CME Group Data Licensing Policy Guidelines Non- Display Use

Updated October 2024

CME Group requires that all access to Information is appropriately licensed in accordance with the Information License Agreement ("ILA"). This document is designed to supplement CME Group data policy information for Non-Display Use contained within Schedule 2 to the ILA and the Information Policies.

Please note that this document provides information and guidance specifically for CME Group Information, licensed on a per Designated Contract Market ("DCM") basis under the ILA. Policy guidance for Non-Display Use of Benchmark Information is not included in this document.

Policy Summary

CME Group understands that some customers need to utilize CME Group Information for purposes other than for display purposes. In recognition of this, CME Group has a Non-Display licensing policy covering various Non-Display Use cases.

What is Non-Display

Non-Display Use is non-viewable use of Information, internally within a Licensee's Group, by/in any system, process, program, machine or calculation other than in order to display or distribute Information for display use. Such use may include, but is not limited to, calculation of P&L, portfolio valuation/management, order processing, risk management, trade internalization,, research & analysis, use within Automated/Semi-Automated/Programmatic/Electronic Trading Systems (none or minimal human interaction involved in the order process) and automated order routing.

CME licenses customers for Non-Display Use when they utilize Information to power an Application which conducts one or multiple licensable activities.

CME Group Non-Display licenses are broken down into three categories which broadly seek to encapsulate the use of Information in the following activities:

Category A - Automated Trading Usage - this includes 3 sub-categories of Automated Trading and Semi-Automated Trading that are separately licensed and further described in the table below.

Category B – Internal Order Processing – order internalization systems.

Category C – Other Internal Non-Display Usage - key operational business functions, not captured in Category A or Category B, which may include but is not limited to: risk management, research and analysis, fund administration, portfolio management, and pricing activities.

What is an Automated Trading System?

any system or computer software operated by a Licensee Group entity that generates and/or routes orders electronically with no, or only de minimis, human action involved in generating, sending and/or verifying orders.

Non-Display Use is assessed irrespective of the technology deployed to facilitate it.

What is Semi-Automated Trading Non-Display Use?

CME Group requires licensing for Non-Display Use of Information in Semi-Automated Trading Systems. Any entity that utilizes a Semi-Automated Trading System (direct from CME or indirect via a Data Provider), requires an ILA for Non-Display Use.

Semi-Automated Trading System:is defined as any tool or functionality deployed on a display device by an individual user, which is used to augment manual trading by automating the trading decision process and routing such automated orders.

Licensing Requirements

All Non-Display Use must be licensed directly with CME Group. This includes use of Information in Semi-Automated Trading Systems provided by ISVs.

•   ISVs who provide Semi-Automated Trading Systems should have their Services licensed and identified with CME Group on their Schedule 5. There are no direct fees for the ISV, but as with any provision of data, there are Subscriber Agreement requirements, as well as notification requirements to customers who utilize Semi-Automated Trading Systems. The Subscriber Addendum incorporates the requirement to license directly with CME for Semi-Automated Trading Systems. All Subscribers are expected to be licensed with CME Group before they make use of Semi-Automated Trading Systems.

•   Subscriber firms utilizing Information in Semi-Automated Trading System must hold an ILA for Non-Display Use.

Categories of Non-Display License

CATEGORY	DESCRIPTION AND SUB-CATEGORIES (IF APPLICABLE)
CATEGORY A	Automated use of Information to trade (either directly onto Globex or via an intermediary). The use of an execution management system/order management system to facilitate Category A activities is permitted under a Category A license. **A-1:** Trading as a principal (use of Information to trade as a principal on a CME Group exchange i.e. trading on your firm's behalf/for your own book) **A-2:** Facilitating client business (use of Information to facilitate client business on a CME Group exchange, trading on a client's behalf) **A-3:** Trading on alternative venues (use of Information to trade on platforms/execution venues other than a CME Group exchange, either trading as a principal or facilitating client business e.g. an automated process for the handling of orders across multiple trading venues). Category A includes both automated trading systems and semi-automated trading systems; **Automated Trading System:** Any system or computer software operated by a Licensee Group entity that generates and/or routes orders electronically with no, or only de minimis, human action involved in generating, sending and/or verifying orders. **Semi-Automated Trading System:** Any tool or functionality deployed on a display device, by an individual user, which is used to augment manual trading by automating the trading decision process and routing such automated orders. Examples of Semi-Automated Trading systems include autospreader and auto-trading functionality that can be launched by an individual through a display device/manual interface.
CATEGORY B	**Internal Order Processing is** the use of Information by any electronic systems or computer software to monitor order flow in the Licensee's business for the purpose of determining whether to internalize orders, in whole or in part. Internal Order Processing, where permitted, is the whole or partial matching of orders by the Licensee Group, that obviates the need for the Licensee Group to route such orders to a trading venue (i.e. registered exchange, CFD platform, SEF etc.) Often, Internalization occurs when brokers execute their own client buy orders against their own client sell orders, representing both sides of a trade and without routing them to central markets.
CATEGORY C	Use of Information to conduct key operational business functions. **C-1: Risk Management** (P&L monitoring, position keeping/hedging, portfolio alerts) **C-2: Research and Analysis** (fundamental/technical/quantitative analysis, trading strategy development, signal processing, time series/VAR analysis) **C-3: Administration of Licensee Group's own funds** (calculation of fund performance, maintenance/filing of fund's financial books/records, NAV calculation) **C-4: Portfolio Management** (delivery of updated prices/market info to allow for trade orders/executions/ calculation of the overall portfolio value, calculation of total returns and other performance measures) **C-5: Other usage** (to be approved by CME Group in writing)

