

(b)(1) No person may present the performance of any simulated or hypothetical commodity interest account, transaction in a commodity interest or series of transactions in a commodity interest of a commodity pool operator, commodity trading advisor, or any principal thereof, unless such performance is accompanied by one of the following:

(i) The following statement: "Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown;" or

(ii) A statement prescribed pursuant to rules promulgated by a registered futures association pursuant to section 17(j) of the Act.

(2) If the presentation of such simulated or hypothetical performance is other than oral, the prescribed statement must be prominently disclosed.

(c) The provisions of this section shall apply:

(1) To any publication, distribution or broadcast of any report, letter, circular, memorandum, publication, writing, advertisement or other literature or advice, including the texts of standardized oral presentations and of radio, television, seminar or similar mass media presentations, and

(2) Regardless of whether the commodity pool operator or commodity trading advisor is exempt from registration under the Act.

(Approved by the Office of Management and Budget under control number 3038-0005)

[46 FR 26013, May 8, 1981, as amended at 46 FR 63035, Dec. 30, 1981; 60 FR 38192, July 25, 1995]

## PART 5—DESIGNATION OF AND CONTINUING COMPLIANCE BY CONTRACT MARKETS

Sec.

5.1 Fast-track designation review.

5.2 Dormant contracts.

5.3 [Reserved]

APPENDIX A TO PART 5—GUIDELINE No. 1; INTERPRETIVE STATEMENT REGARDING ECONOMIC AND PUBLIC INTEREST REQUIREMENTS FOR CONTRACT MARKET DESIGNATION

APPENDIX B TO PART 5—SCHEDULE OF FEES

APPENDIX C TO PART 5—INTERNAL PROCEDURE REGARDING PERIOD FOR RESPONSE BY EXCHANGES

APPENDIX D TO PART 5—INTERNAL PROCEDURE REGARDING PERIOD FOR PUBLIC COMMENT

AUTHORITY: 7 U.S.C. 6(c), 6c, 7, 7a, 8 and 12a.

### § 5.1 Fast-track designation review.

(a) *Cash-settled contracts.* Boards of trade seeking designation as a contract market under sections 4c, 5, 5a, and 6 of the Act, and regulations thereunder, shall be deemed to be designated as a contract market under section 6 of the Act ten days after receipt by the Commission of the application for designation, unless notified otherwise within that period, if:

(1) The board of trade labels the submission as being submitted pursuant to Commission rule 5.1—Fast Track Ten-Day Review;

(2)(i) The application for designation is for a futures contract providing for cash settlement or for delivery of a foreign currency for which there is no legal impediment to delivery and for which there exists a liquid cash market; or

(ii) For an option contract that is itself cash-settled, is for delivery of a foreign currency which meets the requirements of paragraph (a)(2)(i) of this section or is to be exercised into a futures contract which has already been designated as a contract market;

(3) The application for designation is for a commodity other than those enumerated in section 1a(3) of the Act or subject to the procedures of section 2(a)(1)(B) of the Act;

(4) The board of trade currently is designated as a contract market for at

least one contract which is not dormant within the meaning of this part;

(5) The submission complies with the requirements of Appendix A of this part—Guideline No. 1 and §1.61 of this chapter;

(6) The board of trade does not amend the terms or conditions of the proposed contract or supplement the application for designation, except as requested by the Commission or for correction of typographical errors, renumbering or other such nonsubstantive revisions, during that period; and

(7) The board of trade has not instructed the Commission in writing during the review period to review the application for designation under the usual procedures under section 6 of the Act.

