

SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 15-080

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): February 18, 2015 Filing Description: Notification Regarding the Establishment of the Base OTC Default Management Committee and Associated New Rule and Rule Amendments

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: 8F025; 8F002; 8F004; 8F014

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:

February 18, 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, DC 20581

**RE: CFTC Regulation 40.6(a) Certification. Notification Regarding the Establishment of the Base OTC Default Management Committee and Associated New Rule and Rule Amendments.
CME Submission No. 15-080**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), a registered derivatives clearing organization ("DCO") under the Commodity Exchange Act, as amended ("CEA" or "Act"), hereby submits to the Commodity Futures Trading Commission ("CFTC" or "Commission"), pursuant to Commission Regulation 40.6(a), new rule and amendments to existing rules to establish a default management committee ("Active Base OTC Default Management Committee" or "Committee") and address over-the-counter ("OTC") products that are subject to CME's base financial safeguards, including OTC FX. The proposed changes will be effective on Thursday, March 5, 2015, or on such later date as determined by CME.

CME currently has an IRS Default Management Committee to assist with the management of a defaulting IRS Clearing Member's positions and a CDS Default Management Committee to assist with the management of a defaulting CDS Clearing Member's positions. The proposed rule and rule amendments establish the Committee as a similar construct to assist with the management of portfolio of its OTC Clearing Member's positions. The Committee will be comprised of traders in OTC products that are employees or directors of Base OTC Clearing Members (or their affiliates) and will serve on the Committee on a rotating basis. The Committee will assist CME in structuring hedges and portfolios for auction. Members of the Committee will also participate in default management drills for Base OTC products.

The proposed new rule and rule amendments are summarized further as follows:

- New CME Rule 8F025. (Active Base OTC Default Management Committee) will establish the Committee and specify its composition of traders in the relevant OTC products who will serve on a rotational basis;
- CME Rule 8F004 (OTC Clearing Member Obligations and Qualifications) amendments will add requirements for OTC Clearing Members to (i) avail traders with proper experience to the Committee and (ii) participate in OTC Derivative default drill exercises;
- CME Rule 8F014 (Mitigation of Losses) amendments will harmonize with the related OTC IRS and OTC CDS rules, including the deletion of allocations of OTC positions;
- CME Rule 8F002 (Definitions) amendments will add the terms "Base OTC Clearing Member" and "OTC Derivative Product Category."

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: Consistent with CFTC Regulation 39.16, the establishment of the Committee and OTC Clearing Member requirements to provide traders and participate in auction as set forth in the proposed rule changes form part of CME’s default procedures for OTC products to permit CME to take timely action to contain losses resulting from OTC positions in the event of a default of a CME OTC Clearing Member.
- Core Principle L – Public Information: The proposed rule changes 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 Rules with additions underscoring and deletions ~~overstruck~~.

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

CME certifies that this submission has been concurrently posted on the CME’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact Sergey Arefiev at 212-299-2127 or via e-mail at Sergey.Arefiev@cmegroup.com, or contact me at 212-299-2228 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Jason Silverstein
Executive Director & Associate General Counsel

Attachment: Exhibit A