* Descriptions/examples provided above are not exhaustive. If there is any doubt as to which Category of use most suitably describes your firm's specific Non-Display use, please contact us in the first instance to discuss.

Fees for Non-Display Use of Information are based on both the category of usage (A1, A2, A3, B, C1-C5) and the total number of Applications deployed within each Category. This model offers flexibility and scalability for clients.

Non-Display Application is defined as a system or computer software that uses Information for Non-Display Use. Customers are required to declare their Services with CME when licensing. All Non-Display Services are considered Applications. Customers that use only semi-automated trading functionality will be charged Basic fees.

Use of Information in any number of Semi-Automated Trading Systems is counted as one (1) Application for purposes of determining fees.

CATEGORY	UNIT OF COUNT		
	BASIC	PREMIUM	ENTERPRISE
CATEGORY A1 FEES ARE TIERED	1 Application (or Semi-Automated Trading Only)	Up to 3 Applications	4+ Applications
CATEGORY A2 FEES ARE TIERED			
CATEGORY A3 FEES ARE TIERED			
CATEGORY A MAXIMUM Licensees with Categories A1, A2 & A3			
CATEGORY B FEES ARE TIERED			
CATEGORY C FEES ARE TIERED	1 Application		

Non-Display Use FAQ

GENERAL

1. **Which Non-Display license and fee tier applies to my firm?**

   All licensing is based upon usage activities performed by a firm. CME offers an Enterprise Fee for Non-Display on a per Category basis, whereby firms may use the data in an unlimited number of Applications, and there is no reporting obligation to CME for that licensed activity. For firms who do not require this flexibility, CME offers alternative limited-use licenses, whereby firms are required to limit data consumption to a specified number of Applications, and to report details of each Application using the data.

2. **Do different categories of Non-Display license run concurrently?**

   Yes, Non-Display licenses are required for each non- display activity performed, designated by each Category or Sub-Category depending on an individual customer's usage. At the main Category level (A, B, and C) a firm may be required to hold one or more high-level Category, or Sub-Category, licenses simultaneously. To illustrate, a customer firm that is performing automated trading activities to facilitate client business (Category A2) will typically also perform automated Risk Management functions (Category C1). In this case, this single customer firm would be required to hold both the Category A2 and Category C1 Non-Display licenses concurrently for all appropriate DCMs.

3. **Is the overall number of Non-Display Applications relevant to CME Group's Non-Display License policy?**

   Yes, the number of Applications is relevant. It is used to calculate the fees due for Non-Display Use. The license fee applies for each Category according to the total number of Applications performing Non-Display activities within each Category and Sub- Category.

4. **My firm's automated trading Application also has a User Interface within which traders are able to view real-time Information. How should this be licensed and reported?**

   Each activity should be licensed. Non-Display licensing is in addition to (does not include) any number of applicable Devices also displaying Information to application users. Hence a Category A license (per DCM) would be required to solely cover any automated trading activity and additionally CME Group's Unit of Count would be applied to the use and utilized to determine the overall number of Devices (per DCM) that would need to be reported.

5. **My firm has an Automated Trading System (ATS) and consequently holds a Category A license, does my firm have a reporting obligation?**

   Yes, your firm must ensure that all Non-Display Applications are declared and approved by CME Group in order to properly calculate monthly fees. Subsequent reporting is required only when Applications are added or removed

6. **The number of Applications entitled for CME Group Information has changed during a month, what should my firm do?**

Licensees are required to declare all Applications with CME Group. Should your firm add or delete an Application Fees are assessed for a Non-Display Application if it is entitled to CME Group Information within a month. The Non-Display license is predicated on the 'use' of Information.

