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OFFICE OF THE SECRETARIAT  
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August 27, 2009

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

**RE: Revised CME Group Market Regulation Advisory Notice RA0903-5  
New CME Group Market Regulation Advisory Notice RA0906-5  
CME/CBOT/NYMEX Submission No. 09-181**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT") and The New York Mercantile Exchange, Inc. ("NYMEX") (collectively, "the Exchanges") hereby notify the Commodity Futures Trading Commission that they will issue revised CME Group Market Regulation Advisory Notice RA0903-5 on August 28, 2009, concerning the requirements for engaging in pre-execution communications with respect to Globex trades and new CME Group Market Regulation Advisory Notice RA0906-5 concerning the post close session. Revised RA0903-5 details the upcoming change to the requirements for such trades in NYMEX and COMEX options products based on the harmonization of NYMEX and COMEX trade practice rules with those of CME and CBOT which will take place on September 14, 2009. New CME Group Market Regulation Advisory Notice RA0906-5 details the upcoming changes to Rule 550 ("Post Close Session") and incorporates a Frequently Asked Questions section on the rule. Additional information on the changes to the trade practice rules is included in prior NYMEX Submission No. 09-169 and CME/CBOT Submission No. 09-151, both from August 21, 2009.

A copy of the Advisory Notices is included with 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/NYMEX Submission No. 09-181 in any related correspondence.

Sincerely,

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

## MARKET REGULATION ADVISORY NOTICE

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<b>Exchange</b>	<b>CME, CBOT, NYMEX &amp; COMEX</b>
<b>Subject</b>	<b>Pre-Execution Communications</b>
<b>Rule References</b>	<b>Rule 539</b>
<b>Advisory Date</b>	<b>August 28, 2009</b>
<b>Advisory Number</b>	<b>CME Group RA0903-5 (Revised)</b>
<b>Effective Date</b>	<b>September 14, 2009</b>

This Advisory Notice is being reissued to provide the new effective date of **September 14, 2009**, for adoption of new NYMEX Rule 539 ("Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited").

This Advisory Notice supersedes CME & CBOT Market Regulation Advisory Notice RA0907-3 from June 30, 2009. It is being reissued in connection with the harmonization, to the extent practicable, of NYMEX and COMEX trade practice rules with the rules of CME and CBOT. As of September 14, 2009, former NYMEX Rule 11G.539 ("Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited") will become Rule 539 and will be completely harmonized with CME Rule 539. As a result of the harmonization, on September 14, 2009, NYMEX and COMEX will adopt a change with respect to the requirements for engaging in pre-execution communications concerning options trades on CME Globex ("Globex") as set forth in more detail below. Prior to September 14, existing NYMEX Rule 11G.539 will remain in effect.

### Prohibition on Pre-Execution Communications Concerning Pit Trades

**CME, CBOT, NYMEX and COMEX expressly prohibit pre-execution communications in connection with pit transactions executed on the trading floor.**

### Pre-Execution Communications Concerning Futures Trades on Globex

Pre-execution communications are **permitted** in all CME, NYMEX and COMEX futures products traded on Globex. Such communications, however, remain **prohibited** with respect to all CBOT futures products traded on Globex.

For transactions in CME, NYMEX and COMEX futures products traded on Globex which involve pre-execution communications, the order of the party who initiated the pre-execution communication must be the first order entered into Globex. At least 5 seconds must elapse after the entry of the first order before the opposing order can be entered. No Request for Quote ("RFQ") or Request for Cross ("RFC") is required.

### Pre-Execution Communications Concerning Options Trades on Globex

Pre-execution communications are **permitted** in all CME, NYMEX and COMEX options products traded on Globex and are **permitted** in CBOT Interest Rate, Ethanol and Dow options traded on Globex. Such communications remain **prohibited** with respect to all CBOT agricultural options traded on CME Globex.

With respect to electronic trading of all CME, NYMEX and COMEX options and CBOT Interest Rate, Ethanol and Dow options (including allowable options spreads and combinations and options/futures spreads), pre-execution communications must be preceded by the entry of a Request for **Quote** ("RFQ"). Subsequent to the entry of the RFQ, any trade intended for execution pursuant to a pre-execution

communication requires the entry of an additional RFQ followed by the entry of a Request for **Cross** ("RFC") order, an order which contains both the buy and sell orders.