(b) *Contracts for physical delivery.* Boards of trade seeking designation as a contract market under sections 4c, 5, 5a, and 6 of the Act, and regulations thereunder, shall be deemed to be designated as a contract market under section 6 of the Act forty-five days after receipt by the Commission of the application for designation, unless notified otherwise within that period, if:

(1) The board of trade labels the submission as being submitted pursuant to Commission rule 5.1—Fast Track Forty-Five Day Review;

(2) The application for designation is for a commodity other than those subject to the procedures of section 2(a)(1)(B) of the Act;

(3) The board of trade currently is designated as a contract market for at least one contract which is not dormant within the meaning of this part;

(4) The submission complies with the requirements of Appendix A of this part—Guideline No. 1 and §1.61 of this chapter;

(5) The board of trade does not amend the terms or conditions of the proposed contract or supplement the application for designation, except as requested by the Commission or for correction of typographical errors, renumbering or other such nonsubstantive revisions, during that period; and

(6) The board of trade has not instructed the Commission in writing during the forty-five day review period to review the application for designa-

tion under the usual procedures under section 6 of the Act.

(c) *Notification of extension of time.* The Commission, within ten days after receipt of a submission filed under paragraph (a) of this section, or forty-five days after receipt of a submission filed under paragraph (b) of this section, may notify the board of trade making the submission that the review period has been extended for a period of thirty days where the designation application raises novel or complex issues which require additional time for review. This notification will briefly specify the nature of the specific issues for which additional time for review is required. Upon such notification, the period for fast-track review of paragraphs (a) and (b) of this section shall be extended for a period of thirty days.

(d) *Notification of termination of fast-track procedures.* During the fast-track review period provided under paragraphs (a) or (b) of this section, or of the thirty-day extension when the period has been enlarged under paragraph (c) of this section, the Commission shall notify the board of trade that the Commission is terminating fast-track review procedures and will review the proposed rule under the usual procedures of section 6 of the Act, if it appears that the proposed contract may violate a specific provision of the Act, regulation, or form or content requirement of Appendix A of this part. This termination notification will briefly specify the nature of the issues raised and the specific provision of the Act, regulation, or form or content requirement of Appendix A of this part that the proposed contract appears to violate. Within ten days of receipt of this termination notification, the board of trade may request that the Commission render a decision whether to approve the designation or to institute a proceeding to disapprove the proposed application for designation under the procedures specified in section 6 of the Act by notifying the Commission that the exchange views its application as complete and final as submitted.

(e) *Delegation of authority.* (1) The Commission hereby delegates, until it orders otherwise, to the Director of the Division of Economic Analysis or to

the Director's delegatee, with the concurrence of the General Counsel or the General Counsel's delegatee, authority to request under paragraphs (a)(6) and (b)(5) of this section that the contract market amend the proposed contract or supplement the application, to notify a board of trade under paragraph (c) of this section that the time for review of a proposed contract term submitted for review under paragraphs (a) or (b) of this section has been extended, and to notify the contract market under paragraph (d) of this section that the fast-track procedures of this section are being terminated.

(2) The Director of the Division of Economic Analysis may submit to the Commission for its consideration any matter which has been delegated in paragraph (e)(1) of this section.

(3) Nothing in the paragraph prohibits the Commission, at its election, from exercising the authority delegated in paragraph (e)(1) of this section.

[62 FR 10440, Mar. 7, 1997]

### § 5.2 Dormant contracts.

(a) *Definitions.* For purposes of this section:

(1) The term *dormant contract market* means any commodity futures or option contract market:

(i) In which no trading has occurred in any future or option expiration for a period of six complete calendar months; or

(ii) Which has been certified by a board of trade to the Commission to be a dormant contract market.

(b) *Listing of additional futures trading months or option expirations.* No dormant contract market may list additional months or expirations for trading, or otherwise permit trading to recommence in such a dormant contract market, until such time as the Commission approves, pursuant to section 5a(a)(12)(A) of the Act and § 1.41(b) of these regulations, the bylaw, rule, regulation or resolution of the contract market submitted to the Commission pursuant to paragraph (c) of this section.

(c) *Bylaw, rule, regulation or resolution to list additional trading months or expirations.* (1) Any bylaw, rule, regulation or resolution of a contract market to list additional trading months or expirations in a dormant contract market or to otherwise recommence trading in such a contract market shall be submitted to the Commission under section 5a(a)(12)(A) of the Act and § 1.41(b) of these regulations.

