Regulation Department may, for cause, modify or revoke the exemption at any time;
7. Agree to initiate and liquidate positions in an orderly manner;
8. Agree to comply with all Exchange rules; and
9. Agree to promptly submit a supplemental statement to the Market Regulation Department whenever there is a material change to the information provided in the most recent application.; and
10. Agree to annually file an updated application not later than one year following the approval date of the most recent application and agree that failure to do so will result in expiration of the exemption.

A person intending to exceed position limits for anticipatory hedge positions pursuant to CFTC Regulation §151.5, including limits established pursuant to a previously approved exemption, must file the required application 10 Business Days prior to exceeding such limits, subject toand receive approval from the Market Regulation Department prior to exceeding such limits. However, In all other instances, a person who establishes an exemption-eligible position in excess of position limits and files the required application with the Market Regulation Department shall not be in violation of this rule provided the filing occurs within three (3)one (1) Bbusiness Ddays after assuming the position except in circumstances where the Market Regulation Department has expressly requested that the application be submitted sooneraproved a later filing which may not exceed five (5) business days. In the event the positions in excess of the limits are not deemed to be exemption-eligible or the request is denied, the applicant and clearing firm will be in violation of speculativeposition limits for the period of time in which the excess positions remained open and subject to sanctions pursuant to Rule 562.

The Market Regulation Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Market Regulation Department may approve, deny, condition or limit any exemption request based on factors deemed by the Department to be relevant, including, but not limited to, the applicant's business

needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.

Nothing in this rule shall in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Market Regulation Department to review at any time the positions owned or controlled by any person and, for cause, in the sole discretion of the Market Regulation Department, to direct that such position be reduced to the position limit provided for in the Table.

~~A person who has received written authorization from the Market Regulation Department to exceed position limits must annually file an updated application not later than one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.~~

559.A. Bona Fide Hedging Positions

The Market Regulation Department may grant exemptions from position limits for bona fide hedge positions as defined by 1) CFTC Regulation §1.3(z)(1) in excluded commodities as defined in Section 1a(19) of the Commodity Exchange Act or 2) CFTC Regulation §151.5 for all other Referenced Contracts (as defined in CFTC Regulation §151.1), agricultural and exempt commodities.

Approved bona fide hedgers may be exempted from emergency orders that reduce position limits or restrict trading.

559.B. Risk Management Positions

The Market Regulation Department may grant exemptions from ~~the~~ position limits for risk management positions in excluded commodities as defined in Section 1a(19) of the Commodity Exchange Act. For the purposes of this rule, the term "risk management positions" means long positions which are economically appropriate to the management of risks in the conduct and management of a commercial enterprise and whose underlying commodity value does not exceed the sum of cash set aside in an identifiable manner, or unencumbered short-term U.S. Treasury obligations or other U.S. dollar denominated, high-quality, short-term debt instruments so set aside, plus any funds deposited as performance bond on such positions~~are defined as futures and options positions which are held by or on behalf of an entity or an affiliate of an entity which typically buys, sells or holds positions in the underlying cash market, a related cash market, or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between the futures or options market and the underlying market in question. Exemptions related to indexed positions in the over-the-counter market may include corresponding commodity index-based futures and options and/or individual commodity futures and options used as components in replicating an index~~.

559.C. Arbitrage and Spread Positions

The Market Regulation Department may grant exemptions from ~~the~~ position limits for arbitrage~~, intracommodity spread, intercommodity spread, and eligible option/option~~ or ~~option/futures~~ spread positions. If the exemption is requested in a Referenced Contract as defined in CFTC Regulation §151.1, the offsetting exposure must also be in a related Referenced Contract. If the exemption is requested in a non-referenced contract, the offsetting exposure must be in an economically equivalent contract. No arbitrage or spread exemptions will be granted for positions held in the spot month for physically-delivered contracts.

~~Spread and arbitrage exemptions from position limits for Corn, Oats, Soybean, Wheat, Soybean Oil and Soybean Meal futures and options contracts traded on the Exchange shall be governed by CFTC Regulation §150.3(a)(3).~~

559.D. Aggregation of Positions

Positions shall be aggregated in accordance with CFTC Regulation §151.7.

~~1. Positions to be Aggregated - The position limits in the Table shall apply to all positions in accounts for which a person by power of attorney or otherwise directly or indirectly owns the positions or controls the trading of the positions. The position limits in the Table shall also apply to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single person.~~

~~2. Ownership of Accounts - Except as set forth in Section E. below, any person holding positions in more than one account, or holding accounts or positions in which the person by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such accounts or positions unless such person is a limited partner, shareholder, member of a limited liability company, beneficiary of a trust or similar type of pool participant in a commodity pool. The foregoing exception for pool participants shall not apply if the person is a commodity pool operator,~~

~~controls the commodity pool's trading decisions, or has an ownership or equity interest of 25% or more in a commodity pool whose operator is exempt from registration with the CFTC.~~

559.E. Limited Exceptions to Aggregation for Independently Controlled Positions

On July 24, 2012, the CFTC issued temporary no-action relief from certain of the aggregation requirements in Part 151 of its Regulations. The Market Regulation Department may grant exemptions from the aggregation requirements of Section D. above provided that the exemption request complies with requirements set forth in CFTC Letter No. 12-05.

