SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested ☐

Registered Entity Identifier Code (optional): <u>17-281</u>

Organization: <u>Chicago Mercantile Exchange Inc. ("CME")</u>

Filing as a: ☐ **DCM**   ☐ **SEF**   ☒ **DCO**   ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): <u>07/06/17</u>   Filing Description: <u>Amendments to CME Rulebook Chapter 901 ("Interest Rate Swaps Contract Terms")</u>

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: <u>See filing.</u>

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

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:

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

July 6, 2017

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 Amendments to CME Rulebook Chapter 901 ("Interest Rate Swaps Contract Terms") CME submission No. 17-281**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), pursuant to Commodity Future Trading Commission ("CFTC" or the "Commission") Regulation 40.6, hereby notifies the Commission of amendments to CME Rulebook Chapter 901, effective Thursday, July 20, 2017 for trade date Friday, July 21, 2017.

Chapter 901 is being updated to reflect the addition of KRW-CD-KSDA-Bloomberg and INR-FBIL-MIBOR-OIS-COMPOUND Rate Option for Non-Deliverable Interest Rate Swaps ("NDIRSs") denominated in Korean Wans ("KRW") and India Rupees ("INR").

Please note that this submission 17-281 covers, among other things, changes needed to the CME Rulebook in anticipation of the addition of KRW and INR to its interest rate swap (IRS) offering. CME will be providing information required for these new products to the CFTC separately in CME Submission No. 17-277 also dated July 6, 2017 pursuant to CFTC Regulation 39.5(b).

Changes to the Rulebook are reflected in Exhibit 1, which is attached hereto, with additions <u>underlined</u> and deletions ~~stricken through~~.

CME reviewed the derivatives clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA") and identified the following Core Principle as potentially being impacted:

Participant and Product Eligibility: The new Rate Option for KRW and IRN IRS enables CME to meet appropriate standards for determining eligibility of contracts.

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

CME certifies that 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 me at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1 – Amendments to CME Chapter 901 (blackline format)

EXHIBIT 1

CME RULEBOOK
KRW and INR Product Rules

(Additions underlined; deletions ~~overstruck~~)

Chapter 901 Interest Rate Swaps Contract Terms

90102.B. Settlement Currency
Each IRS Contract shall specify a currency of settlement. Unless a Reference Currency is specified, all calculations and determinations shall be made with reference to the specified currency, and all payments shall be due in such currency. ~~Where a Reference Currency is specified, all calculations and determinations shall be made by reference to the Reference Currency but settlement shall be due in the Settlement Currency.~~
90102.B.1. Non-Deliverable Swap Settlement Currency
With respect to a Non-Deliverable Interest Rate Swap Transaction ("NDIRSs"), where a Reference Currency is specified, all calculations and determinations shall be made by reference to the Reference Currency but settlement shall be due in the Settlement Currency.

90102.E. Rate Options
~~With respect to an IRS Contract, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options or combination of Rate Options:~~
    ~~1. USD-LIBOR-BBA~~
    ~~2. USD-Federal Funds-H.15-OIS-COMPOUND~~
    ~~3. USD-Federal Funds-H. 15-LIBOR-BBA~~
    ~~4. EUR-EURIBOR-Reuters~~
    ~~5. EUR-EURIBOR-Telerate (as defined in the 2000 ISDA Definitions, as published by ISDA)~~
    ~~6. EUR-EONIA-OIS-COMPOUND~~
    ~~7. GBP-LIBOR-BBA~~
    ~~8. GBP-WMBA-SONIA-COMPOUND~~
    ~~9. JPY-LIBOR-BBA~~
    ~~10. JPY-TONA-OIS-COMPOUND~~
    ~~11. CHF-LIBOR-BBA~~
    ~~12. CAD-BA-CDOR~~
    ~~13. CAD-CORRA-OIS-COMPOUND~~
    ~~14. AUD-BBR-BBSW~~
    ~~15. AUD-LIBOR-BBA~~
    ~~16. AUD-AONIA-OIS-COMP~~
    ~~17. SEK-STIBOR-SIDE~~
    ~~18. DKK-CIBOR-DKNA13~~
    ~~19. DKK-CIBOR2-DKNA13~~
    ~~20. NOK-NIBOR-NIBR~~
    ~~21. HKD-HIBOR-HKAB~~
    ~~22. NZD-BBR-FRA~~
    ~~23. SGD-SOR-VWAP~~
    ~~24. HUF-BUBOR-Reuters~~
    ~~25. PLN-WIBOR-WIBO~~
    ~~26. CZK-PRIBOR-PRBO~~
    ~~27. ZAR-JIBAR-SAFEX~~
    ~~28. MXN-TIIE-Banxico~~
    ~~29. BRL-CDI (in which case the rate for a Reset Date will be The Overnight Brazilian Interbank Deposit Rate Annualized known as the average ("Media") of the DI-OVER-EXTRA Grupo as~~