With the exception of CME and CBOT equity options, the RFC order must be entered no less than 15 seconds and no more than 30 seconds after the entry of the additional RFQ. In CME and CBOT equity options, the RFC order must be entered no less than 5 seconds and no more than 30 seconds after the entry of the additional RFQ.

The RFQs and the RFC must be entered within the same trading session and failure to enter the RFC order within the applicable time parameters will require a new RFQ to be entered prior to the entry of the RFC order. In all cases, the entry of the RFC order must comply with the applicable time parameters set forth in Rule 539.

Numerous Independent Software Vendors support the RFQ and RFC functionality. For market participants using the Exchange-provided CME EOS Trader application, functionality built in to the application will prevent the entry of the RFC message if it is entered outside of the allowable time periods for the entry of such messages. For example, with respect to an RFC in Eurodollar options, the system will preclude the entry of the RFC message if it is entered less than 15 seconds or more than 30 seconds after the entry of the second RFQ. This functionality was added to facilitate compliance with the relevant entry time requirements. The requirements detailed above ensure transparency and competitive execution by requiring solicitation of interest from all market participants via an RFQ prior to submission of the cross request.

Further information on the requirements with respect to engaging in pre-execution communications with respect to Globex trades appears in Sections 1-4.

Questions and answers-regarding prohibited pre-execution communications in CBOT futures and CBOT agricultural options appear in Section 5.

The text of CME, NYMEX and COMEX Rule 539 appears on page 8 and the text of CBOT Rule 539 appears on page 9 of this Advisory Notice.

In products where pre-execution communications are allowed, such communications may occur only when the party for whose benefit the trade is being made has previously consented to such communications. **Additionally, parties who have been involved in a pre-execution communication may not disclose the details of that communication to other parties, nor may a party place any order to take advantage of the information conveyed in such communications except to facilitate the trade in accordance with the rule.**

**1. Requirements for Pre-Execution Communications in CME, NYMEX and COMEX Options and CBOT Interest Rate, Ethanol and Dow Options Trading on CME Globex**

- a) **Prior** to engaging in pre-execution communications involving CME, NYMEX and COMEX options and CBOT interest rate, Ethanol and Dow options (or any spread or combination involving such options), the market participant must submit a Request for Quote ("RFQ").
- b) Subsequent to submitting the RFQ and engaging in pre-execution communications, a trade to be executed pursuant to such communications requires the market participant to issue an additional RFQ.
- c) Subsequent to submitting the additional RFQ, a trade to be executed pursuant to pre-execution communications **must** be initiated by the entry of an RFC order, a submission which includes both the buy and sell orders; in all options other than CME and CBOT Equity options, the RFC order **must** be initiated no less than 15 seconds and no more than 30 seconds after issuing the additional RFQ. In CME and CBOT Equity options, the RFC order must be entered no less than 5 seconds and no more than 30 seconds after issuing the additional RFQ. The RFC matching algorithm is summarized in Section 2. below.

- d) If an RFC order is not entered within 30 seconds after the additional RFQ, any subsequent trade to be executed pursuant to pre-execution communications must be preceded by the entry of a new RFQ and, thereafter, the RFC order must be entered in accordance with the time parameters set forth in c) above.

## **2. RFC Matching Algorithm**

- a) **The RFC price improves both the best bid and best offer in the order book or there is no bid/offer in the order book.**

If the RFC price improves both the best bid and best offer in the order book or if there is no bid/offer in the order book, 100% of the RFC quantity will match at the RFC price immediately upon submission of the RFC.

- b) **The RFC price matches or is outside the best bid or best offer in the order book.**
- If the RFC price matches or is outside the best bid or offer in the market, the applicable side of the RFC order will immediately match against the orders in the market at a price better than or equal to the RFC price. The balance of the RFC will be matched as follows:

### **All Options Other than CME and CBOT Equity Options**

- Immediately thereafter, 60% of the smaller quantity remaining on one side of the RFC will match against the order on the opposite side of the RFC at the RFC price;
- Any remaining unmatched portion on the RFC will then be available for matching against other incoming orders for five (5) seconds;
- Any match-eligible quantity remaining on the RFC will then match at the RFC price;
- Any unmatched balance on one side of the RFC will either be cancelled or remain in the order book depending on the instructions submitted with the RFC.

