

**Pt. 7**

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 [RESERVED]**

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

**Subpart A—General Provisions**

Sec.

7.1 Scope of rules.

**17 CFR Ch. I (4-1-03 Edition)**

**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 and another arbitration agreement between the parties, which agreement conforms in all respects with any applicable requirements prescribed by the Commodity Futures Trading Commission. The refusal of any member or employee to sign the "Chicago Board of

## Commodity Futures Trading Commission

## § 8.03

Trade Arbitration Submission Agreement for Customer's Claims and Grievances" shall not deprive the Arbitration Committee or a Mixed Panel constituted pursuant to Regulation 620.02 of jurisdiction to arbitrate customers' claims under these Arbitration Rules and Regulations. The Committee and Mixed Panels have jurisdiction to arbitrate a counterclaim asserted in such an arbitration, but only if it arises out of the transaction or occurrence that is the subject of the customer's claim or grievance and does not require for adjudication the presence of essential witnesses, parties or third persons over whom the Association does not have jurisdiction. Other counterclaims are subject to arbitration by the Committee, or a Mixed Panel, only if the customer agrees to the submission after the counterclaim has arisen.

[49 FR 10660, Mar. 22, 1984]

### PART 8—EXCHANGE PROCEDURES FOR DISCIPLINARY, SUMMARY, AND MEMBERSHIP DENIAL ACTIONS

#### Subpart A—General Provisions

Sec.

- 8.01 Scope of rules.
- 8.02 Implementing exchange rules.
- 8.03 Definitions.

#### Subpart B—Disciplinary Procedure

- 8.05 Enforcement staff.
- 8.06 Investigations.
- 8.07 Investigation reports.
- 8.08 Disciplinary committee.
- 8.09 Review of investigation report.
- 8.10 Predetermined penalties.
- 8.11 Notice of charges.
- 8.12 Right to representation.
- 8.13 Answer to charges.
- 8.14 Admission or failure to deny charges.
- 8.15 Denial of charges and right to hearing.
- 8.16 Settlement offers.
- 8.17 Hearing.
- 8.18 Decision.
- 8.19 Appeal.
- 8.20 Final decision.

#### Subpart C—Summary Actions

- 8.25 Member responsibility actions.
- 8.26 Procedure for member responsibility actions.
- 8.27 Violations of rules regarding decorum, submission of records or other similar activities.

8.28 Final decision.

AUTHORITY: 7 U.S.C. 6c, 7a, 12a and 12c, unless otherwise noted.

SOURCE: 43 FR 41950, Sept. 19, 1978, unless otherwise noted.

### Subpart A—General Provisions

#### § 8.01 Scope of rules.

This part sets forth the standards to be followed by an exchange in establishing procedures for investigating and adjudicating possible rule violations within the disciplinary jurisdiction of the exchange, for taking summary action in member responsibility cases and in cases involving violations of rules regarding decorum, submission of records or other similar activities, and for adjudicating membership denial determinations. Nothing in this part shall be construed to prohibit an exchange from adopting additional rules and practices not inconsistent with those set forth herein.

#### § 8.02 Implementing exchange rules.

(a) Each exchange shall submit to the Commission for its approval rules implementing the following regulations: §§ 8.11, 8.13, 8.15, 8.17, 8.18 and 8.20 of subpart B and §§ 8.26 and 8.28 of subpart C. Any such rule not previously submitted to the Commission shall not be put into effect prior to Commission approval.

(b) An exchange may adopt rules implementing any or all of the following regulations: §§ 8.10, 8.16 and 8.19 of subpart B and § 8.27 of subpart C. Each rule so adopted and not previously submitted to the Commission shall be submitted to the Commission for its approval and shall not be put into effect prior to Commission approval.

#### § 8.03 Definitions.

For purposes of this part:

(a) *Board of appeals* means that body provided for in § 8.19.

(b) *Charge* or *charges* means any charge or charges contained in the notice of charges.

(c) *Disciplinary committee* means that body or bodies provided for in § 8.08.