



March 17, 2006

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

COMM-FUTURES DIVISION

MAR 17 11:01

1155 21st Street
Washington, DC 20581

RE: Amendments to Cleared-Only Eurodollar Futures Settlement Dates
Submitted per Sec. 5c(c)(1) of the CEA and Regulation Sec. 40.6(a).
CME Submission # 06-22.

Dear Ms. Webb:

Chicago Mercantile Exchange (“CME” or “Exchange”) hereby certifies with the Commission the amendments to the rules governing the settlement dates of Cleared Only Eurodollar futures. The Exchange certifies that this amendment complies with the Act and rules thereunder.

Under the Substitution of Futures for Forwards facility, participants can elect to utilize a Cleared-Only Eurodollar futures expiring on any business day except those corresponding to a standard Eurodollar futures expiration. The following rule amendments clarify how the settlement dates and the “contract dates,” i.e. how the contracts are identified, are related.

Eurodollar futures are settled in cash to the British Bankers’ Association 3-month LIBOR fix. For each 3-month LIBOR fix, there is a “value date,” which represents the start date of the 3-month deposit subject to the LIBOR rate. In Over-The-Counter transactions, Forward Rate Agreements (FRAs) are identified by this value date, instead of the date on which the relevant LIBOR fixing is determined. The Exchange elects to mirror this industry practice with the Cleared-Only Eurodollar futures contracts by labeling the contracts with the value date of the relevant LIBOR fixing. For example, a Cleared-Only Eurodollar futures with a contract date of May 10th, 2006 shall be settled against the 3-month LIBOR fixing of May 8th, 2006, which has a value date of May 10th.

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Further, because of the mismatches of holiday schedules between London and New York, there could be LIBOR fixings on consecutive days with the same value date. The settlement of the Cleared-Only Eurodollar futures shall be determined against the chronologically last LIBOR fixing with a value date identical to the contract date.

The foregoing shall not impact the regular Eurodollar futures contracts, which will continue to settle against the LIBOR fixing determined on the second business day prior to the third Wednesday of the contract month. The text of the amendments is as follows, with additions underlined and deletions bracketed and overstruck. A clean copy of the Cleared-Only Eurodollar futures Rules is included in the appendix.

CHAPTER 452

Three-month Eurodollar Futures

45231. CLEARED ONLY FUTURES CHARACTERISTICS

45231.A. – 45231.F

[Unchanged]

45231.G. Termination of Trading

Trading of a “Cleared only” futures contract shall terminate at 11:00 a.m. (London Time)* on the day of Final Settlement Price determination, which can be [øñ] any London bank business day that is also an Exchange business day, mutually agreed to by buyer and seller, other than applicable standard termination dates in futures offered for “trading and clearing.”

* This is 5:00 a.m. (Chicago Time) except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

45231.H. Contract Modifications

(Refer to Rule 45202.H. Contract Modifications)

45232. SETTLEMENT PROCEDURES

45232.A. Final Settlement Price

Final settlement price of a “Cleared only” futures contract shall be determined on the last day on which the British Bankers’ Association conducts the Three-Month London Interbank Offer Rate (LIBOR) fixing for the value date specified for the contract. Typically, the LIBOR fixing is determined two London business days prior to the value date. For example, a futures contract for

Ms. Jean A. Webb
March 17, 2006
Page 3 of 6

April 5, 2006 will settle against the 3-month LIBOR fixing determined on April 3, 2006 for the value date of April 5, 2006.

The final settlement price shall be 100 minus the British Bankers' Association Interest Settlement Rate for Three-Month Eurodollar Interbank Time Deposits, rounded to the nearest 1/10000th of a percentage point, on the contract termination date. (Decimal fractions ending in a five (5) are rounded up. For example, an average rate of 8-21/32% - 8.65625% - would be rounded to 8.6563 and then subtracted from 100 to determine a final settlement price of 91.3437.) (The 16 reference banks selected by the British Bankers' Association to provide offered rates are major participants in the London Eurodollar Market.)