### **CME and CBOT Equity Options**

- Immediately thereafter, 100% of the smaller quantity remaining on one side of the RFC will match against the order on the opposite side of the RFC at the RFC price;
- Any unmatched balanced on one side of the RFC will either be cancelled or remain in the order book depending on the instructions submitted with the RFC.

## **3. Questions and Answers Regarding Pre-Execution Communication Requirements in Options Executed on CME Globex**

- a) Is a client's consent to pre-execution communications necessary?  
Yes.

- b) May the parties involved in pre-execution communications disclose the details of those communications to other parties?  
No.
- c) If a party has participated in a pre-execution communication where non-public information has been disclosed about an order or a potential order and the party does not agree to take the other side of the trade, may the party subsequently enter an order into the market to take advantage of the non-public information?  
No.
- d) Is an RFQ required to be submitted prior to engaging in pre-execution communications?  
Yes.
- e) Is the RFQ referenced in d) above required if the system is showing current bids and/or offers in the contract(s) that will be the subject of a pre-execution communication?  
Yes.
- f) After the first RFQ is submitted and a pre-execution communication has taken place, is an additional RFQ required to be submitted prior to entering a Request for Cross ("RFC") in order to proceed with the transaction?  
Yes.
- g) In all options other than equity options, must the RFC be entered no less than 15 seconds and no more than 30 seconds after issuing the additional RFQ?  
Yes.
- h) In CME and CBOT equity options, must the RFC be entered no less than 5 seconds and no more than 30 seconds after issuing the additional RFQ?  
Yes.
- i) Are the quantity and price of the orders on the RFC displayed to the marketplace upon submission of the RFC?  
No.
- j) Must both RFQs and the RFC be entered within the same trading session?  
Yes.
- k) If the RFC is not entered within the time parameters set forth in g) and h) above after issuing the additional RFQ, is a new RFQ required to be issued prior to entering the RFC?  
Yes.
- l) May an RFC ever be entered outside the time parameters set forth in g) and h) above after entry of the required RFQ?  
No.
- m) If a call is made to solicit the improvement of a CBOT Interest Rate, Ethanol or Dow options or any CME, NYMEX or COMEX options market posted on CME Globex, must an RFQ be entered

prior to making the call regardless of whether the parties discuss price, quantity or the side of market with respect to any potential trade?

Yes.

- n) If the call described in m) above results in the parties agreeing to trade opposite each other, must the requirements of f) and, depending on the option product, g) or h) be followed in order to proceed with the trade?

Yes.

**4. Questions and Answers Regarding Pre-Execution Communication Requirements in CME Futures Products Executed on CME Globex**

- a) Is a client's consent to pre-execution communications necessary?

Yes.

- b) May the parties involved in pre-execution communications disclose the details of those communications to other parties?

No.

- c) If a party has participated in a pre-execution communication where non-public information has been disclosed about an order or a potential order and the party does not agree to take the other side of the trade, may the party subsequently enter an order into the market to take advantage of the non-public information?

No.

- d) Is an RFQ required to be issued prior to engaging in pre-execution communications?

No.

- e) If pre-execution communications have occurred, must the order of the initiator of the pre-execution communication be entered prior to the entry of the opposing order?

Yes.

- f) Must a minimum of 5 seconds elapse after the entry of the first order before the entry of the second order?

Yes.

- g) Is the entry of an RFC required?

No.

**5. Questions and Answers Regarding Prohibited Pre-Execution Communications in CBOT Futures Products and CBOT Agricultural Options Products Trading on CME Globex**

- a) What is a pre-execution communication?

Pre-execution communications are communications between market participants for the purpose of discerning interest in the execution of a transaction prior to the exposure of the order to the market. Pre-execution communications involving CBOT products are prohibited at all times with respect to transactions executed in either the open outcry or electronic venue, with the exception of CBOT interest rate, Ethanol and Dow options executed on CME Globex which must be

executed in accordance with CBOT Rule 539.C. ("Pre-Execution Communications Regarding Globex Trades in Interest Rate Options"). The prohibition does not apply to privately negotiated transactions executed outside of the central market (i.e. EFP, EFR and Block trades).

- b) If a customer has an interest in a particular transaction and requests a market, how can the salesperson obtain a market for the customer?

