

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional): 12-217 Date: June 19, 2012

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION

The Board of Trade of the City of Chicago, Inc. ("CBOT")/ New York Mercantile Exchange, Inc. ("NYMEX")

FILING AS A: DCM SEF DCO SDR ECM/SPDC

TYPE OF FILING

• Rules and Rule Amendments

- Certification under § 40.6 (a) or § 41.24 (a)
- "Non-Material Agricultural Rule Change" under § 40.4 (b)(5)
- Notification under § 40.6 (d)
- Request for Approval under § 40.4 (a) or § 40.5 (a)
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

• Products

- Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

CBOT/NYMEX Rules 816 and 817

DESCRIPTION

CBOT and NYMEX Rules 816 and 817 are being amended to harmonize the rules in all three CME Rulebooks.

June 19, 2012

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Amendments to CBOT/NYMEX Rules 816 and 817
CBOT/NYMEX Submission No. 12-217**

Dear Mr. Stawick:

The Board of Trade of the City of Chicago, Inc. ("CBOT") and New York Mercantile Exchange, Inc. ("NYMEX" and together with CBOT, the "Exchanges") pursuant to Commodity Futures Trading Commission (the "Commission") Regulation 40.6 hereby notify the Commission of changes to CBOT and NYMEX Rules 816 and 817. The proposed effective date for these changes is July 5, 2012.

The proposed revisions to Rules 816 (Guaranty Fund Deposit) and 817 (Liquidity Facility) are being made in order to harmonize such rules with the corresponding Chicago Mercantile Exchange Inc. ("CME") Rules 816 and 817.

CME reviewed the designated clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME identified the following Core Principle as potentially being impacted:

Financial Resources. CME believes that the proposed changes revise and further clarify the standards for IRS eligible to be cleared at CME.

The text of the proposed changes is reflected on the attached Exhibit, with additions underlined and deletions ~~stricken through~~.

CME certifies that the above rules and rule amendments comply with the CEA and the regulations thereunder. There were no substantive opposing views.

Notice of this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

If you require any additional information regarding this submission, please contact Sasha Rozenberg at 212-299-2106 or via e-mail at sasha.rozenberg@cmegroup.com, or contact me at 212-299-2228. Please reference our CME Submission No. 12-217 in any related correspondence.

Sincerely,

/s/ Jason Silverstein
Executive Director & Associate General Counsel

Attachment: Exhibit 1

EXHIBIT 1

CBOT/NYMEX

816. GUARANTY FUND DEPOSIT

~~E~~ Each clearing member shall make a Base Guaranty Fund deposit with the Exchange as security for its obligations to the Clearing House. The minimum ~~guaranty fund~~ Base Guaranty Fund deposit of a clearing member, shall equal the greater of (a) an amount specified by the Clearing House Risk Committee or (b) the clearing member's proportionate share of the "Aggregate Guaranty Fund Deposit," which shall be an amount determined by the Clearing House Risk Committee.

Each clearing member's proportionate share of the Aggregate Guaranty Fund Deposit shall consist of:

(i) a specified percentage of the Aggregate Guaranty Fund Deposit multiplied by the clearing member's proportionate share (including the total risk performance bond requirement in respect of positions in its cross-margin accounts and any applicable short option value) of the average aggregate risk performance bond requirement (including the risk performance bond requirement in respect of positions in all cross-margin accounts and any applicable short option value) for the preceding three months; plus

~~(ii)-(A)~~ a specified percentage of the Aggregate Guaranty Fund Deposit multiplied by the clearing member's proportionate share of the total number of contracts executed on the Exchange and any applicable exchange or market during the preceding three months; ~~or~~

~~(B) for CDS products, a specified percentage of the Aggregate Guaranty Fund Deposit multiplied by the clearing member's proportionate share of the gross notional amount of open interest cleared by the Clearing House during the preceding three months;~~ plus

(iii) a specified percentage of the Aggregate Guaranty Fund Deposit multiplied by the clearing member's proportionate share of foreign currency settlements for the preceding three months.