(2) Each submission shall include the information required to be submitted pursuant to § 1.41(b) of these regulations and also shall:

(i) Clearly designate the submission as filed pursuant to Commission Rule 5.2.

(ii) Contain an economic justification for the listing of additional months or expirations in the dormant contract market, which shall include an explanation of those economic conditions which have changed subsequent to the time the contract became dormant and an explanation of how any new terms and conditions which are now being proposed by the contract market, or which have been proposed for an option market's underlying futures contract market, would make it reasonable to expect that the futures or option contract will be used on more than an occasional basis for hedging or price basing.

(d) *Exemptions.* No contract market shall be considered dormant until the end of sixty (60) complete calendar months:

(1) Following designation;

(2) Following notice to the contract market that the Commission has reviewed the economic purpose and the terms and conditions of the contract and has determined in its discretion to permit this exemption; or

(3) Following Commission approval of the contract market bylaw, rule, regulation, or resolution submitted pursuant to paragraph (c) of this section.

[51 FR 17473, May 13, 1986, as amended at 57 FR 20637, May 14, 1992; 59 FR 5316, Feb. 4, 1994]

**§ 5.3 [Reserved]**

## APPENDIX A TO PART 5—GUIDELINE NO. 1; INTERPRETIVE STATEMENT REGARDING ECONOMIC AND PUBLIC INTEREST REQUIREMENTS FOR CONTRACT MARKET DESIGNATION

For purposes of a board of trade seeking designation as a contract market and thereafter for the purpose of demonstrating continued compliance with the requirements of sections 4c, 5 and 5a(a) of the Commodity Exchange Act, and regulations thereunder, the following shall be provided to the Commission. The board of trade shall furnish to the Commission at its Washington, DC headquarters three copies of the application including the proposed rules.

(a) *For Designation of Contract Markets for Futures—(1) Description of the Cash Market.* In support of the justification and demonstration to be furnished under paragraph (a)(2) of this Guideline, a board of trade shall submit with its application a description of the cash market for the commodity on which the contract is based: *Provided, however,* That no such description is required when the same, or a closely related commodity, is already designated as a contract and is not dormant within the meaning of § 5.2 of this part, and when the terms and conditions of the proposed contract are the same, or substantially the same, as those of the designated contract market. When a particular term(s) or condition(s) of the proposed contract differs from those of the designated contract market, but otherwise is substantially the same, the description of the cash market can be confined to those aspects relevant to the particular term(s) or condition(s). For purposes of this section, the term cash market includes all aspects of the spot and forward markets in which the commodity underlying the contract is merchandised and for which the contract serves a hedging or price basing function. As applicable to the justification of individual contract terms or the contract's hedging or price basing function, the cash market description shall include:

(i) Production of the underlying commodity, including as appropriate, geographical locations and seasonal patterns in the case of tangible commodities and scheduled issuances in the case of financial instruments;

(ii) Consumption of the underlying commodity, including, as appropriate, geographic locations and seasonal patterns of intermediate and ultimate consumption in the case of tangible commodities;

(iii) The nature and structure of the cash marketing channels, including the nature and number of marketing institutions, the nature of the forward contracting market,

and the manner in which the price of the commodity is determined at various stages in its marketing;

(iv) The prevalent means of communications, methods of financing commodity ownership, and, in the case of tangible commodities, the manner in which tangible commodities are transported and stored; and

(v) Information provided by the board of trade pursuant to this paragraph shall include statistical data when applicable and when reasonably available. Such data shall cover a period of time sufficient to show accurately the historical patterns of production, consumption and marketing of the commodity which are relevant to the pricing or hedging use of the contract and/or the specification of its terms and conditions. In the absence of a justification of providing data from a shorter period, at least five (5) years of such data should be provided. If the board of trade through reasonable effort cannot obtain sufficient data, interviews with, or statements by, persons having knowledge of the cash market may be used to supplement or, if necessary, substitute for quantitative information.