7. **My firm does not source CME Group Information directly from CME Group but via an authorized Distributor (e.g. via a data feed), does your Non-Display policy apply to me?**

Yes, CME Group's Non-Display policy applies to any firm in receipt of CME Group Information irrespective of data provider.

8. **The CME Group Information my firm uses for Non-Display purposes is delayed by 15 minutes - does my firm need a Non-Display License?**

Yes, Licensees are required to declare all use of Information with CME Group. Non-Display license is required for Applications using Real Time and Delayed Information, all count toward the same tiered fee structure.

9. **I've established that my firm requires a Non-Display license - how do I obtain one?**

Please contact the CME Group Data Sales team at CMEDataSales@cmegroup.com

10. **My firm has a Non-Display license but on a legacy CME Group data agreement? What should my firm do?**

All firms requiring non-display licenses should hold an ILA to ensure their continued adherence to CME Group Information Policies. Please reach out to your Global Account Manager. They will provide additional details on how to migrate to the ILA.

CATEGORIES

11. **If my firm conducts Automated Trading as Principal on one DCM (e.g. NYMEX) using a single Application - what license does my firm require?**

A firm performing automated trading as principal using only NYMEX Information will require a NYMEX Category A1 – Trading as Principal license. Non-Display license fees are charged on a per Designated Contract Market (DCM) basis according to the overall number of Applications utilizing CME Group Information per Non-Display category. The fee for one Application would carry the Basic fee for this license. Automated trading using additional DCMs (CME, CBOT, COMEX) requires additional Category A licensing, as does Automated Trading to facilitate client business and Automated Trading on an Alternative Venue. Please bear in mind that if any other Non-Display activities are also conducted e.g. Risk Management, a Category C license would also be required.

12. **What is the meaning of trade internalization? If my firm uses Information for Risk Management purposes, does my firm need to have a Non-Display Category B license for trade internalization?**

If your firm uses Information strictly for Risk Management purposes – i.e. business processes that do not involve trade execution, your firm does not have to license for Trade Internalization. Trade Internationalization systems include any electronic systems or software that matches orders within an organization and does not otherwise route them to a CME Group exchange.

An example of Trade Internalization is where a proprietary trading firm with multiple traders or algos, each following their/its own strategy, will enter orders for execution but prior to the order being sent to CME Globex, the firm will have a procedure to look at all the order entries and adjust exchange transaction requirements i.e. if Trader A enters a buy of 100 and Trader B enters a sell of 200. The firm will net a buy and sell of 100 and only send the remaining 100 sells to CME Globex.

13. **I use CME's Crypto futures prices to inform my Applications's trading decisions that I make on a cash Crypto trading platform. Do i need a Category A3 license?**

Yes, a Category A3 license is required if you were to use CBOT, CME, COMEX or NYMEX data to inform your Application's trading decision on another futures exchange, equity exchange or OTC trading platform.

14. **I'm not sure whether Category A3 applies to my use of Information. Can you provide an example of when this license is required?**

Category A is formed of three sub-categories. A1 and A2 are licenses that are required for the use of Information in Automated Trading Systems which route orders to CME Globex and A3 is for the use of Information in Automated Trading Systems that may route orders to a non-CME venue. For example, if your Application(s) ingest CME Information to inform orders placed on another exchange or perhaps an OTC platform, you will be required to hold an A3 license. Likewise, if your Application ingests CME Information to assist in market making on another venue or in any liquidity provision activities your firm undertakes on other platforms/environments, then you will be required to hold an A3 license.

15. **My firm has one Application that is an Automated Trading System and also performs Risk Management functions. Why do I need both Category A and Category C licenses?**

Our licensing construct provides flexibility to clients who utilize the Information in various ways. If your firm is utilizing order routing and risk management you will be licensed for both activities.

COUNTING APPLICATIONS AND CALCULATING FEES

16. **My firm has a single Application performing multiple Category C functions across a single DCM (COMEX), which licenses are required?**

Firms are required to declare all Applications as well as each of the applicable Categories and Sub-Categories performed by the Application. For purposes of fees, there is one fee for all Category C functions, so in this instance, the Basic fee tier would apply for the one Application.

17. **My firm uses CME Group Information for both Portfolio Management and Risk Management functions. Does my firm need to hold a Category C license for each function?**

Yes, each Category C use requires a license, however a single Category C license fee covers both functions (and all Sub-Categories under Category C).

18. **My firm has Applications that feed CME Group Information to additional downstream Applications with Non-Display functionality. How should these be counted?**

All Applications that have Non-Display functionality must be included in the Application counts and assessments, including any downstream Application and/or Applications that feed downstream Applications that also have Non-display functionality. For clarity, systems such as entitlement systems will not be considered as a Non-Display Application.

