



Emerging Markets Partnership Program (EMPP) Frequently Asked Questions & Answers August 10th, 2006

1. What is the Emerging Markets Partnership Program (EMPP)

The Emerging Market Partnership Program is an incentive program designed to encourage the development of new traders trading from countries not traditionally or actively involved in global futures markets.

2. What are the benefits offered under EMPP?

a) CME Globex and Clearing Fees

Each EMPP participant will receive Globex and Clearing fee waivers for all electronically traded CME listed products up until the specified threshold.

For any approved trading site, up to 3 million sides traded in aggregate will receive a fee waiver for up to two years from date of approval.

Note: Each new trader within the particular trading site will be allocated a **maximum of 200,000** sides over the two year period.

b) Access Fees

Certain CME Globex access fees will also be waived. For further details regarding CME Globex connectivity, please contact CME London either at +44 20 7623 2550, or email: cmeeurope@cme.com.

3. Who qualifies to become an EMPP participant?

Any proprietary trading group or arcade, as per the definition detailed below, establishing a site in a CME approved Emerging Market location.

Proprietary Trading Group: A legal entity consisting of individuals who are owners, employees or contractors of the group who trade in the name of accounts owned by the group and exclusively use the funds of the group for all of their trading activity

Trading Arcade: A legal entity consisting of individuals who are owners, employees or contractors of the entity which provides a legal, risk management and physical structure and trading facilities to traders in return for sharing of trading profits. Transactions are executed in the name of accounts owned by the trading arcade and originate from the trading arcade facility. The funds used for trading may be corporate pools of funds or commingled individual/corporate funds.

- The proprietary trading group or trading arcade, or if established as a separate legal entity, its parent, must be registered with the CME as a member firm (Clearing firm, Inactive Clearing firm, 106I firm, 106H firm or Electronic Corporate Member (106R)) or as a participant in the European Incentive Program (EIP) and must have maintained this status for a minimum of six months prior to the proprietary trading group or trading arcade applying for the EMPP.



Emerging Markets Partnership Program (EMPP) Frequently Asked Questions & Answers August 10th, 2006

- Entities trading with third party customer funds, such as commodity trading advisers, commodity pool operators, hedge funds, investment trusts, brokers, fund managers, commercial and investment banks, insurance companies, mutual funds, unit trusts and other similar entities are not eligible for the Program. CME shall have sole authority to determine whether an entity is, or is no longer, eligible for the Program.

4. Are a single entity's multiple branches or offices (i.e. "sites") also eligible to be EMPP participants?

Yes, an entity can have multiple branches or offices (i.e. "sites") that are eligible to be EMPP participants. *Note:* A single EMPP participant is defined for all branches or offices of an entity that are located in a single city in a CME approved Emerging Market.

5. Are entities that are part of the Asia Incentive program or the eFX-Bank Incentive program eligible to be EMPP participants?

No, entities that are part of the Asia Incentive or the eFX-Bank Incentive programs are not eligible to be EMPP participants.

6. When did the EMPP go into effect?

The program began October 1st, 2005. Applicants will begin receiving fee waivers once approved by the CME under the terms of the Emerging Market Partnership Program and once their eligible traders are properly registered by their clearing firm within CME's Exchange Fee System (EFS).

Proper registration within the EFS includes each individual new trader's TAG 50 and account information. EMPP participants will not receive retroactive fee waivers for trades executed prior to both approval and proper registration in EFS. CME encourages EMPP participants to work closely with their clearing firms to ensure proper and timely registration in EFS.

7. What is the definition of an Emerging Market?

For the purposes of the Emerging Market Partnership Program CME has defined an emerging market by exclusion. CME shall have sole authority to determine whether a location is, or is no longer, considered to be an approved emerging market location for EMPP. A list of excluded countries is attached in Appendix A. Each applicant's participation in the EMPP will be evaluated based initially on the chosen location.

8. What is the duration of the program?

Each EMPP participant can receive fee waivers for up to two (2) years from the date of approval. The duration would be shorter if a particular EMPP "site" reaches the maximum volume thresholds. (Refer to question #2 for volume limits)



Emerging Markets Partnership Program (EMPP) Frequently Asked Questions & Answers August 10th, 2006

9. What are the requirements for traders who want to receive the program benefits?

The purpose of the EMPP is to develop new traders located in non-traditional locations. Therefore, to participate in the program traders must:

- Be new to derivatives trading and recruited locally.
- Be physically trading from the facilities of the EMPP participant and those facilities must be located in a country designated as a CME approved emerging market.
- Be undergoing or have undergone the respective training program that provides an overview of CME products.
- Be actively trading with discretion. Traders who are operators of Automated Trading Systems are not eligible for the fee waiver.
- Not relocate from non-eligible countries (this includes established or new traders).

10. Other than being located in an Emerging Market, what are the requirements for an EMPP participant?

As a partner with CME in developing new traders, the EMPP participant must assign or develop at least half (50%) of all of their new traders to focus on actively trading CME products over the two year period, regardless of when thresholds might be hit.

Each EMPP participant must have at least 5 new traders at each "site" constituting the EMPP participant.