Link to CFTC Letter No. 12-05

~~Positions carried for an eligible entity as defined in CFTC Regulation §150.1(d) in the separate account or accounts of independent account controllers as defined in CFTC Regulation §150.1(e) shall not be aggregated for position limit purposes provided that the positions are not held in the spot month during such time that a spot month position limit is applicable, or if the positions are Treasury futures positions. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must comply with the requirements set forth in CFTC Regulation §150.3(4)(i)(A-D).~~

~~Treasury futures positions carried in independently controlled accounts owned by different legal entities, irrespective of whether the entities qualify as eligible entities, shall not be aggregated for position limit purposes provided that affiliated legal entities must comply with the requirements set forth in CFTC Regulation §150.3(4)(i)(A-D).~~

~~Positions held by futures commission merchants or their separately organized affiliates in customer discretionary accounts or in guided account programs shall not be aggregated for position limit purposes provided that the accounts are controlled by independent traders and meet the standards set forth in CFTC Regulation §150.4(d).~~

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.

559.F. Violations

Violations of position limits and approved exemption limits are subject to the provisions of Rule 562.

NYMEX

559. EXCHANGE POSITION LIMITS AND EXEMPTIONS

The Exchange position limit levels applicable to those contracts with position limits are set forth in the Position Limit, Position Accountability and Reportable Level Table ("Table") in the Interpretations Section at the end of Chapter 5.

A person seeking an exemption from Exchange position limits must apply to the Market Regulation Department on forms provided by the Exchange. In order to obtain an exemption from position limits, a person must:

1. Provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions~~ as defined in CFTC Regulation §1.3(z)(1),~~, risk management positions or arbitrage~~/~~ and spread positions~~,~~ pursuant to Section A., B., or C. of this Rule;
2. Provide a complete and accurate explanation of the underlying exposure related to the exemption request;
3. Agree to promptly provide, upon request by the Market Regulation Department, information or documentation regarding the person's financial condition;
4. ~~RESERVED~~Affirm that the requested exemption complies with any applicable CFTC requirements;
5. Agree to comply with all terms, conditions or limitations imposed by the Market Regulation Department with respect to the exemption;
6. Agree that the Market Regulation Department may, for cause, modify or revoke the exemption at any time;
7. Agree to initiate and liquidate positions in an orderly manner;
8. Agree to comply with all Exchange rules; ~~and~~
9. Agree to promptly submit a supplemental statement to the Market Regulation Department whenever there is a material change to the information provided in the most recent application~~.~~; and
10. Agree to annually file an updated application not later than one year following the approval date of the most recent application and agree that failure to do so will result in expiration of the exemption.

A person intending to exceed position limits for anticipatory hedge positions pursuant to CFTC Regulation §151.5, including limits established pursuant to a previously approved exemption, must file the required application ~~and receive~~10 Business Days prior to exceeding such limits, subject to approval from the Market Regulation Department ~~prior to exceeding such limits. However~~. In all other instances, a person who establishes an exemption-eligible position in excess of position limits and files the required application with the Market Regulation Department shall not be in violation of this rule provided the filing occurs within ~~one (1) business day~~three (3) Business Days after assuming the position except in circumstances where the Market Regulation Department has expressly ~~approved a later filing which may not exceed five (5) business days.~~requested that the application be submitted sooner. In the event the positions in excess of the limits are not deemed to be exemption-eligible or the request is denied, the applicant and clearing firm will be in violation of ~~speculative~~position limits ~~for the period of time in which the excess positions remained open.~~ and subject to sanctions pursuant to Rule 562.

The Market Regulation Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Market Regulation Department may approve, deny, condition or limit any exemption request based on factors deemed by the Department to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner given characteristics of the market for which the exemption is sought.

Nothing in this rule shall in any way limit (i) the authority of the Exchange to take emergency action; or (ii) the authority of the Market Regulation Department to review at any time the positions owned or controlled by any person and, for cause, in the sole discretion of the Market Regulation Department, to direct that such position be reduced to the position limit provided for in the Table.

~~A person who has received written authorization from the Market Regulation Department to exceed position limits must annually file an updated application not later than one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.~~

559.A. Bona Fide Hedging Positions

The Market Regulation Department may grant exemptions from position limits for bona fide hedge positions as defined by ~~CFTC Regulation §1.3(z)(1).~~1) CFTC Regulation §1.3(z)(1) in excluded commodities as defined in Section 1a(19) of the Commodity Exchange Act or 2) CFTC Regulation §151.5 for all other Referenced Contracts (as defined in CFTC Regulation §151.1), agricultural and exempt commodities.

