6.5.7 Spread or Arbitrage Positions. A spread or arbitrage transaction involves the simultaneous purchase and sale of identical or equivalent commodity futures contracts across two or more markets, such as location or delivery month, in order to hold a position on the discrepancy in their price relationship. For contracts subject to CFTC established position limits, spread positions or arbitrage positions between single months of a futures contract outside of the spot month, in the same year, may exceed the position limits; provided however, that such spread or arbitrage positions, when combined with any other net positions in the single month, do not exceed the all-months limit established by the CFTC. In order to exceed position limits without violating the Rules, a Participant must ~~submit spread~~comply with the following procedures for identifying spreads or arbitrage positions subject to this Rule:

(a) Submit the spread or arbitrage positions under a single order ID number. Positions resulting from spread orders submitted under a single order ID number or block trades submitted under a single trade group ID number shall be deemed spread positions for position limit purposes~~.~~;

(b) ~~Participant may not enter into any subsequent transaction that alters the spread or arbitrage position causing the Participant to exceed the position limits. In the event this occurs, the Participant will be~~ In the event the qualifying spread or arbitrage position cannot be submitted under a single order ID number, such as when a spread or arbitrage position is executed amongst three or more Participants, the Participant must submit a written notice to the Exchange in the form provided by the Exchange that shall include (i) a description of the spread or arbitrage position; (ii) a statement that the position is a spread or arbitrage position; and (iii) a statement that the Participant is complying with all other Rules and requirements of the Exchange;

(c) If neither (a) or (b) apply, the Participant must submit a written request to the Exchange in the form provided by the Exchange. The request must be received by the Exchange no later than five (5) Business Days before the position limits are in effect for the proposed spread or arbitrage position and shall include (i) a description of the size and nature of the proposed spread or arbitrage position; (ii) an explanation that neither (a) or (b) above applies to the proposed spread or arbitrage position; (iii) a statement that the intended position will be a spread or arbitrage position; and (iv) a statement that the Participant is complying with all other Exchange Rules and requirements;

(d) Participant may not enter into any subsequent transaction to alter the spread or arbitrage position causing the Participant to exceed the position limits. In the event this occurs, the Participant may be in violation of position limits for the period of time in which the excess positions remained open~~.~~; and

(e) Participant agrees to immediately submit a supplemental statement explaining any change in circumstances affecting the spread or arbitrage position.

The Compliance Department may deny or limit any Order intended as a spread or arbitrage position based on factors deemed by the Compliance Department to be relevant, such as whether the positions can be liquidated in an orderly manner.