Customer:
The party to whose account the positions ultimately will be given up for clearing. Notwithstanding that the Customer (sometimes referred to as the "client") may authorize another party to place orders on its behalf, the Customer is always a party to the give-up agreement (the "Agreement"). Although it may authorize a Trader to sign on its behalf (and may be identified by account number in the Trader version), it is ultimately responsible for obligations relating to the positions, such as margin, delivery, etc.

Trader:
The party to whom the Customer has given authority to place orders on its behalf with Executing Brokers for give-up to the Customer's account maintained by the Clearing Broker. In most instances, the Customer also has given authorization to the Trader to enter into and sign the Agreement on its behalf. In the United States, Traders usually are required to be licensed as Commodity Trading Advisors, unless they qualify for an exemption.

Clearing Broker:
The party that maintains a futures clearing account for the Customer and to which the positions resulting from orders executed by an Executing Broker pursuant to the Agreement ultimately are given up. The Clearing Broker must be licensed as a futures intermediary in its home jurisdiction, but is not required to be a member of any exchange. Section 3 of the Agreement provides that, in instances where a Clearing Broker is not a member of the exchange on which the trades are executed, it may use the services of a clearing member to clear the positions on the exchange on its behalf. However, these agents are often affiliates of the Clearing Broker in another jurisdiction (see "Use of Agents" below for clarification of when entities should be named parties to a Give-Up Agreement). Nonetheless, the Clearing Broker must remain responsible to the Customer for its obligations under the Agreement. Usually the clearing member, when acting as agent for the Clearing Broker is not a party to the Agreement; however at least one exchange, the London Metal Exchange ("LME") does require it.

Executing Administrative Clearer
This term is used to define the Category 1 (Ring Dealing) or Category 2 (Associated Broker Clearing) Member of the LME that is responsible for entering into the LME Matching System (LMEMS) trades executed by a Category 4 (Associated Broker) Member that is acting as the Executing Broker.

Clearing Administrative Clearer
This term is used to define the Category 1 (Ring Dealing) or Category 2 (Associated Broker Clearing) Member of the LME that is responsible for entering into the LME Matching System (LMEMS) trades that are being given up to a Category 4 (Associated Broker) Member that is acting as the Customer's Clearing Broker.

Executing Broker (See also "Order Passing Broker"):
The party that executes trades on a futures exchange pursuant to orders received from the Customer, Trader or another authorized agent of the Customer. The positions ultimately are given up to the Customer's account maintained by the Clearing Broker. The Executing Broker must be licensed as a futures intermediary in its home jurisdiction, but is not required to be a member of the exchange on which the trades are executed. Section 3 of the Agreement provides that in instances where the Executing Broker is not a member, it may use the services of a member of the relevant exchange to execute the trades on its behalf. These agents are often affiliates of the Executing Broker who are members of the relevant exchange and are involved in the operational trade flow of the give-up, not independent order passing parties (see also "**Order Passing Broker**"). The Executing Broker remains responsible to the Customer for its obligations under the Agreement. Often the executing member, when acting as agent for the Executing Broker, is not a party to the Agreement; however, at least one exchange, the LME, does require it*.

Carrying Broker:
This term is used to define the Customer's Clearing Broker in instances where such broker is not a member of the exchange where the trades are executed, and the exchange requires clearing member that maintains the Clearing Broker's omnibus account on such exchange to be a party to the Agreement (e.g., LME).

Order Passing Broker:
This term is used for a party that has been authorized, usually by the Trader, to pass Trader's orders for the Customer's account to the Executing Broker. It usually maintains a relationship with the Executing Broker. In some instances it is merely referenced in the Agreement, but not a party to it. This party is sometimes referred to as the Agent Executing Broker when it is not affiliated with the Executing Broker.

LME Clearing Member:
This term is used to define the member of the LME that clears the Customer's LME positions in the omnibus account it maintains for the Customer's non-LME Clearing Broker. The non-LME Clearing Broker is then defined in the Agreement as the Carrying Broker.

LME Executing Member:
This term is used to define the member of the LME that executes the Customer's LME trades pursuant to orders received from an Executing Broker that is not a member of the LME.

*LME rules require that (i) all give-up transactions must be documented by a give-up agreement; (ii) all parties to a give-up transaction must be parties to the give-up agreement and (iii) both the executing and clearing members must be parties to the Agreement even when acting as agents for non-member brokers. When the Executing Broker and Clearing Broker each have the direct relationship with the Customer (and Trader, if applicable) and are both LME members, the standard Customer or Trader versions of the Agreement should be used.

Other items to note regarding Give-Up Agreements:

Use of Agents: In general, Give-Up Agreements were designed to detail the obligations under a give-up arrangement and clearly delineate the parties to the execution and clearing relationship. The key to the successful and accurate Give-Up Agreement is that the parties to the Agreement readily match the operational trade flow, making it easier for both the Clearing Broker and Executing Broker to resolve any out-trades or other operational matters.   Thus, the additional definitions above were developed over the years to address those parties which may be involved in the handling of a futures order, but not necessarily in the operational trade flow. If one of the parties to a Give-Up Agreement intends to use an agent that is neither an affiliate of that party nor a member of the relevant exchange or clearinghouse, best practice would be to clearly identify the agent and its role (for example, an order passing broker) in the Give-Up Agreement.

Bilateral vs. Give Ups: Some futures trades such as blocks and EFRPs are executed bilaterally and entered into and exchange system for settlement (e.g., Clearport or ICE-Block).   These are not give-up transactions necessarily. The customer's clearing firm enters limits directly into Clearport or ICE-Block and can permission, at the customer's request, another firm which the customer has engaged (either as broker or counterparty) to enter the trade into the account.   If the trade exceeds the limits set by the clearing firm, it will be rejected.   Thus, this type of transaction is a bi-lateral transaction submitted for clearing as set forth in CFTC Rule 1.73(a)(2)(iii) and not a give-up transaction as discussed in Rule 1.73(a)(2)(iv).   The clearing firm pre-sets limits in Clearport or ICE-Block and transactions exceeding such limits will be rejected.   If an executing firm or counterparty does not have access to Clearport or

ICE-Block and chooses to execute the futures block or EFRP as a give-up, the executing firm will have a screening requirement under Rule 1.73(a)(2)(iv).