In the open outcry venue, a market would be requested from the trading pit. In the electronic venue, the salesperson identifies the bid/offer and depth of market posted on CME Globex. If the posted bid/offer is deemed too wide or insufficiently deep, it is recommended that a Request for Quote ("RFQ") be submitted. This action will typically generate additional interest and, in the case of products supported by a market-maker program, market makers are obliged to respond to a specified percentage of RFQs.

- c) What if an RFQ is submitted and there is no response or an inadequate response in terms of the tightness or depth of the market?

In this circumstance, another RFQ should be submitted. With an active RFQ, it is also permissible to contact potential counterparties (i.e. market makers), alert them to the RFQ and ask them to submit a market or to tighten/deepen the existing market. An RFQ is considered active for 60 seconds following submission. To ensure that such communications do not become prohibited pre-execution communications, only the information disclosed via the RFQ may be disclosed in such communications.

- d) If an order has been submitted on CME Globex, are there any restrictions on communicating with potential counterparties?

With a resting order exposed on CME Globex, it is permissible to contact potential counterparties to solicit interest in trading against the order. In any such communications, no non-public information (i.e. information not represented in the terms of the order exposed to the market) may be disclosed. For example, if the represented offer is for 250 contracts, it would be a violation of the rules to disclose that there are an additional 500 contracts to sell because that information has not been disclosed to the market.

- e) Is it permissible to contact other market participants to obtain general market color?

Communications to obtain general market color are permissible provided there is no express or obviously implied arrangement to execute a specified trade and no non-public information is communicated regarding an order.

- f) How should an order for a spread or combination not supported by CME Globex be handled?

CME Globex supports a wide array of strategies covering most of the spreads and combinations participants commonly trade. There are, however, some types of spreads or combinations that are not supported by CME Globex. Orders for an unsupported spread or combination must be legged on CME Globex or entered in the open outcry venue. RFQs can be submitted for the legs of the strategy to ascertain the levels at which the spread could possibly be legged.

- g) Under what circumstances can orders be crossed on CME Globex?

In accordance with CBOT Rule 533 ("Simultaneous Buy and Sell Orders for Different Beneficial Owners"), *independently initiated* orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay provided that the orders did not involve pre-execution communications and that each of the orders is entered immediately upon receipt.

Opposite orders for different beneficial accounts that are simultaneously placed by a party with discretion over both accounts may be entered provided that one order is exposed on CME Globex for a minimum of 5 seconds in the case of futures orders and a minimum of 15 seconds in the case of orders involving options.

An order allowing for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order entered by the same firm only if the second order has been entered immediately upon receipt and has been exposed on CME Globex for a minimum of 5 seconds for futures orders and a minimum of 15 seconds for orders involving options.

- h) Assuming there have been no pre-execution communications, is it permissible for a firm to knowingly trade for its proprietary account against a customer order entered by the firm?  
Yes, provided that in accordance with CBOT Rule 531 ("Trading Against Customers' Orders Prohibited") the customer order has been entered immediately upon receipt and has first been exposed on CME Globex for a minimum of 5 seconds for futures orders and a minimum of 15 seconds for orders involving options.

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

Kathleen Zaino, Associate Director, 312.435.3577

Nancy Minett, Director, 212.299.2940

Robert Sniegowski, Associate Director, 312.341.5991



## CME & NYMEX Rule 539

### PREARRANGED, PRE-NEGOTIATED AND NONCOMPETITIVE TRADES PROHIBITED

#### 539.A. General Prohibition

No person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any transaction, except in accordance with Sections B. and C. below.

#### 539.B. Exceptions

The foregoing restriction shall not apply to block trades pursuant to Rule 526 or Exchange for Related Positions transactions pursuant to Rule 538.

#### 539.C. Pre-Execution Communications Regarding Globex Trades

Parties may engage in pre-execution communications with regard to transactions executed on the Globex platform where one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the order under the following circumstances:

1. A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.
2. Parties to pre-execution communications shall not (i) disclose to a non-party the details of such communications or (ii) enter an order to take advantage of information conveyed during such communications except in accordance with this rule.
3. In the case of futures orders, the first party's order must be entered into the Globex platform first and the second party's order may not be entered into the Globex platform until a period of 5 seconds has elapsed from the time of entry of the first order.
4. In the case of options orders, a pre-execution communication must be preceded by the submission of a Request for Quote ("RFQ").

