

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-040

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): January 15, 2015 **Filing Description:** Amendments to CME Chapter 806

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers: CME Rules 80604.A.C. and 80604.B.C.



Jason Silverstein
Executive Director and Associate General Counsel
Legal Department

January 15, 2015

VIA ELECTRONIC PORTAL

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

**RE: CFTC Regulation 40.6(a) Certification – Amendments to CME Chapter 806
("iTraxx Europe Index Untranchred CDS Contracts: Part A and Part B").
CME Submission No. 15-040**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange, Inc. ("CME"), a registered derivatives clearing organization ("DCO") under the Commodity Exchange Act, as amended (the "Act"), hereby submits to the Commodity Futures Trading Commission (the "Commission"), pursuant to Commission Regulation 40.6(a), amendments to its existing CDS product rules (the "CDS Product Rules"). The effectiveness of the proposed amendments is to provide further description and detail of certain aspects of the proposed rule changes contained within CME's submission to the Commission pursuant to Commission Rule 39.5(b) (CME Submission No. 14-491 dated November 21, 2014) for the acceptance of certain iTraxx Europe index untranchred credit default swap ("CDS") contracts on indices administered by Markit ("iTraxx Contracts") for clearing and the addition of associated iTraxx Contract terms and conditions. CME notes that, although the proposed amendments contained in Submission No. 14-491 have been submitted in accordance with Commission Regulation 39.5(b), CME has not yet begun to offer clearing of iTraxx Contracts and therefore has not yet implemented the proposed rule changes contained within Submission No. 14-491. CME intends to offer clearing of iTraxx Contracts on Monday, February 2, 2015.

The proposed amendments will become effective on Monday, February 2, 2015. All capitalized terms not defined herein shall have the meaning given to them in the CDS Product Rules.

I. Restructuring European Single Name CDS Contract

As CME noted in Submission No. 14-491, upon the occurrence of a restructuring credit event with respect to a reference entity that is a component of an iTraxx Contract, such reference entity will be "spun out" and maintained as a separate single-name CDS contract (a "Restructuring European Single Name CDS Contract") until settlement. For so long as neither of the counterparties elects to trigger settlement, either pursuant to the restructuring credit event that caused the "spin out" or the occurrence of a subsequent credit event, the positions in the Restructuring European Single Name CDS Contract may be maintained at CME until maturity of the Restructuring European Single Name CDS Contract.

CME proposes to amend CME Rules 80604.A.C. (“Restructuring European Single Name CDS Contract”) and 80604.B.C. (“Restructuring European Single Name CDS Contract”) contained in Submission No. 14-491, to provide further description and detail of the circumstances under which market participants or CME may increase, close out, or otherwise affect the size of a position in a Restructuring European Single Name CDS Contract. CME Rules 80604.A.C. and 80604.B.C. provide that CME will only permit market participants to affect the size of a position in a Restructuring European Single Name CDS Contract due to the occurrence of a credit event. CME proposes to amend CME Rules 80604.A.C. and 80604.B.C. to provide that market participants may affect the size of a position in a Restructuring European Single Name CDS Contract due to the occurrence of a credit event, in accordance with CME's default management process, following a close out of a defaulting customer's positions, or following a withdrawal from clearing membership in accordance with CME rules. In addition, CME proposes to link the circumstances under which CME may impose an increase or decrease in the position of a Restructuring European Single Name CDS Contract more closely to the default management processes provided in specific CME rules.

II. Core Principle Review

CME reviewed the derivatives clearing organization core principles (“Core Principles”) as set forth in the Act and identified the following Core Principles as potentially being impacted:

- Core Principle G - Default Rules and Procedures: The revisions to the CDS Product Rules are consistent with the default rules and procedures requirements of Core Principle G. The changes provide further description and detail of certain aspects of the default management procedures of CME relating to Restructuring European Single Name CDS Contracts, specifically, the ability for the CME and its CDS Clearing Members to close out positions in Restructuring European Single Name CDS Contracts in accordance with default management processes.
- Core Principle L – Public Information: The proposed changes to the CDS Product Rules will be added to the publicly available CME rulebook available on CME's Website.

Exhibit 1, which is attached under separate cover, sets forth the applicable amendments to the CDS Product Rules with additions underscored and deletions ~~overstruck~~.

CME certifies these changes comply with the Act and regulations thereunder. There were no substantive opposing views to this action.

If you require any additional information regarding this submission, please contact Jennifer Peve at 312-466-7472 or via e-mail at Jennifer.Peve@cmegroup.com, or contact me at 212-299-2228 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Jason Silverstein
Executive Director & Associate General Counsel

Exhibit 1 – Amendments to CME Chapter 806 (“iTraxx Europe Index Untranchd CDS Contracts: Part A and Part B”) (attached under separate cover)