(2) *Justification of Individual Contract Terms and Conditions.* A board of trade shall submit an analysis and justification of significant individual terms and conditions of the contract. Such analysis and justification for each term and condition should be supported in the manner provided by section (a)(1)(v) of the Guideline: *Provided, however,* That no such analysis or justification is required, when a contract on the same or a closely related commodity is already designated as a contract market and is not dormant within the meaning of § 5.2 of this part, and when the terms and conditions of the proposed contract are the same, or substantially the same, as those of the designated contract market. Instead, the individual term(s) or condition(s) of the proposed contract need only be referenced to the original, approved term(s) or condition(s). When, however, a particular term(s) or condition(s) of the proposed contract differs from that of the designated contract market, only the particular term(s) or condition(s) which differs must be analyzed or justified. When the proposed contract is substantially different from a designated contract market which is not dormant within the meaning of § 5.2 of this part, but an individual term(s) or condition(s) is the same as, or substantially the same as, a term or condition approved for any other designated contract market which is not dormant with the meaning of § 5.2 of this part, then the individual term(s) or condition(s) need not be analyzed and justified and need only be referenced to the original, approved term or condition.

(i) The justification submitted by a board of trade concerning significant contract

terms shall include, when applicable, (a) evidence of conformity with the underlying cash market and (b) evidence that the term or condition will provide for a deliverable supply which will not be conducive to price manipulation or distortion and that such a supply reasonably can be expected to be available to the short trader and saleable by the long trader at its market value in normal cash marketing channels. To the extent that a term or condition is not in conformity with prevailing cash market practices, the board of trade shall provide a reason for the variance and demonstrate that the term or condition is necessary or appropriate for the contract and will result in sufficiently available and saleable deliverable supplies.

(ii) For contracts which require delivery, the justification shall include a demonstration that the contract terms and conditions, as a whole, will result in a deliverable supply which will not be conducive to price manipulation or distortion, including when applicable the following:

(A) Complete specification and commodity characteristics for par and non-par delivery (such as grade, class, weight, issuer, maturity, rating) including the economic basis for the premiums and discounts, or lack thereof, for differing characteristics. For futures contracts based on debt securities, this shall include an economic justification of the formula to be used for the evaluation of non-par instruments;

(B) All delivery points, including, when applicable, for each point:

(1) The nature of the cash market at the delivery point (e.g., auction market, buying station or export terminal);

(2) A description of the composition of the market;

(3) The normal commercial practice for establishing cash market values and the availability of published cash prices reflecting the value of the deliverable commodity;

(4) The level of deliverable supplies normally available, including the seasonal distribution of such supplies; and

(5) Any locational differentials for delivery points, including the economic basis for discounts or premiums, or lack thereof, applying to delivery points;

(C) A description of the delivery facility (such as warehouse, depository, financial institution) including:

(1) The type(s) of delivery facility at each delivery point;

(2) The number and total capacity of facilities meeting contact requirements;

(3) The proportion of such capacity expected to be available for traders who may wish to make delivery and seasonal changes in such proportions; and

(4) The extent to which ownership and control of such facilities is dispersed or concentrated.

(iii) For contracts when cash settlements may serve as an alternative to, or substitute for, physical delivery, information submitted by the board of trade pursuant to this section must include evidence that the cash settlement of the contract is at a price reflecting the underlying cash market, will not be subject to manipulation or distortion, and must also include:

(A) An analysis of the price series upon which such settlement will be based, including the series' reliability, acceptability, public availability and timeliness, and

(B) An analysis of the potential for manipulation or distortion of the cash-price series.

(iv) With regard to delivery months, the board of trade shall specify the delivery months and, when applicable, shall describe the relationship of each futures delivery month to cyclical variations in deliverable supplies, availability of warehouse space, transportation facilities, cash market activity, and any other factors which may affect the viability of delivery or ascertaining a cash settlement price in each such month. The board of trade's justification shall also consider the delivery months for existing contracts which draw on the same deliverable supply or cash settlement mechanism.

(v) For those contract markets required to have in effect speculative position limits under §1.61 of this chapter, the board of trade shall include an analysis of the consistency of the speculative position limits proposed in the application with the criteria set forth in that section.

