



May 15, 2008

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 Notice RA0810-
CME & CBOT Submission No. 08-87



OFFICE OF THE SECRETARIAT

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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 Commission that the Exchanges will issue the following Market Regulation Advisory Notice on May 16, 2008: CME & CBOT RA0810-3 ("Identification and Registration of Globex Operator IDs (Tag 50 IDs). A copy of this Notice is attached.

CME and CBOT certify that this Notice neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder.

If you have any questions regarding this matter, please contact James Moran, Director, Market Regulation Department, at 312.930.8520, Lou Abarcar, Associate Director, Market Regulation, at 312.648.3623 or me at 312.648.5422.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

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MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	Identification and Registration of Globex Operator IDs (Tag 50 IDs)
Rule References	Rule 576
Advisory Date	May 16, 2008
Advisory Number	CME & CBOT – RA0810-3

CME and CBOT Rule 576 (“Identification of Globex Terminal Operators”) require that each Globex operator be identified to the Exchange by the submission of a unique operator ID, also referred to as the “Tag 50 ID.” Additionally, in certain circumstances detailed in this Advisory Notice, the Tag 50 ID is required to be registered with the Exchange in the Exchange Fee System (“Fee System”) for both CME and CBOT activity. It is also the responsibility of the clearing member to ensure that such Tag 50 IDs are properly registered and kept updated within the Fee System. Rule 576 is set forth below and an FAQ regarding the use of Tag 50 IDs in connection with Automated Trading Systems (“ATs”) begins on page 4.

576. IDENTIFICATION OF GLOBEX TERMINAL OPERATORS

Each Globex terminal operator shall be identified to the Exchange, in the manner prescribed by the Exchange, and shall be subject to Exchange rules. If user IDs are required to be registered with the Exchange, it is the duty of the clearing member to ensure that registration is current and accurate at all times. Each individual must use a unique user ID to access Globex. In no event may a person enter an order or permit the entry of an order by an individual using a user ID other than the individual's own unique user ID.

Operator Identification for Manual Traders

EOS Trader and Galax-C Tag 50 IDs are issued by the Globex Control Center (“GCC”) upon submission of a signed request by a clearing member. iLink Tag 50 IDs are issued by the clearing member, the clearing member’s Independent Software Vendor or the clearing member’s client. Clearing members are responsible for ensuring that each iLink Tag 50 ID is unique at the clearing firm level, is no more than 18 bytes (characters), and that the Tag 50 ID is properly submitted with each order message.

Upon request by the Market Regulation Department (“Market Regulation”), a clearing member must be able to identify the person assigned to a particular Tag 50 ID. Clearing members must maintain historical records identifying each Tag 50 ID for five years.

A person who manually enters Globex orders should have a single Tag 50 ID for orders entered through a particular front-end system.

Each individual operator is required to enter orders using his own Tag 50 ID and may not under any circumstances permit another person to enter orders under his ID.

Operator Identification for Automated Trading Systems

An Automated Trading System, or ATS, is a system that automates the generation and routing of orders to Globex. The individual who administers and/or monitors the ATS is considered to be the ATS operator. The person in this role typically initiates or disables particular algorithms or strategies, adjusts the parameters of the automated program(s), or monitors the live trading of the ATS. All ATS orders must be submitted with a Tag 50 ID that identifies the person who operates, administers and/or monitors the ATS.

If there are multiple individuals who *simultaneously* work together to operate the ATS, they may qualify to be an “ATS Team” and assigned a single Tag 50 ID that represents all of individuals on the team. For example, a firm may have one person who adjusts pricing parameters, but others who continuously monitor positions or risk or adjust trading size parameters. In these situations, the individuals on the ATS Team may use a single Tag 50 ID. If registration of the Tag 50 ID is required, the individuals who comprise the ATS Team must be registered as discussed in the section on Registration Requirements.

A single Tag 50 ID may be used to represent multiple operators only in true ATS Team situations. Entities may not bundle all their ATS operators under one Tag 50 ID if certain operators are primarily responsible for different ATSS or for the same ATS on different shifts.

If an ATS operator or an ATS Team is responsible for multiple trading models, algorithms, programs, or systems which trade the same product, and which potentially could trade opposite one another, then each model, algorithm, program, or system must be assigned a unique Tag 50 ID.

Exception for Manual Traders Who Use Automated Spreading Functionality

If a trader primarily enters orders manually, but also uses automated spreading functionality, a separate Tag 50 ID is not required for the automated spreading activity as long as the use of the spreading functionality is primarily to augment manual trading. However, if the automated spreading functionality is the primary source of order entry then a separate Tag 50 ID must be assigned to distinguish the automated orders from the manual orders.