11. What are the obligations of an entity participating in EMPP?

The EMPP participant and CME will work together to develop trading interest in CME markets in these emerging market countries. Specifically, an EMPP participant is obligated to make available to CME

- Their management on at least a quarterly basis to meet with CME representatives, at CME's request, to review their participation in the program and overall trading activity
- Their traders for education on CME markets from a CME representative or designate.
- The opportunity to review their trader education programs.
- All (new) traders of the EMPP participant must be identified to CME, even if they are not assigned to trade CME products.
- All other necessary and reasonable information to determine the entity's eligibility to participate in the Emerging Market Partnership Program

**Emerging Markets Partnership Program (EMPP)
Frequently Asked Questions & Answers
August 10th, 2006**

12. What is the process for joining the program?

STEP 1 An entity must be approved by CME as qualifying under the status of Clearing Firm, Inactive Clearing Firm, 106H Firm, Electronic Corporate Member (106R) or as a participant in the European Incentive Program (EIP).

STEP2 An EMPP application form will be required for each site to be reviewed and approved by CME. Firms wishing to apply for EMPP should contact the CME London office +44 20 7623 2550, or email: cmeeurope@cme.com

The application form can be found on the website at www.cme.com under Memberships Forms Library – Corporate Memberships.

13. How will my clearing firm be notified that my firm has been approved in the EMPP program?

The responsibility to inform your clearing firms remains with the respective applicant. The EMPP entity or parent must notify the respective clearing firm(s) when approval notification is received from the CME.

14. What are the registration requirements for each trader participating in the EMPP?

The head of compliance or trading manager must provide a list of all new traders at a qualified EMPP trading location, to include:

- Name
- Date of Birth (MM/DD/YR)
- Email address
- SSN/Tax ID (last 4 digits)
- Country (primary residence)
- Workstation Operator ID (i.e. Tag 50)
- Account details (i.e. account number and account owner)
- Trader's signature agreeing to comply with the rules of the exchange.

A copy of the form is attached to the application. The new trader's information must also be provided to the EMPP participant's clearing firm as the clearing firm is responsible for updating EFS with the new trader information to ensure fee waivers are applied. Fee waivers for a new trader will not occur until the EMPP participant is approved and their clearing firm has registered that new trader properly in EFS.

15. Can I transfer my positions to SGX via Mutual Offset System (MOS)?

No. Contracts traded under the EMPP must remain held (and offset) in the CME Clearinghouse. Open positions cannot be transferred to SGX under the MOS arrangement and still receive fee waivers.



**Emerging Markets Partnership Program (EMPP)
Frequently Asked Questions & Answers
August 10th, 2006**

16. What products qualify?

All CME listed products, both futures and options, traded on CME Globex are eligible for the waived fees. These products include CME's flagship Eurodollar contract, as well as our E-mini equity suite and eFX, our electronic foreign exchange futures contracts.

CME products traded via Open Outcry or as an EX-PIT transaction such as a Block or Exchange-for-Physical (EFP) will not receive any fee waivers under the terms of the EMPP.

17. Is the program restricted to specific trading hours?

No. Trading on CME Globex is available virtually 24 hours a day, 5 days a week. Participants in the program may take advantage of the special pricing at anytime during the day or night. For a complete list of CME Globex products and trading hours, please see www.cme.com/globexhours

18. If an eligible new trader gives-up their trades, will those trades be eligible for the fee waiver?

No, give-up transactions are not eligible for this fee waiver.

19. What type of connection is required?

Customers have many options for connecting to CME that include direct connections to a CME telecommunications hub, internet based connections and connections through access points provided via FCMs or Data Centers. For more information regarding connectivity please contact CME London at +44 20 7623 2550.

20. What happens after an EMPP participant or any of its traders hit the program volume caps?

a) EMPP Trader

Once a trader of an EMPP Participant hits his/her total volume cap of 200,000 sides, all future sides executed by that trader will be charged standard CME Globex and Clearing fees consistent with the fee category of the account owner, trader and product, even if the EMPP participant has not exceeded its annual volume caps.

b) EMPP Participant

Once the EMPP participant has hit its cap of 3 million sides within the first two years of eligibility, all traded sides of the firm and of its eligible new traders (independent of whether they have hit their individual volume cap), will be charged standard CME Globex and Clearing fees consistent with the fee category of the EMPP participant, trader and product.



**Emerging Markets Partnership Program (EMPP)
Frequently Asked Questions & Answers
August 10th, 2006**

21. Do the individual EMPP Traders need to be identified to the Exchange?

Yes. CME Rule 576 ("Identification of Globex Terminal Operators") requires that terminal operators be identified to the Exchange in the manner prescribed by the Exchange.

For EMPP traders using the CME Globex Trader front-end, the CME Globex Control Center will assign a workstation operator ID to each individual trader which must be used when the trader signs on to the system. For orders entered through CME iLink® connections, the individual workstation operator is assigned by the Clearing Firm and must be unique at that Clearing Firm. This workstation operator ID (also known as the senderSubID, Tag 50, or FIX user ID) must be submitted in FIX Tag 50 with each CME Globex order.

22. How are EMPP participant accounts identified to the CME?

EMPP participants must have their account or accounts on the books of and guaranteed by a CME Clearing member. In addition, the EMPP traders' accounts must be registered within EFS, and this account must be submitted to the Exchange on each order as well.



**Emerging Markets Partnership Program (EMPP)
Frequently Asked Questions & Answers
August 10th, 2006**

Appendix A

Excluded countries for CME's EMPP

Austria
Australia
Belgium
Canada
France
Germany
Hong Kong
Ireland
Italy
Japan
Luxembourg
Monaco
Netherlands
New Zealand
Portugal
Scandinavia
Singapore
Spain
Switzerland
UK
USA