(3) *Stipulation of Conformity to the Cash Market.* A board of trade shall submit a stipulation that, when applicable, the following terms and conditions of its proposed contract are consistent with prevailing cash market practices. For those terms and conditions which are contrary to such a stipulation, the board of trade shall provide a reason for the variance from prevailing cash market practices and demonstrate that the term or condition is necessary or appropriate for the contract. These terms and conditions include the following:

(i) The permissible delivery pack or composition of delivery units;

(ii) The size of contract unit;

(iii) The inspection and certification procedures for the verification of delivery eligibility and, for perishable commodities, the duration of the inspection certificate and any discounts applied to deliveries of a given age;

(iv) The delivery instrument (such as a warehouse receipt or depository receipt), and the conditions under which such instrument is negotiable;

(v) The transportation terms at point of delivery (such as FOB, CIF, or freight allowances);

(vi) The provisions for payment of costs in making and taking delivery, including a description of significant costs (such as inspection, assay, certification, warehouse charges or rail charges);

(vii) The minimum price change (tick); and

(viii) A separate stipulation that any restrictions on daily price movements (maximum price fluctuations), are not overly restrictive in relation to price movements in the cash market.

(4) *Other required information.* As requested, a board of trade shall submit additional evidence relating to any of the information, data or stipulations required by paragraph (a) of this Guideline. In addition, a board of trade shall submit any other evidence, information or data requested relating to whether a contract meets, initially or on a continuing basis, the public interest standard contained in section 5(7) of the Act, including in particular, whether a proposed contract reasonably can be expected to be used for hedg-

ing and/or price basing on more than an occasional basis, and whether a designated contract has in fact been used for such purposes on more than an occasional basis, or any other requirement for designation under the Act or Commission rules.

(b) *For Designation of Contract Markets in Options on Futures—(1) Terms and Conditions.* A board of trade shall submit the terms and conditions of the proposed option and of the proposed or designated futures contract underlying the proposed option.

(2) *Option Designation Checklist.* A board of trade shall submit an Option Designation Checklist for Options on Futures Contracts. When each individual criterion identified by the checklist is met by a term or condition of the proposed option, the exchange rule number or other identification of that term or condition shall be included on the checklist. The option designation checklist is as follows:

OPTION DESIGNATION CHECKLIST FOR OPTIONS ON FUTURES CONTRACTS

Criteria	Applicable Commission Rule, 17 CFR	Standard	Met by exchange rule number
1. Speculative limits .....	1.61 .....	Combined net position in futures and options on a futures-equivalent basis at the futures position levels, with inter-month spread exemptions that are consistent with those of the futures contracts.	
2. Aggregation rule .....	1.61(g) .....	Same as section 1.61(g) of this chapter or previously approved language.	
3. Reporting level .....	15.00(b)(2) .....	50 contracts or fewer.	
4. Strike prices .....	33.4(b)(1) .....	Procedures for listing strikes are specified and automatic.	
5. Option expiration .....	33.4(b)(2) .....	Options, except for options on cash-settled futures contracts, expire not less than one business day before the earlier of the last trading day or the first notice day of the underlying futures contract.	
6. Minimum tick .....	33.4(d) .....	Tick is equal to, or less than, the underlying futures tick.	
7. Daily price limit, if specified.	33.4(d) .....	Price limit, if any, is equal to, or greater than, underlying futures price limit.	

(3) *Justification of Individual Contract Terms and Conditions.* A board of trade shall submit an analysis and justification of the following:

(i) Any term or condition not meeting a criterion identified on the Option Designation Checklist identified in paragraph (b)(2) of this Guideline or any criterion of that Checklist which is not met by a particular term or condition of the option: *Provided, however,* That no such analysis or justification is required when such an individual contract term(s) or condition(s) is the same as, or substantially the same as, an identified term or condition approved for any other designated contract market which is not dormant within the meaning of §5.2 of this part; and

(ii) Such other term(s) or condition(s) as requested.