Subsequent to such RFQ, a trade intended for execution for which there has been a pre-execution communication requires the entry of an additional RFQ; thereafter, a Request for Cross ("RFC") order which contains both the buy and the sell orders must be entered no less than fifteen (15) seconds and no more than thirty (30) seconds after the entry of the additional RFQ in order to proceed with the trade, except in equity options where the RFC must be entered no less than five (5) seconds and no more than thirty (30) seconds after the entry of the additional RFQ. The RFQs and the RFC order must be entered within the same trading session. Failure to enter the RFC order within 30 seconds after the entry of the additional RFQ will require a new RFQ to be entered prior to the entry of the RFC order, which must be entered in accordance with the time parameters described above in order to proceed with the trade.

## CBOT Rule 539

### PREARRANGED, PRE-NEGOTIATED AND NONCOMPETITIVE TRADES PROHIBITED

#### 539.A. General Prohibition

No person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any transaction, except in accordance with Sections B. and C. below.

#### 539.B. Exceptions

The foregoing restrictions shall not apply to block trades pursuant to Rule 526 or Exchange for Related Positions transactions pursuant to Rule 538.

#### 539.C. Pre-Execution Communications Regarding Globex Trades in Interest Rate, Ethanol and Dow Options

Parties may engage in pre-execution communications with regard to Interest Rate, Ethanol and Dow options transactions executed on the Globex platform where one party wishes to be assured that a contra party will take the opposite side of the order under the following circumstances:

1. A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.
2. Parties to pre-execution communications shall not (i) disclose to a non-party the details of such communications or (ii) enter an order to take advantage of information conveyed during such communications except in accordance with this rule.
3. Reserved.
4. A pre-execution communication must be preceded by the submission of a Request for Quote ("RFQ"). Subsequent to such RFQ, a trade intended for execution for which there has been a pre-execution communication requires the entry of an additional RFQ; thereafter, a Request for Cross ("RFC") order which contains both the buy and the sell orders must be entered no less than fifteen (15) seconds and no more than thirty (30) seconds after the entry of the additional RFQ in order to proceed with the trade, except in equity options where the RFC must be entered no less than five (5) seconds and no more than thirty (30) seconds after the additional RFQ. The RFQs and the RFC order must be entered within the same trading session. Failure to enter the RFC order within 30 seconds after the entry of the additional RFQ will require a new RFQ to be entered prior to the entry of the RFC order, which must be entered in accordance with the time parameters described above in order to proceed with the trade.

## MARKET REGULATION ADVISORY NOTICE

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<b>Exchange</b>	<b>CME, CBOT, NYMEX &amp; COMEX</b>
<b>Subject</b>	<b>Post Close Session</b>
<b>Rule References</b>	<b>Rule 550</b>
<b>Advisory Date</b>	<b>August 28, 2009</b>
<b>Advisory Number</b>	<b>CME Group RA0906-5</b>
<b>Effective Date</b>	<b>September 14, 2009</b>

This Advisory Notice supersedes CME Group Market Regulation Advisory Notice RA0905-5 issued on August 4. It is being issued to provide a Frequently Asked Questions ("FAQ") section with respect to the operation of the revised rule and to notify market participants that the revised rule will become effective on **Monday, September 14, 2009**. As of that date, CME, CBOT, NYMEX and COMEX will have completely harmonized rule language with respect to Rule 550. The complete text of revised Rule 550 appears below. The FAQ begins on page 2 of this Advisory Notice.

### **Rule 550. POST CLOSE SESSION**

As soon as practicable, trading may resume for a period of three minutes after the close of Regular Trading Hours for pit traded futures and designated options contracts. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. The post close session for related products shall commence simultaneously.

During the post close session, members are obligated to bid or offer any orders that were received prior to or after the close which are executable in the post close session.

Outright futures and options trades during the post close session may occur at any price, provided such price is within the daily limits for contracts with daily price limits.

Spreads or combination transactions during the post close session may occur at any price, provided that both legs are priced within the daily price limits for contracts with price limits.

The prices at which trades occur during the post close session may establish a new high or low in the outright contract month or spread or combination.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post close session.

**Frequently Asked Questions**  
**Post Close Session**

**1. How long is the post close session?**

The post close session will last for three minutes.

**2. Is there a post close session in electronic trading?**

No. The post close session occurs only in designated pit-traded futures and options contracts.