SEMI-AUTOMATED

19. **How do I know if my Non-Display system is actually semi-automated?**

Semi-Automated Non-Display Use is any tool or functionality deployed on a Display Device by an individual user, which is used to augment manual trading by automating the trading decision process and routing such automated orders. Without manual trading activity, Non-Display Use is considered an Automated Trading System.

20. **If my firm uses 2 different distributor Applications to perform Semi-Automated Trading only, will my firm be charged the Basic fee for the two Applications?**

Yes, all use of Information in Semi-Automated Trading Systems is counted as one (1) Application for purposes of determining fees.

21. **My firm is a licensed distributor of CME Group. We provide Information to Subscribers who use Display Devices with automated trading functionality. What action should we take?**

Distributors should inform all Subscriber firms utilizing Display Devices with Non-Display functionality to license directly with CME for that non- display use.

Please provide all Subscribers with the following contact email – CMEDataSales@cmegroup.com

22. **Will my firm be assessed for Semi-Automated Trading use if I am already licensed for Category A (Automated Trading) Non-Display Use?**

Yes, if you are performing both activities. Use of Information in any number of Semi-Automated Trading Systems is counted as one (1) Application for purposes of determining fees.

23. **My firm requires the license for Semi-Automated Trading system use of Information, but does not currently hold an ILA with CME Group directly. Will my access to Information be disrupted while going through the licensing process?**

No. Your firm may continue receiving access, provided that your firm works in good faith to acquire the requisite license under the ILA. Note that Fees for this usage apply from the policy effective date (April 2021).

24. **Who should my firm contact if we have Semi-Automated Trading and require an ILA with CME?**

You may begin the licensing process at cmegroup.com or contact Global Account Management at marketdata@cmegroup.com

25. **My firm already holds A1 Non-Display licenses for our proprietary Application. We also have Semi-Automated Trading in a separate Application. Which fee tier applies to my firm?**

Use of Information in any number of Semi-Automated Trading Systems is counted as one (1) Application for purposes of determining fees. The use of the Information in one Automated Trading System counts as one (1) Application. A total count of two (2) Applications qualifies for the Premium fee tier.

26. **What use of Information DOES NOT require the Semi-Automated Trading System license?**

Use of Information in a display Device which features trade execution/management functionality whereby a natural person entirely defines the total impact of the trade behavior when the trade is entered does not require a Semi-Automated Trading System Use license. Functionality that would not be considered Semi- Automated Trading system usage include stop limit orders, bracket orders, simple iceberg orders.

27. **What use DOES require a Semi-Automated license?**

It is use of data to augment manual trading by automating the trading decision process. Examples of activities that would be considered use in Semi-Automated Trading Systems includes; automated spread execution, auto-quoting, mass quoting, options quoting, options sniping and electronic eye.

28. **I am a Non-Professional Subscriber and I utilize Semi-Automated Trading System. Do I need to license directly with CME for this use?**

No, Non-Professional Subscribers license directly with the vendor for use of Information

29. **How is Semi-Automated Trading use different to an environment where a Non-Display Application is consuming CME data, but also has a GUI, which is monitored by an ATS operator (a natural person)?**

An Automated Trading System is any system or computer software operated by a Licensee Group entity that generates and/or routes orders electronically with no, or only de minimis, human action involved in generating, sending and/or verifying orders.

This includes any messages generated by a computer system or routed using functionality that manages the submission of an order through automated means (e.g. execution algorithm). It is a trading method in which a computer makes decisions and enters orders without human intervention. This is a programmatic way of representing the trader. This type of system requires a Category A Non-Display License.

Any operator/user (the person who is responsible for, and actively monitors the administration and operation of an Automated Trading System (ATS), and who typically initiates or disables particular algorithms or strategies, adjusts the parameters of any automated program(s), and monitors the live trading of the ATS) that also receives Real Time data for display, is also liable for display Device fees.

A Semi-Automated Trading System is any tool or functionality deployed on a display Device, by an individual user, which is used to augment manual trading by automating the trading decision process and routing such automated orders. This type of trading system is not fully automated and still requires some human interaction.

In Semi-Automated Trading Use, by definition the user of the Semi-Automated system is receiving Information on a display Device for purposes of manual trading. Device fees for display use of the Information are applicable. This user also has the ability to submit orders using some basic automation, of those manual decisions, and it does require human interaction. The orders that these users are routing are not from an ATS or execution algorithm. These users are automating trades that they would otherwise have to submit manually.

Multiple Services and Applications can be deployed on one user workstation. This does not alter the counting rules or licensing requirements for Display Devices or Non-Display Applications. Bundled vendor Services may require licenses for Display use and Non-Display use.

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