(4) *Other required information.* As requested, a board of trade shall submit additional evidence, information, data or stipulations relating to whether a contract meets, initially or on a continuing basis, the public interest standard contained in section 5(7) of the Act, the economic purpose standard of §33.4(a)(5)(i) of this chapter or any other requirement for designation under the Act or Commission rules.

(c) *For Designation of Contract Markets in Options on Physicals.—(1) Terms and Conditions.* A board of trade shall submit the terms and conditions of the proposed option.

(2) *Description of the Cash Market.* A board of trade shall submit a description of the cash market as provided under paragraph (a)(1) of this Guideline.

(3) *Justification of Terms and Conditions.* A board of trade shall submit an analysis and justification of the following:

- (i) The term(s) and condition(s) identified in paragraph (a)(2) of this Guideline relevant to the option on a physical;
  - (ii) Any term or condition not meeting a criterion identified on the Option Designation Checklist contained in paragraph (c)(5) of this Guideline; and
  - (iii) Such other term(s) and condition(s) as requested.
- (4) *Stipulation of Conformity to the Cash Market.* A board of trade shall submit a stipulation that the terms and conditions listed

in paragraph (a)(3) of this Guideline are consistent with prevailing cash market practices, or, for those which are not, a justification consistent with paragraph (a)(3) of this Guideline.

(5) *Option Designation Checklist.* A board of trade shall submit an Option Designation Checklist for Options on Physicals. When each individual criterion identified by the checklist is met by a term or condition of the proposed option, the exchange rule number or other identification of the term or condition shall be included on the checklist. The option designation checklist is as follows:

OPTION DESIGNATION CHECKLIST FOR OPTIONS ON PHYSICALS

Criteria	Applicable Commission Rule, 17 CFR	Standard	Met by exchange rule number
1. Speculative limits .....	1.61 .....	If there is a futures contract in the same commodity on the same exchange, combined futures and options on a futures-equivalent basis at the futures position levels, with inter-month spread exemptions that are consistent with those of the futures contracts.	
2. Aggregation rule .....	1.61(g) .....	Same as Section 1.61(g) of this chapter or previously approved language.	
3. Reporting level .....	15.00(b)(2) .....	50 contracts or fewer.	
4. Strike prices .....	33.4(b)(1) .....	Procedures for listing strikes are specified and automatic.	
5. Option expiration .....	33.4(b)(2) .....	Options expire not less than one business day before the earlier of the last trading day or the first notice day of any futures contract in the same or a related commodity, except for cash-settled futures contracts.	

(6) *Other required information.* As requested, a board of trade shall submit additional evidence, information, data or stipulations relating to whether a contract meets, initially or on a continuing basis, the public interest standard contained in section 5(7) of the Act, the economic purpose standard of §33.4(a)(5)(i) of this chapter, or any other requirement for designation under the Act or Commission rules.

[57 FR 3523, Jan. 30, 1992, as amended at 59 FR 2291, Jan. 14, 1994; 59 FR 5316, Feb. 4, 1994]

APPENDIX B TO PART 5—SCHEDULE OF FEES

(a) Applications for contract market designation. Each application for designation must be accompanied by a check or money order made payable to the Commodity Futures Trading Commission in an amount to be determined annually by the Commission and published in the FEDERAL REGISTER.

(b) Checks and applications should be sent to the attention of the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. No

checks or money orders may be accepted by personnel other than those in the Office of the Secretariat.

(c) Failure to submit the fee with an applications for designation as a contract market will result in return of the application. Fees will not be returned after receipt.