Required Registration of Tag 50 IDs

Registration of Tag 50 IDs is required for individual members, employees of a member, employees or contractors of a clearing or corporate member and any other party receiving preferential fees in accordance with programs offered by CME or CBOT. Additionally, irrespective of whether a party is eligible for preferential fees, Market Regulation or the GCC reserve the right to require the registration of any market participant. Such registration is typically required when the participant generates significant messaging traffic.

For the Chicago Mercantile Exchange Inc., the categories requiring registration include CME Clearing Members, CME Corporate Equity Members, CME Rule 106.H. (“Trading Member Firm”) members, CME Rule 106.I. (“Affiliate Member Firm”) members, CME Rule 106.R. (“Electronic Corporate Member Firm”) members, CME Rule 106.S. (“Family of Funds Member Firm”) members, Asian Incentive Program (“AIP”) participants, Emerging Market Partner

Program (“EMPP”) participants, European Incentive Program (“EIP”) participants, eFX Bank Incentive Program (“BIP”) participants, CTA/Hedge Fund Pilot Program participants, and the New Trader Program.

For the Chicago Board of Trade Inc., the categories requiring registration include CBOT Clearing FCMs, CBOT Clearing Closely Held Corporate Members, CBOT Clearing Corporate Members, CBOT Sole Proprietor Clearing Members, CBOT Rule 106.H. (“Trading Member Firm”) members, including Corporate Trading Firms and Trading FCMs, CBOT Rule 106.I. (“Affiliate Member Firm”) members, CBOT Rule 106.J. (“Equity Member Firm”) members, including Equity Closely Held Corporate Member Firms, CBOT Equity Corporate Member Firms and Equity FCMs, CBOT Rule 106.R. (“Electronic Corporate Member Firm”) members, and CBOT Rule 106.S. (“Family of Funds Member Firm”) members, including Family of Funds Equity Member Firms and Family of Funds Trading Member Firms,

When registering the Tag 50 ID for an ATS in the Fee System, there will be an ATS indicator on the fee registration screen that must be selected to identify that the Tag 50 ID represents an ATS. Each ATS operator must provide accurate and up-to-date Tag 50 ID information to his clearing member in accordance with the requirements described above. The Tag 50 ID that is registered in the Fee System must exactly match the Tag 50 ID that is submitted on CME Globex orders entered through iLink connections.

Clearing members must ensure that all Tag 50 IDs, including ATS Tag 50 IDs, which require registration are appropriately and accurately registered in the Fee System and must promptly make any necessary updates to Tag 50 ID registrations. Failure to transmit Tag 50 IDs to Globex in accordance with this Advisory may result in disciplinary action and may also result in a reassessment of fees.

For ATS Team registrations, the Fee System allows for the input of the relevant individual registration information for each team member and also requires designation of each team member’s role. The available roles include Desk Manager/Head Trader, Trader, Risk Monitor, Trading Monitor and “Other.” If there are changes to the composition of the Team, it is the responsibility of the trading entity and the clearing member to ensure that those changes are promptly and accurately reflected in the Fee System.

The Fee System also supports the registration of persons who are not otherwise required to register if the person elects to register in the Fee System.

Frequently Asked Questions

ATS Identification, Registration and Messaging

General Information

1. What is an Automated Trading System (“ATS”)?

An ATS is a system that automates the generation and routing of orders to Globex. This type of system is often referred to as a “black box.”

2. Do CME and CBOT require a Tag 50 ID to be submitted for each ATS order?

Yes, each ATS order must be submitted with a unique Tag 50 ID that identifies the person or persons who operate and/or administer the ATS. Further, if the operator(s) is responsible for multiple trading models, algorithms, programs, or systems which trade the same product, and which potentially could trade opposite one another, then each model, algorithm, program or system must be assigned a unique Tag 50 ID.

3. How do I identify Tag 50 IDs when more than one individual is administering or monitoring the operation of the ATS at the same time?

When two or more people work together simultaneously to operate an ATS, those individuals must use an ATS Team identifier. All individuals associated with the Team must be accurately registered in the Fee System when such registration is required. The Exchange recognizes that ATSs are still developing and that there are different models for administering these systems. If you believe that your method of administering your ATS is unique and may not fit the requirements set forth in this Advisory and FAQ, please contact Market Regulation. Market Regulation may allow for some flexibility if an arrangement can be reached which meets the needs of your business and appropriately identifies the specific individuals who operate the ATS.

4. If a trader enters manual orders, but also has an ATS, can all of the trader’s orders be entered under a single Tag 50 ID?