**3. Which futures and options contracts have a post close session?**

The following pit-traded products have a post close session:

CBOT – All futures contracts, with the exception of CBOT Mini-sized agricultural futures, have a post close session. All agricultural options contracts also have a post close session, except on the last day of trading in the expiring option.

CME – All futures contracts have a post close session.

NYMEX and COMEX – All futures and options contracts have a post close session.

**4. What time does the post close session begin?**

The post close session will begin as soon as practicable after the close of Regular Trading Hours for the particular product. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. Trading Floor Operations staff, in consultation with the Pit Committee, will determine when a pit is prepared to begin the post close session and will communicate the starting time of the post close session to the pit.

The post close session for a CBOT agricultural option contract will begin at the same time as the underlying futures contract. The post close session for Soybean, Soybean Oil and Soybean Meal futures will begin at the same time along with their corresponding options.

The post close session for each NYMEX and COMEX options contracts will begin at the same time as the underlying futures contract. The post close session for New York Harbor Gasoline Blendstock (RBOB), New York Harbor No. 2. Heating Oil and Light, Sweet Crude Oil futures will begin at the same time along with their corresponding options.

**5. For those futures and options contracts which have a post close session, what may be traded during the session?**

All listed futures and options contracts and all spreads and combinations are eligible to be traded during the post close session. Listed contracts which have not traded during the session or have not previously opened are eligible to be traded during the post close session.

**6. What prices are eligible to be traded during the post close session?**

Except as noted in question 7 below, outright futures and options trades during the post close session may be executed at any price, provided that the price is within the daily limits for contracts with daily price limits. Spreads and combinations may be transacted at any price, provided that both legs of the spread are priced within the daily price limits for contracts with price limits. For contracts with variable price limits, the price limits in effect

during the Regular Trading Hours session will apply to trading during that day's post close session.

**7. How do the equity index price limits apply to the prices at which equity index futures may be traded during the post close session?**

Trades in equity index futures during the post close session will be subject to a 5 percent upside and downside price limit based on that day's settlement price, provided, however, that the downside limit may not violate the downside daily price limit that was in effect at the time the market closed at 3:15 p.m. Central Time.

The 5 percent upside and downside limit is currently applicable to trading in equity index futures on CME Globex during non-pit trading hours. The application of the 5 percent upside and downside limit during the post close session will ensure that prices traded during the session do not occur at prices which will subsequently be ineligible to trade during the Extended Trading Hours session.

The additional application of the downside price limit in effect at the time the market closes at 3:15 p.m. is necessary to ensure that trading during the post close session does not occur at a price which, if allowed, would violate the existing downside daily price limit applicable to the contract during Regular Trading Hours.

**8. May a price traded during the post close session establish a new high or low in the outright contract month or spread or combination?**

Yes.

**9. Will trade prices during the post close session trigger the increase or decrease in daily price limits for those contracts with variable daily price limits?**

No. The determination of when contracts with variable daily price limits are increased or decreased is based solely on whether certain contract months close at limit bid or limit offer and not on any trading activity which occurs during the post close session.

**10. Are settlement prices derived using prices traded during the post close session?**

No. Activity during the post close session will not have any effect on the determination of settlement prices.

**11. May new orders be entered after the close of Regular Trading Hours for execution during the post close session?**

Yes.

**12. What is a member's obligation with respect to the handling of orders during the post close session?**

A member is obligated to bid or offer any orders which the member has accepted that are executable during the post close session. The member's obligation to exercise due diligence in the handling and execution of customers orders remains unchanged during the post close session.

**13. In those contracts for which CME Globex does not continue trading subsequent to the close of the pit traded market, are orders on CME Globex that were unfilled prior**

**to the Globex close required to be entered for execution during the post close session?**

No. In those contacts for which Globex trading closes prior to the pit's post close session, orders entered for execution on Globex that remain unfilled at the close of the Globex session are not required to be entered for execution during the post close session. Firms and their customers are responsible for determining the venue in which to enter orders and the servicing arrangements associated with the handling of orders.

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

Chicago

Dave Kempes, Associate Director, Trading Floor Operations, 312.341.3107

Robert Sniegowski, Associate Director, Market Regulation, 312.341.5991

New York

Rob Stasi, Associate Director, Trading Floor Operations, 212.299.2067

Nancy Minett, Director, Market Regulation, 212.299.2940