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SPECIAL EXECUTIVE REPORT

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BOARD STEERING COMMITTEE APPROVES MINOR AMENDMENTS TO RULE 194 NEW PRODUCT ACCESS PROGRAM AND INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

On Tuesday, November 4, 2003, the Board Steering Committee approved a minor change to Rule **194 NEW PRODUCT ACCESS PROGRAM** to remove an outdated reference to the trading floor in regard to what clearing fee rates participating members pay for eligible products. Currently, some of the newer eligible products under the New Product Access Program trade exclusively on GLOBEX®. Therefore, participating members pay lessee clearing fee rates for trading and brokering eligible new products on GLOBEX as well as on the trading floor.

The Board Steering Committee also approved a minor change to the **INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS** to add the E-mini™ NASDAQ® Composite to the list of allowable spreads with E-mini NASDAQ-100®, E-mini S&P 500®, E-mini S&P MidCap 400™, E-mini Russell 2000®, S&P SmallCap 600™, Russell 1000®, Financial SPCTR™ and Technology SPCTR. GEM members trading the listed spreads on the trading floor are required to give up the non-GEM eligible leg of the spread to be executed by a division-qualified broker. This interpretation allows them to avoid leaving the trading floor to have the non-GEM eligible leg of the spread executed. In addition, GEM members trading spreads pay lessee clearing fee rates for the GEM eligible leg of the spread (member clearing fee rates for GEM division products) and non-member clearing fee rates for the non-GEM eligible leg of the spread.

Attached are the amendments with additions underlined and deletions bracketed and overstruck.

194. NEW PRODUCT ACCESS PROGRAM

(Previous sections of the rule are unchanged.)

194.F. Clearing Fees

Participating members will pay lessee clearing fee rates for trading and brokering new products [~~on the trading floor~~].

(Remainder of the rule is unchanged.)

INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

(CME Update 96-7, March 25, 1996. Revised June 1997, July 1997, November 2000, November 2001, March 2003.)

Rule 135.A. provides that GEM members may not while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving products within the GEM Division and that GEM members may not solicit business from the floor of the Exchange except for business in products traded in the GEM Division and bona fide spread involving such products.

The only allowable spreads involving non-GEM products that GEM members may enter into or solicit while on the trading floor are listed below:

GSCI	With	Live Cattle and Lean Hogs
Russell 2000	With	S&P 500, S&P Mid-Cap
S&P/Barra Growth and Value	With	S&P 500, S&P Mid-Cap
Live Cattle Serial (Odd) Months	With	Live Cattle Even Months*
CME\$INDEX™	With	Euro FX, Japanese yen, British pound, Swiss franc, Australian dollar, Canadian dollar, Swedish krona
<u>E-Mini NASDAQ Composite</u>	<u>With</u>	<u>E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400, E-Mini Russell 2000, S&P SmallCap 600, Russell 1000, Financial SPCTR, Technology SPCTR</u>

*Provided the GEM member also maintains a Serial Month Live Cattle Permit.

When such spreads are executed on a legged basis, the GEM leg of the spread must always precede the non-GEM leg with the exception of the Live Cattle Serial Months/Live Cattle Even Months spread where either leg may be executed first. Please note that these restrictions do not apply to spreads in which all of the component parts are GEM products.

If you have any questions, please contact Mr. Richard Co, Associate Director, Financial Product Research, at (312) 930-3227, or Ms. Lori Aldinger, Senior Market Analyst, Product Research and Development, at (312) 930-2337.