



**Central Bank Incentive Program  
Questions & Answers  
December 2013**

**1. What is the Central Bank Incentive Program?**

The Central Bank Incentive Program (“CBIP”) allows Central Banks to receive discounted fees for their proprietary trading of CME Group products. All trading activity under the CBIP must be conducted directly through accounts registered to the Central Bank or separate accounts managed by a third party on behalf of the Central Bank. Program participants receive discounted fees on CME, CBOT, and NYMEX products and COMEX futures products for electronic trading only. CBIP participants will receive discounted fees through December 31, 2014.

**2. How does a bank qualify for the CBIP?**

To qualify for CBIP, the bank must:

- Be a Central Bank
- Complete a CBIP application and be approved by CME Group
- Execute all trades in the CBIP participant’s name
- Register all participating traders
- Have a relationship with a CME Group clearing member
- Have authority to participate in a fee incentive program (i.e., no public or internal policies prohibit participation)

**3. What trading fees are charged by CME Group for the trades of CBIP participants?**

Please refer to the most updated fee schedule at <http://www.cmegroup.com/company/clearing-fees/> for more details on CBIP or for fees not listed below.

Product Category Electronic Trading Only	Standard customer (non- member) rates	CBIP all-in fees (per side)	Savings	
<b>CME Products</b>				
E-mini Equity Index - futures	\$1.15	\$0.76	\$0.39	34%
E-mini Equity Index - options	\$0.55	\$0.445	\$0.11	19%
Full Size Equity Index	\$2.33	\$1.55	\$0.78	33%
Interest Rates - futures	\$1.19	\$0.44	\$0.75	63%
Interest Rates - options	\$0.89	\$0.44	\$0.45	51%
Foreign Exchange - futures	\$1.60	\$1.00	\$0.60	38%
Foreign Exchange - options	\$1.20	\$1.00	\$0.20	17%
Agricultural contracts - futures	\$2.03	\$1.50	\$0.53	26%
Agricultural contracts - options	\$1.39	\$0.81	\$0.58	42%
<b>CBOT Products</b>				
Mini Equity contracts *	\$1.14	\$0.75	\$0.39	34%
Full size Equity contracts	\$1.61	\$0.90	\$0.71	44%



Interest Rates - futures	\$0.60	\$0.44	\$0.16	27%
Interest Rates - options	\$0.81	\$0.44	\$0.37	46%
Agricultural contracts	\$1.95	\$1.35	\$0.60	31%
<b>NYMEX Products</b>				
Energy contracts (Physicals)	\$1.45	\$1.00	\$0.45	31%
<b>COMEX Products</b>				
Metals futures contracts (Physicals)	\$1.45	\$1.00	\$0.45	31%

\* For CBOT Mini Dow (\$5) product only.

**4. Is there a minimum volume requirement in order to continue as a CBIP participant to receive reduced fees?**

No.

**Application Process**

**5. How do banks apply for the CBIP?**

Banks wishing to apply for CBIP should send an email to [CBIP@cmegroup.com](mailto:CBIP@cmegroup.com) or contact CME Group's International Department in Chicago at 312.930.4597. Staff at this office can provide you with additional information and assist you through the application process.

**6. How long is the approval process?**

Once the application and all supporting documents are received, the review process starts and generally takes less than 1 week. CME Group staff may consider the applicant's business reputation, financial resources and proprietary trading activity in approving the applicant and reserves the right to reject any applicant. The decision of CME Group staff is final.

**7. Are there any application fees?**

No.

**8. Are CBIP participants subject to fees per contract charged by the National Futures Association (NFA)?**

Yes, Central Banks in CBIP are considered participants in an incentive program, not exchange members, and are therefore required to pay NFA fees.

**9. If my bank is approved as a CBIP participant, does it still need a clearing firm?**

Yes. All trades at CME Group are done through CME Group clearing member firms. All CBIP participants must maintain their own separate account on the books of a CME Group clearing member firm for their proprietary trades and/or trades done on their behalf by an asset manager. CBIP accounts may not be maintained in a non-disclosed omnibus account.



**10. How will my clearing firm be notified that my bank has been approved as a participant in the CBIP?**

While we will do our best to notify the appropriate staff at any clearing firms you have included in your CBIP application, the responsibility to inform your clearing firm remains with you. Because the CBIP discounted rates will be applicable at any clearing firm you utilize, we may not know about all of your clearing relationships. As a result, you must notify your clearing firms when you receive your approval notification. We encourage participants to notify their clearing firms about their intention to apply for the CBIP as early as possible.

**11. How does a clearing firm register a CBIP participant in order to receive the discounted fees?**

Both the workstation operator ID and the account must be registered within the Exchange Fee System in order to receive the reduced rates. Also, the assigned workstation operator ID must be included on each electronic transaction in order to receive the discounted fees. The registration must reflect which CME Group exchange(s) the CBIP participation is for since operator ID registration is across exchanges. If these requirements are not met, non-member rates will apply.

The CBIP participant's clearing firm must ensure that a unique workstation operator ID is assigned to each trader. Then the clearing firm fee administrator must register both the account and the trader's workstation operator ID (also known as the Tag 50 ID) in CME Group's Exchange Fee System. Both the account and operator ID must be associated with the appropriate CBIP participant.

For the operator ID registration, the following information is required:

- Workstation Operator ID (Tag 50)
- Trader Name
- Date of Birth (MM/DD/YYYY)
- Trading Location (Country of primary residence)
- Email address (optional)

**Other Information**

**12. Can the foreign branch offices of Central Banking groups participate?**

Yes.

**13. What is the purpose of the CBIP?**

Central Bank reserve management has grown in size and complexity. Compared to other alternative, (i.e. OTC Markets), CME Group Exchange listed products typically offer significant value and transparency. By participating in the CBIP, participants will be able to increase their understanding of, and familiarity with, how CME Group Exchange products can help manage their reserves.



**14. What other resources are available to CBIP participants?**

Participants in the CBIP are encouraged to reach out to CME Group staff to set up training sessions. These training sessions are designed to educate participant staff on how trading CME Group's commodity and financial products on a central limit order book can be applied in central bank reserve management. Training sessions can focus on a variety of product groups and/or Exchange services such as interest rate products, equity products, foreign exchange products, metals and commodities offerings as well as CME clearing services.

**15. Are participants in the CBIP required to comply with Exchange Rules?**

Yes. Under the applicable Exchange's rules, all market participants that initiate or execute transactions on the Exchange are subject to the applicable Exchange's Rules.

**16. Can a Central Bank use an FCM's execution desk for electronic execution and still be eligible for the fee discounts?**

Yes.