

## **Authorized Trader Contact**

### **Registration, Duties and Responsibilities, and De- registration**

#### **Suggested Routing:**

Suggested Routing function is meant to aid the reader of this document. Each PBOT member should consider the most appropriate distribution in the context of its own organizational structure.

- Operations
- Finance & Accounting
- Legal & Compliance

#### **Key Topics:**

- PBOT Rule E7
- Authorized Trader Contacts
- Member IDs
- Trader IDs

### **Executive Summary**

To achieve greater market integrity through an enhanced audit trail, the Philadelphia Board of Trade (“PBOT”) requires each PBOT member or member organization to designate one person—known as an “Authorized Trader Contact”—as the firm’s contact, who is responsible for all business conducted by or through the member on PBOT. In addition, to further enhance its audit trail, PBOT requires each member to

identify the person submitting each order, quote, or block trade by attaching a unique identifier, known as a Trader ID, at the time of submission.

This *Notice* describes how members register their Authorized Trader Contacts, the duties and responsibilities of those contacts, the procedures for de-registering or transferring of those contacts, as well as the use of Trader IDs.

Please direct any questions concerning this *Notice* to Tom Young, Market Regulation—Special Investigator, at (215) 496-1555, or Bob Kreszwick, Director, Membership Services, at (215) 496-6430.

### **Registration**

According to PBOT rules, an “Authorized Trader Contact” is an employee or other person associated with a member or member organization (collectively “members”) that is registered with the PBOT and responsible for all orders, quotes, and block trades submitted by or through the members’ trading mnemonic, known as a Member ID.<sup>1</sup>

<sup>1</sup> PBOT Rule E2(a) defines “Authorized Trader Contact” and “Member ID.”

To register an Authorized Trader Contact, a member must complete and submit PBOT’s “Authorized Trader Contact Registration Form.”<sup>2</sup> In addition, each member is responsible for ensuring that all the information contained in the Authorized Trader Contact Registration Form remains current so that PBOT can immediately reach the Authorized Trader Contact at all times when block trades are being submitted or executed or orders or quotes are resting in, being submitted to, or are being executed through the firm’s Member ID.<sup>3</sup>

In addition, because an Authorized Trader Contact must be immediately reachable at all times when business is being transacted through the firm’s Member ID, PBOT allows firms to designate and register an “Alternative Authorized Trader Contact,” who performs the role and accepts the duties and responsibilities of an Authorized Trader Contact, when the primary Authorized Trader Contact is unavailable.<sup>4</sup> In any event, if the member elects to designate an Alternative Authorized Trader Contact, the primary Authorized

<sup>2</sup> PBOT Rule E7(b) and (c); *see also* Attachment A for a copy of “Authorized Trader Contact Registration Form.”

<sup>3</sup> PBOT Rule E7(f).

<sup>4</sup> *See* Attachment A for a copy of “Authorized Trader Contact Registration Form.”

Trader Contact remains responsible for ensuring that her or she or the Alternative Authorized Trader Contact are always immediately available when business is being transacted through the firm's Member ID.

## Duties and Responsibilities

An Authorized Trader Contact is responsible—and serves as the first point of contact—for all block trades and orders or quotes submitted through the firm's Member ID, including any orders submitted through automated order-routing systems.

In addition, PBOT Rule E7(c) imposes four duties and responsibilities on each Authorized Trader Contact. First, at PBOT's request, the Authorized Trader Contact must have the authority to modify or withdraw any order, quote, or block trade submitted under the firm's Member ID.<sup>5</sup> Second, the Authorized Trader must have the ability to immediately identify the source of the order, quote, or block trade.<sup>6</sup> Third, the Authorized Trader must ensure that all orders, quotes, or block trades submitted to PBOT comply with all applicable provisions of the Commodity Exchange Act, regulations of the Commodity Futures Trading Commission, the rules of PBOT (including *Notices to Members*), and all PBOT regulatory and operational orders and

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<sup>5</sup> PBOT E7(c)(1).