The percentages in ~~(i)-(ii)~~ through (iii) above shall be determined and modified by the Clearing House Risk Committee as appropriate. Some contracts may be weighted more heavily than others in order to reflect the greater risk associated with those contracts. The average aggregate risk performance bond requirement, the total number of contracts executed, the gross notional amount of open interest cleared and each clearing member's proportionate share of each will be calculated by the Clearing House, and a report setting forth such information and the clearing member's required Base Guaranty Fund deposit will be given to the clearing member each quarter, and the Clearing House may provide such reports on an interim basis at any time during the quarter as the Clearing House staff shall determine. On a quarterly basis, if such report indicates that the clearing member's current Base Guaranty Fund deposit with the Clearing House is smaller than the amount required, the clearing member shall increase its amount within five business days. If such report indicates that the clearing member's current Base Guaranty Fund deposit with the Exchange is larger than the amount required, the clearing member may withdraw the excess amount. If, prior to the issuance of the quarterly report, the Clearing House determines that an increase in the Base Guaranty Fund deposit is necessary to protect the financial integrity of the Clearing House, the clearing member, upon demand of the Clearing House, shall increase its Base Guaranty Fund deposit amount within five business days.

A clearing member's Base Guaranty Fund deposit may be in a form as set forth in the Manual. Such Base Guaranty Fund deposit forms and amounts shall be subject to the terms and conditions as approved by Exchange staff.

~~817~~

817. LIQUIDITY FACILITY

~~A~~ Assets deposited by a clearing member in satisfaction of guaranty fund deposits and performance bond requirements may also be used to directly secure the Exchange's obligations to its lenders under any liquidity facility entered into by the Exchange for the purpose of providing liquidity to the Exchange; provided that assets pledged from (x) Base Guaranty Fund deposits and performance bond associated with Base Guaranty Fund Product Classes shall only be used under this Rule to secure liquidity to satisfy obligations arising from Base Guaranty Fund Product Classes, (y) IRS Guaranty Fund deposits and performance bond associated with IRS Products shall only be used under this Rule to secure liquidity to satisfy obligations arising from IRS Products, and (z) CDS Guaranty Fund deposits and performance bond associated with CDS Products shall only be used under this Rule to secure liquidity to satisfy obligations arising from CDS Products; provided further that performance bond deposits of a non-defaulting clearing member may only be pledged under this Rule to secure liquidity for amounts assessed against such clearing member. By delivering assets to the Exchange in satisfaction of guaranty fund deposit and performance bond requirements, each clearing member is hereby deemed: (i) to agree that its ~~A~~assets may be used by the Exchange to directly secure the Exchange's obligations to the Exchange's liquidity lenders and that its ~~Assets~~assets may become subject to a lien in favor of the Exchange's liquidity lenders or otherwise guarantee the Exchange's obligations and; (ii) to authorize the Exchange, and appoint the Exchange (such appointment being coupled with an interest) as such clearing member's attorney-in-fact, to enter into agreements on its behalf in connection with its ~~AA~~assets serving as security for the Exchange's obligations to the Exchange's liquidity lenders; and (iii) to acknowledge that the obligations of the Exchange to its liquidity lenders may be greater, and extend for periods of time longer, than the obligations, if any, of such clearing member to the Exchange. The Exchange, as each clearing member's attorney-in-fact, will have authority to enter into agreements on behalf of each clearing member and in each clearing member's name for the purpose of causing the clearing member's ~~A~~assets to directly secure the Exchange's obligations to the

Exchange's liquidity lenders. Any agreement entered into by the Exchange on behalf of clearing members pursuant to this Rule 817 shall bind each clearing member and will contain provisions, including representations, warranties and covenants, required by lenders under any liquidity facility. If there is a default under any such liquidity facility, the ~~AA~~ assets of the clearing members pledged to secure such liquidity facility may be foreclosed upon by the Exchange's liquidity lenders and applied against the obligations of the Exchange under the related liquidity facility. The clearing members shall take no action, including but not limited to attempting to obtain a court order, that would interfere with the ability of such liquidity lenders to receive the benefit of their contractual remedies in connection with any such foreclosure or that would controvert or assert the invalidity of any provision of these rules. Each clearing member agrees to sign any document or agreement requested by the Exchange to further document the power of attorney set forth and established by these rules.