

Bold, Underlined text indicates additions.

Rule 37 was filed for immediate effectiveness, however, it will not be implemented until November 21, 2017. Bold and underlined text indicates added language. Once implemented, this legend will automatically be removed from the Rules.

RULE 37

SEGREGATED ACCOUNTS FOR CUSTOMER PROPERTY

Section 1. Certain Defined Terms.

(a) For purposes of this Rule 37:

“CFTC” means the Commodity Futures Trading Commission.

“Customer Property” means interests in Deposited Securities held by a DCO or FCM for customers that trade commodities, options, swaps and other products.

“Customer Property Segregation Rules” means the rules and regulations of the CFTC relating to the deposit of customer funds (including money, securities and other property) held by DCOs and FCMs for customers that trade commodities, options, swaps and other products.

“DCO” means a derivatives clearing organization.

“DCO Party” means a DCO that is a Participant or Pledgee (other than the Corporation) that instructs the Corporation to establish one or more Segregated DCO Accounts for such DCO.

“FCM” means a futures commission merchant.

“FCM Party” means an FCM that is a Participant or Pledgee (other than the Corporation) that instructs the Corporation to establish one or more Segregated FCM Accounts for such FCM.

“Segregated DCO Account” means, (i) with respect to a DCO that is a Participant, a Segregated Participant Account of such DCO, and (ii) with respect to a DCO that is a Pledgee, a Segregated Pledgee Account of such DCO.

“Segregated FCM Account” means, (i) with respect to an FCM that is a Participant, a Segregated Participant Account of such FCM, and (ii) with respect to an FCM that is a Pledgee, a Segregated Pledgee Account of such FCM.

“Segregated Participant Account” means a Segregated Account established and maintained by the Corporation for a Participant for the sole purpose of holding customer property segregated from the property of the Participant in accordance with the Customer Property Segregation Rules.

“Segregated Pledgee Account” means an Account established and maintained by the Corporation for a Pledgee for the sole purpose of holding customer property segregated from the property of the Pledgee in accordance with the Customer Property Segregation Rules.

(b) Other capitalized terms used in this Rule 37 shall have the meanings given to such terms elsewhere in these Rules.

Section 2. Segregated DCO Accounts.

(a) Establishment and Maintenance of Segregated DCO Accounts. A DCO Party may, in the manner specified by the Corporation, request that the Corporation establish and maintain one or more Segregated DCO Accounts for such DCO. Each Segregated DCO Account shall be titled in the manner required by the Customer Property Segregation Rules and as agreed by the DCO Party and the Corporation.

(b) Credits to and Debits from Segregated DCO Accounts. Interests in Customer Property may be credited to and debited from a Segregated DCO Account in the manner otherwise provided by these Rules and the Procedures.

Section 3. Segregated FCM Accounts.

(a) Establishment and Maintenance of Segregated FCM Accounts. An FCM Party may, in the manner specified by the Corporation, request that the Corporation establish and maintain one or more Segregated FCM Accounts for such FCM. Each Segregated FCM Account shall be titled in the manner required by the Customer Property Segregation Rules and as agreed by the FCM Party and the Corporation.

(b) Credits to and Debits from Segregated FCM Accounts. Interests in Customer Property may be credited to and debited from a Segregated FCM Account in the manner otherwise provided by these Rules and the Procedures.

Section 4. Certain Representations of DCO Parties and FCM Parties.

(a) Representations of DCO Parties. Each DCO Party represents to the Corporation (i) that the only interests in property that such DCO Party shall cause or allow to be credited to its Segregated DCO Account (or Accounts) shall be interests in Deposited Securities that constitute Customer Property, (ii) that interests in Customer Property credited to its Segregated DCO Account (or Accounts) shall not be used by such DCO Party to secure or otherwise guarantee any obligations that such DCO Party might owe to the Corporation, (iii) that interests in Customer Property credited to its Segregated DCO Account (or Accounts) shall not be subject to any right of offset or lien for or on account of any indebtedness, obligations or liabilities that such DCO Party may have owing to the

Corporation and (iv) that the Corporation shall be entitled to rely on the representations of such DCO Party contained in this paragraph (a) in connection with any acknowledgment that the Corporation may be required to provide to such DCO Party and/or the CFTC pursuant to the Customer Property Segregation Rules or for any other purpose.