<sup>6</sup> PBOT E7(c)(2).

procedures.<sup>7</sup> Finally, an Authorized Trader Contact must ensure that any person conducting business through the firm's Member ID is competent and appropriately trained.<sup>8</sup>

## Suspension, Transfer, or De-Registration

PBOT may, in its sole discretion, suspend or revoke the registration of an Authorized Trader Contact. For example, PBOT may suspend or revoke the registration of an Authorized Trader Contact because of recurring unavailability when the firm's Member ID is in use or the contact's repeated inability to immediately identify the source of each quote, order, or block trade submitted through the firm's Member ID.

With PBOT's consent, a member or Authorized Trader Contact may request to terminate or transfer the registration of the Authorized Trader Contact. To terminate or transfer the registration of an Authorized Trader Contact, the member or Authorized Trader Contact must complete and submit to the PBOT an "Authorized Trader Contact De-Registration or Transfer of Form."<sup>9</sup> However, for the protection of the market, members, and customers, PBOT may, in its sole discretion, refuse

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<sup>7</sup> PBOT E7(c)(3).

<sup>8</sup> PBOT E7(c)(4).

<sup>9</sup> See also Attachment B of this Notice for a copy of the "Authorized Trader Contact De-Registration or Transfer Form."

to accept a request to terminate the registration of an Authorized Trader Contact, postpone the effective date of the termination of registration, or otherwise place terms or conditions before or after the effective date of de-registration or transfer.

## Trader ID

Finally, to further enhance our audit trail, PBOT requires each member to identify the person submitting each order, quote, or block trade by attaching a unique identifier, or Trader ID, at the time of submission to the PBOT.<sup>10</sup> Each member must ensure that an appropriate Trader ID is submitted to PBOT at the time of each order, quote, or block trade submission or revision.

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<sup>10</sup> PBOT Rule E2(a) defines "Trader ID." See also Rule E7(e).

**ATTACHMENT A**  
**PBOT**  
**Authorized Trader Contact Registration Form**

<b>Member Name:</b>		<b>Member ID:</b>	
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I am an employee or associated person of the member firm listed above. I confirm that I understand the obligations of being an Authorized Trader Contact on PBOT, and request registration as an Authorized Trader Contact or Alternative Authorized Trader Contact for the products that the above-referenced member firm is authorized to trade on PBOT. With my signature on this form, I agree to be subject to, and comply with, all applicable provisions of the Commodity Exchange Act, regulations of the Commodity Futures Trading Commission, rules of the PBOT (including *Notices to Members*), and all PBOT regulatory and operational orders and procedures.

<b>Full Name: Authorized Trader Contact</b>		Signature	
Title		Direct Telephone No.	
E-mail Address		Alternative Telephone No.	
Date for requested activation of registration		Market Maker for PBOT (Y/N)	
<b>Full Name: Alternative Authorized Trader Contact</b>		Signature	
Title		Direct Telephone No.	
E-mail Address		Alternative Telephone No.	

Authorized by:

\_\_\_\_\_  
PBOT staff (printed name)

\_\_\_\_\_  
Signature of authorized PBOT staff and Date

\_\_\_\_\_  
PBOT staff contact number and E-mail Address

For official use only

**ATTACHMENT B**  
**PBOT**  
**Authorized Trader Contact De-registration or Transfer Form**

Requests for de-registration or transfer become effective only upon approval of PBOT. A Authorized Trader Contact is de-registered at the close of business on the trading day that a completed form is submitted before 6:00 p.m. (EST) to, *and approved by*, PBOT (unless de-registration or transfer is requested for a future date).

<b>Requested De-registration Date</b> (close of business):	
<b>Member Name:</b>	
<b>Member ID:</b>	
<b>Name of Authorized Trader Contact:</b>	
<b>Name of Alternative Authorized Trader Contact:</b>	
<b>Name of Authorized Person Contact to be transferred to:</b> (use separate form for new registration)	

<b>COMMENTS:</b>
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Authorized by:

\_\_\_\_\_

PBOT staff (printed name)

\_\_\_\_\_

Signature of authorized PBOT staff and Date

\_\_\_\_\_

PBOT staff contact number and E-mail Address

For official use only