45232.B. Final Settlement

(Refer to Rule 45203.B. Final Settlement)


45233. FAILURE TO PERFORM

(Refer to Rule 45204. FAILURE TO PERFORM)

[The remainder of this Chapter remains unchanged]

Please do not hesitate to contact Mr. Richard Co at 312-930-3227 or rco@cme.com if any questions arise during the processing of this submission. Please reference our CME Submission #06-22 on all future correspondence for this submission.

Sincerely,



John W. Labuszewski, Managing Director
Research & Product Development

APPENDIX: CLEAN COPY OF CLEARED ONLY EURODOLLAR RULES

CHAPTER 452
Three-month Eurodollar Futures

45230. SCOPE OF CLEARED ONLY FUTURES RULES

Unless otherwise noted below, the following Rules supersede the Rules presented earlier in this chapter. All other contract specifications remain the same as presented earlier in this chapter.

45231. CLEARED ONLY FUTURES CHARACTERISTICS

45231.A. Nature of Cleared Only Futures Contracts

"Cleared only" futures contracts shall be permitted for termination dates on any London bank business day that is also an Exchange business day, other than applicable standard termination dates in futures offered for "trading and clearing." Cleared only contracts may be assigned to the Clearing House only through the Substitution process per CME Rule 537., SUBSTITUTION OF FUTURES FOR FORWARDS (SUB).

45231.B. Trading Unit

(Refer to Rule 45202.B Trading Unit.)

45231.C. Price Increments

Positions shall be marked in terms of the IMM Index, 100.00 minus the yield on an annual basis for a 360-day year. (A deposit rate of 7.20% shall be quoted as 92.80.)

1. The Nearest Expiring Contracts with Terminations within 31 Days of the Trade Date

Minimum fluctuations of the IMM Index shall be in multiples of .0025 (\$6.25). For each .0025 increase in the Index, the Clearing House shall credit (\$6.25 per contract) those clearing members holding open long positions and debit (\$6.25 per contract) those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit (\$6.25 per contract) those clearing members holding open long positions and credit (\$6.25 per contract) those clearing members holding open short positions.

2. All Expiring Contracts with Terminations Exceeding 31 Days from the Trade Date

Minimum fluctuations of the IMM Index shall be in multiples of .005 (\$12.50). For each .005 increase in the Index the Clearing House shall credit (\$12.50 per contract) those clearing members holding open long positions and debit (\$12.50 per contract) those clearing members holding open short positions. For each .005 decline in the Index the Clearing House shall debit

(\$12.50 per contract) those clearing members holding open long positions and credit (\$12.50 per contract) those clearing members holding open short positions.

45231.D. Position Accountability

(Refer to Rule 45202.D. Position Accountability)

45231.E. Accumulation of Positions

(Refer to Rule 45202.E. Accumulation of Positions)

45231.F. [Reserved]

45231.G. Termination of Trading

Trading of a "Cleared only" futures contract shall terminate at 11:00 a.m. (London Time)* on the day of Final Settlement Price determination, which can be any London bank business day that is also an Exchange business day, mutually agreed to by buyer and seller, other than applicable standard termination dates in futures offered for "trading and clearing."

* This is 5:00 a.m. (Chicago Time) except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

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The final settlement price shall be 100 minus the British Bankers' Association Interest Settlement Rate for Three-Month Eurodollar Interbank Time Deposits, rounded to the nearest 1/10000th of a percentage point, on the contract termination date. (Decimal fractions ending in a five (5) are rounded up. For example, an average rate of 8-21/32% - 8.65625% - would be rounded to 8.6563 and then subtracted from 100 to determine a final settlement price of 91.3437.) (The 16 reference banks

Ms. Jean A. Webb
March 17, 2006
Page 6 of 6

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45232.B. Final Settlement

(Refer to Rule 45203.B. Final Settlement)

45233. FAILURE TO PERFORM

(Refer to Rule 45204. FAILURE TO PERFORM)

45234. [RESERVED]

45235. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

(Refer to Rule 45206. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT)

(End Chapter 452)