(b) *Representations of FCM Parties.* Each FCM Party represents to the Corporation (i) that the only interests in property that such FCM Party shall cause or allow to be credited to its Segregated FCM Account (or Accounts) shall be interests in Deposited Securities that constitute Customer Property, (ii) that interests in Customer Property credited to its Segregated FCM Account (or Accounts) shall not be used by such FCM Party to secure or otherwise guarantee any obligations that such FCM Party might owe to the Corporation, (iii) that interests in Customer Property credited to its Segregated FCM Account (or Accounts) shall not be subject to any right of offset or lien for or on account of any indebtedness, obligations or liabilities that such FCM Party may have owing to the Corporation and (iv) that the Corporation shall be entitled to rely on the representations of such FCM Party contained in this paragraph (b) in connection with any acknowledgment that the Corporation may be required to provide to such FCM Party and/or the CFTC pursuant to the Customer Property Segregation Rules or for any other purpose.

Section 5. Certain Representations of the Corporation.

(a) *Representations to DCO Parties.* The Corporation represents to each DCO Party that interests in Customer Property credited to the Segregated DCO Account (or Accounts) of such DCO Party (i) may not be used by the Corporation to secure or guarantee any obligations that such DCO Party might owe to the Corporation, (ii) may not be used by such DCO Party to secure or obtain credit from the Corporation and (iii) shall not be subject to any right of offset or lien for or on account of any indebtedness, obligations or liabilities such DCO Party may have owing to the Corporation; provided, however, that this prohibition does not affect the right of the Corporation to recover funds advanced in the form of cash transfers, lines of credit, repurchase agreements or other liquidity arrangements the Corporation makes in lieu of liquidating non-cash assets held in the Segregated DCO Account (or Accounts) of such DCO Party or in lieu of converting cash held in the Segregated DCO Account (or Accounts) of such DCO Party to cash in a different currency.

(b) *Representations to FCM Parties.* The Corporation represents to each FCM Party that interests in Customer Property credited to the Segregated FCM Account (or Accounts) of such FCM Party (i) may not be used by the Corporation to secure or guarantee any obligations that such FCM Party might owe to the Corporation, (ii) may not be used by such FCM Party to secure or obtain credit from the Corporation and (iii) shall not be subject to any right of offset or lien for or on account of any indebtedness, obligations or liabilities such FCM Party may have owing to the Corporation; provided, however, that this prohibition does not affect the right of the Corporation to recover funds advanced in the form of cash transfers, lines of credit, repurchase agreements or other liquidity arrangements the Corporation makes in lieu of liquidating non-cash assets held in the Segregated FCM Account (or Accounts) of such FCM Party or in lieu of converting

cash held in the Segregated FCM Account (or Accounts) of such FCM Party to cash in a different currency.

Section 6. Certain Exclusions from Liability. The Corporation shall have no liability:

(a) to any DCO Party as a result of the Corporation acting on an instruction from such DCO Party pursuant to Section 2(b) of this Rule 37;

(b) to any FCM Party as a result of the Corporation acting on an instruction from such FCM Party pursuant to Section 3(b) of this Rule 37;

(c) to any DCO Party or FCM Party as a result of (i) any loss or liability suffered or incurred by such DCO Party or FCM Party arising out of or relating to the matters subject to this Rule 37, unless caused directly by the gross negligence or willful misconduct of the Corporation or by a violation of Federal securities law by the Corporation for which there is a private right of action, or (ii) any force majeure, market disruption or technical malfunction that prevents the Corporation from performing its obligations to such DCO Party or FCM Party pursuant to this Rule 37; or

(d) to any third party (including any customer of any DCO Party or FCM Party) for any reason.

Section 7. Conflicting Provisions.

In the event of any conflict between the provisions of this Rule 37 and the provisions of any other Rule, the provisions of this Rule 37 shall govern.