Approved bona fide hedgers may be exempted from emergency orders that reduce position limits or restrict trading.

559.B. Risk Management Positions

The Market Regulation Department may grant exemptions from ~~the~~ position limits for risk management positions~~.~~ in excluded commodities as defined in Section 1a(19) of the Commodity Exchange Act. For the purposes of this rule, the term "risk management positions ~~are defined as futures and options~~" means long positions which are ~~held by~~economically appropriate to the management of risks in the conduct and management of a commercial enterprise and whose underlying commodity value does not exceed the sum of cash set aside in an identifiable manner, or ~~on behalf of an entity~~unencumbered short-term U.S. Treasury obligations or ~~an affiliate of an entity which typically buys, sells or holds~~ other U.S. dollar denominated, high-quality, short-term debt instruments so set aside, plus any funds deposited as performance bond on such positions.

559.C. ~~in the underlying cash market,~~ Arbitrage and Spread Positions

The Market Regulation Department may grant exemptions from position limits for arbitrage or spread positions. If the exemption is requested in a Referenced Contract as defined in CFTC Regulation §151.1, the offsetting exposure must also be in a related ~~cash market,~~Referenced Contract. If the exemption is requested in a non-referenced contract, the offsetting exposure must be in an economically equivalent contract. No arbitrage or ~~a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities~~spread exemptions will be granted for ~~arbitrage which provide a close linkage between the futures or options market and the underlying market in question. Exemptions related to indexed~~ positions held in ~~the over-~~the ~~counter market may include corresponding commodity index-based futures and options and/or individual commodity futures and options used as components in replicating an index.~~ spot month for physically-delivered contracts.

~~**559.C. Arbitrage and Spread Positions**~~

~~The Market Regulation Department may grant exemptions from the position limits for arbitrage, intracommodity spread, intercommodity spread, and eligible option/option or option/futures spread positions.~~

559.D. _____Aggregation of Positions

~~1. Positions to be Aggregated - The position limits in the Table shall apply to all positions in accounts for which a person by power of attorney or otherwise directly or indirectly owns the positions or controls the trading of the positions. The position limits in the Table shall also apply to positions held by two or more persons acting pursuant to an expressed or implied~~

~~agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single person.~~

~~2. Ownership of Accounts – Except as set forth in Section E. below, any person holding positions in more than one account, or holding accounts or positions in which the person by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such accounts or positions unless such person is a limited partner, shareholder, member of a limited liability company, beneficiary of a trust or similar type of pool participant in a commodity pool. The foregoing exception for pool participants shall not apply if the person is a commodity pool operator, controls the commodity pool's trading decisions, or has an ownership or equity interest of 25% or more in a commodity pool whose operator is exempt from registration with the CFTC.~~

Positions shall be aggregated in accordance with CFTC Regulation §151.7.

559.E. _____Limited Exceptions to Aggregation for Independently Controlled Positions

~~Positions carried for an eligible entity as defined in CFTC Regulation §150.1(d) in the separate account or accounts of independent account controllers as defined in CFTC Regulation §150.1(e) shall not be aggregated for position limit purposes. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must comply with the requirements set forth in CFTC Regulation §150.3(4)(i)(A-D).~~

~~Positions held by futures commission merchants or their separately organized affiliates in customer discretionary accounts or in guided account programs shall not be aggregated for position limit purposes provided that the accounts are controlled by independent traders and meet the standards set forth in CFTC Regulation §150.4(d).~~

On July 24, 2012, the CFTC issued temporary no-action relief from certain of the aggregation requirements in Part 151 of its Regulations. The Market Regulation Department may grant exemptions from the aggregation requirements of Section D. above provided that the exemption request complies with requirements set forth in CFTC Letter No. 12-05.

Link to CFTC Letter No. 12-05

Any person claiming an exemption from position limits under this Section must, upon request by the Market Regulation Department, provide any information deemed necessary to support the exemption.

559.F. ~~Conditional Limit in NYMEX Last Day Financial Natural Gas Contracts~~ Violations

~~The Market Regulation Department may grant a Conditional limit in Last Day Financial Natural Gas contracts of up to the equivalent of five thousand (5,000) NYMEX Physical Natural Gas Contracts (NG) during the period that position limits are applicable. Any participant seeking such exemption must agree: (1) not to hold a position in the NG contract during the last three days of trading; (2) provide the Exchange information on the complete book of all positions related to the Henry Hub; and (3) any other information /documentation required by the Exchange~~

~~**559.G. Violations**~~

Violations of position limits and approved exemption limits are subject to the provisions of Rule 562.