(Secs. 4c(c), 5, 5a, and 8a(5) of the Commodity Exchange Act, 7 U.S.C. 6c(c), 7, 7a, and 12a(5); sec. 26 of the Futures Trading Act of 1978, 92 Stat. 877, 7 U.S.C. 16a (Supp. V 1981), as amended by sec. 237 of the Futures Trading Act of 1982, Pub. L. 97-444, 96 Stat. 2326 (Jan. 11, 1983); Independent Offices Appropriation Act of 1952, as amended by Pub. L. 97-258, 96 Stat. 1051 (Sept. 13, 1982))

[48 FR 38217, Aug. 23, 1983, as amended at 51 FR 21150, June 11, 1986; 52 FR 22635, June 15, 1987; 60 FR 49334, Sept. 25, 1995]

APPENDIX C TO PART 5—INTERNAL PROCEDURE REGARDING PERIOD FOR RESPONSE BY EXCHANGES

(a) *Response Period.* The failure of an exchange to provide a substantially complete, substantive response within one year from the date of a written Commission notice of

the material incompleteness of an application for contract market designation, or to supplement such an application within one year from the date of a voluntary agreement to do so, will be deemed to constitute the withdrawal of such an application. Such a withdrawal results in forfeiture of the designation application fee and terminates the Commission's statutory review period for that application. The applicable fee for designation applications will be waived for a period of one year from the date of the application's withdrawal where the withdrawn designation application, or a substantially identical application, is refiled within that period. A refiled designation application will be treated as a new application in all other respects.

(b) *Pending Applications.* For all applications pending on the effective date of this procedure, requests for a further stay of the tolling period must be made by the governing board of the exchange within forty-five days prior to the expiration of a year from the date of the stay. *Provided however,* That in no event shall such a request be required before April 14, 1987. Such requests for a further stay should affirm the exchange's intention to complete the designation applications for which the stay is being requested. Such requests should be sent to the attention of the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Those pending applications for which no such request is received will be subject to the procedures contained in paragraph (a) of this appendix.

[52 FR 1446, Jan. 14, 1987, as amended at 60 FR 49334, Sept. 25, 1995]

#### APPENDIX D TO PART 5—INTERNAL PROCEDURE REGARDING PERIOD FOR PUBLIC COMMENT

The Commission will seek public comment on applications for designation of futures and option contract markets by publishing a notice of availability of the terms and conditions of the proposed contract. Generally, the Commission will provide for a public comment period of thirty days on such applications for designation; *provided,* however, that the public comment period will be fifteen days for those applications submitted for review under the fast-track procedures of § 5.1(b) of this part. The Commission, or its delegatee under § 140.96 of this chapter, in its discretion, may publish for comment the notice of availability for such longer period as appropriate.

[53 FR 30672, Aug. 15, 1988, as amended at 62 FR 10440, Mar. 7, 1997]

## PART 7—CONTRACT MARKET RULES ALTERED OR SUPPLEMENTED BY THE COMMISSION

### Subpart A—General Provisions

Sec.

7.1 Scope of rules.

### Subpart B—[Reserved]

7.100—7.101 [Reserved]

### Subpart C—Board of Trade of the City of Chicago Rules

7.200 [Reserved]

7.201 Regulation 620.01(B).

AUTHORITY: 7 U.S.C. 7a(a)(12)(A) and 12a(7).

SOURCE: 45 FR 51526, Aug. 1, 1980, unless otherwise noted.

### Subpart A—General Provisions

#### § 7.1 Scope of rules.

This part sets forth contract market rules altered or supplemented by the Commission pursuant to section 8a(7) of the Act.

### Subpart B—[Reserved]

#### §§ 7.100—7.101 [Reserved]

### Subpart C—Board of Trade of the City of Chicago Rules

#### § 7.200 [Reserved]

#### § 7.201 Regulation 620.01(B).

*Customers' claims and grievances.* The Arbitration Committee and Mixed Panels constituted pursuant to Regulation 620.02 have jurisdiction to arbitrate all customers' claims and grievances against any member or employee thereof which have arisen prior to the date the customer's claim is asserted. If the customer elects to initiate an arbitration proceeding of any customer claim or grievance, the member shall submit to arbitration in accordance with these Arbitration Rules and Regulations. The Arbitration shall be initiated by delivery to the Administrator of (a) a Statement of Claim and a "Chicago Board of Trade Arbitration Submission Agreement for Customer's Claims and Grievances" signed by the customer or (b) a Statement of Claim