~~published by The Câmara de Custódia e Liquidação as of no later than 12:00 pm on the next Brazil business Day provided that any adjustments made by The Câmara de Custódia e Liquidação to such rate, if made any time later than the end of the Business Day on such Reset Date, shall not be taken into account by the parties. If BRL-CDI is not published, the Rate Option shall instead by (in the following order of priority): (i) the overnight deposit rate published for the relevant date by the Bolsa de Mercadorias & Futuros; or (ii) determined by the Calculation Agent.)~~

90102.E. Rate Options
90102.E.1. Interest Rate Swaps Rate Options
With respect to an IRS Contract, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options or combination of Rate Options:
1. USD-LIBOR-BBA
2. USD-Federal Funds-H.15-OIS-COMPOUND
3. USD-Federal Funds-H. 15-LIBOR-BBA
4. EUR-EURIBOR-Reuters
5. EUR-EURIBOR-Telerate (as defined in the 2000 ISDA Definitions, as published by ISDA)
6. EUR-EONIA-OIS-COMPOUND
7. GBP-LIBOR-BBA
8. GBP-WMBA-SONIA-COMPOUND
9. JPY-LIBOR-BBA
10. JPY-TONA-OIS-COMPOUND
11. CHF-LIBOR-BBA
12. CAD-BA-CDOR
13. CAD-CORRA-OIS-COMPOUND
14. AUD-BBR-BBSW
15. AUD-LIBOR-BBA
16. AUD-AONIA-OIS-COMP
17. SEK-STIBOR-SIDE
18. DKK-CIBOR-DKNA13
19. DKK-CIBOR2-DKNA13
20. NOK-NIBOR-NIBR
21. HKD-HIBOR-HKAB
22. NZD-BBR-FRA
23. SGD-SOR-VWAP
24. HUF-BUBOR-Reuters
25. PLN-WIBOR-WIBO
26. CZK-PRIBOR-PRBO
27. ZAR-JIBAR-SAFEX
28. MXN-TIIE-Banxico

90102.E.2. Non-Deliverable Swap Rate Options
With respect to NDIRSs, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options or combination of Rate Options:
1. BRL-CDI (in which case the rate for a Reset Date will be The Overnight Brazilian Interbank Deposit Rate Annualized known as the average ("Media") of the DI-OVER-EXTRA Grupo as published by The Câmara de Custódia e Liquidação as of no later than 12:00 pm on the next Brazil business Day provided that any adjustments made by The Câmara de Custódia e Liquidação to such rate, if made any time later than the end of the Business Day on such Reset Date, shall not be taken into account by the parties. If BRL-CDI is not published, the Rate Option shall instead by (in the following order of priority): (i) the overnight deposit rate published for the relevant date by the Bolsa de Mercadorias & Futuros; or (ii) determined by the Calculation Agent.)
2. KRW-CD-KSDA-Bloomberg
3. INR-FBIL-MIBOR-OIS-COMPOUND

~~90102.F. Non-Deliverable Swap Settlement Currency~~

With respect to Non-Deliverable Interest Rate Swap Transaction ("NDIRSs"), where a Reference Currency is specified, all calculations and determinations shall be made by reference to the Reference Currency but settlement shall be due in the Settlement Currency

90102.F. Settlement Rate Option
With respect to NDIRSs listed in 90102.E.2., the Settlement Rate Option as applicable shall be:
- (a) KRW.KFTC18/KRW02
- (b) INR.RBIB/INR01

90102.G. Non-Deliverable Swap Rate Options
With respect to NDIRSs, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options or combination of Rate Options:

1. KRW-CD-KSDA-Bloomberg
2. INR-FBIL-MIBOR-OIS-COMPOUND

90102.G.1. Settlement Rate Option
With respect to NDIRSs listed in 90102.G., the Settlement Rate Option as applicable shall be:
- (c) KRW.KFTC18/KRW02
- (d) INR.RBIB/INR01

90102.G.2. Fallback Reference Price
With respect to NDIRSs listed in 90102.G., the Fallback Reference Price as applicable shall be determined by:
- (a) SFEMC KRW Indicative Survey Rate (KRW04)
- (b) SFEMC INR Indicative Survey Rate (INR02)

90102.G. Fallback Reference Price
With respect to NDIRSs listed in 90102.E.2., the Fallback Reference Price as applicable shall be determined by:
- (c) SFEMC KRW Indicative Survey Rate (KRW04)
- (d) SFEMC INR Indicative Survey Rate (INR02)