No, there should be separate Tag 50 IDs for the manual orders and for the ATS orders. There is one exception as detailed in question #5 below.

5. Under what circumstances may a trader use a single Tag 50 ID for the entry of both manual and automated orders?

Many front-end trading systems supply automated spread functionality which gives traders the ability to automate spread strategies. CME does not require a separate Tag 50 ID for this activity as long as the use of the spreading software is primarily to augment manual trading. However, if the automated spreading functionality is or becomes the primary source of order entry, then separate Tag 50 IDs must be assigned to distinguish the automated orders from the manual orders.

6. Does the Tag 50 ID need to be unique to the clearing firm?

Yes. The clearing firm that guarantees the Globex connection must ensure that each Tag 50 ID used through its connection is unique to the individual and clearing firm and is not used by multiple parties at the firm. Additionally, Tag 50 IDs are not case sensitive and clearing members must therefore ensure that uniqueness is achieved by means

ATS Registration

13. When do CME and CBOT require registration of Tag 50 IDs for ATSSs?

CME and CBOT require that all ATS Tag 50 IDs be registered in the Fee System if they are individual members or employees or contractors of a member, clearing member or corporate member, or in any other preferential fee programs offered by CME or CBOT. As a rule of thumb, if a person is an individual member or an employee or independent contractor of an entity that will receive member or other preferential fees, the person will be in a category for which Fee System registration of the Tag 50 ID is required. Market Regulation or the GCC may also require ATS systems to register, even if registration is not otherwise required.

To register the ATS operator, clearing members must select the corresponding ATS attribute on the Fee System's Globex Registration screen. A separate Tag 50 ID must be registered for each different model, algorithm, program, or system.

14. If the ATS is operated by a person who is *not* eligible for preferential fees, does the Tag 50 ID of the ATS operator still need to be registered with the Exchange?

CME and CBOT do not generally require the registration of ATS Tag 50 IDs for individuals or entities which are not members, employees or contractors of members, or in other preferential fee programs. However, as noted above, CME and CBOT reserve the right to require the registration of ATS operators and commonly do so if the ATS generates a large amount of messaging traffic.

The Fee System supports the registration of persons not otherwise required to be registered if the individual or entity wishes to register.

15. How do I register the Tag 50 ID of the ATS operator?

The clearing member is responsible for registering the ATS Tag 50 IDs in the Fee System for both CME and CBOT activity. Each entity must provide accurate and up-to-date information to their clearing firm to allow for accurate entry of the information in the Fee System. All changes in personnel or entity structure that impact fee registration will require prompt updates to registration in the Fee System.

16. What information is required when registering a Tag 50 ID?

The person's name, date of birth, country of primary address, email address and last 4 characters of the person's tax ID or equivalent unique identification number from the person's country of origin. If the registration is for an ATS or ATS Team, the appropriate indicators must be selected in the Fee System. Also, if the individual is a member or is in a special fee incentive program, the appropriate classifications will need to be selected in order to successfully register the Tag 50 ID in the Fee System.

17. If a Tag 50 ID of an ATS operator is currently registered, but is not identified as an ATS, do I need to re-register or edit the Tag 50 ID registration?

Yes. Clearing members must verify that all Tag 50 IDs are appropriately and correctly registered. Incorrect Tag 50 ID data may result in disciplinary action and may also result in the reassessment of trading fees.

ATS Messaging

18. How do CME and CBOT monitor, measure, and control the amount of messaging submitted to Globex?

CME Group has a messaging policy that is administered at the clearing member level. The policy measures message quality and liquidity provided by calculating a “volume ratio.” When the volume ratio exceeds a specified threshold, the firm is issued a surcharge.

Clearing members are issued reports which show the specific users and accounts which caused the messaging surcharges and will generally pass those surcharges on to the specific client.

More detailed information on the messaging policy can be found on the CME Group web site at <http://www.cmegroup.com/globex/resources/cme-globex-messaging-policy.html>

19. How does the messaging policy apply to ATSS?

ATSS are treated like any other market participant and are subject to the messaging policy that applies to all message flow other than that of registered market makers who may be subject to different volume ratio benchmarks.

20. Who do I call for more information on the Messaging Policy?

Please contact Globex Account Management at GlobexAccountManagement@cmegroup.com, or 312.634.8700, or at 44-207-623-2550 in Europe.

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

Lou Abarcar	312.648.3623
Terrence Quinn	312.435.3753
Bruce Dickman	312.930.2349
Nitu Khanna	312.930.4571
James Moran	312.930.8520

Fee-related questions should be directed to the Fee System Hotline at 312.648.5470 or via email at efsadmin@cmegroup.com.