

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-272

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): July 17, 2014 **Filing Description:** Amend CME Live Cattle Futures Rule 10104.A to Specify that Certificates of Delivery can be Submitted on Christmas and New Year's Eve

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

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

- | | | |
|-------------------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input checked="" type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

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

Rule Numbers: CME Rulebook Chapter 101 (Live Cattle) CME Rule 10104.A

July 17, 2014

VIA ELECTRONIC PORTAL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: CFTC Regulation 40.5(a) Request for Approval. Amendments Terms or Conditions of Enumerated Agricultural Products: Amendments to Live Cattle Futures Contract. CME Submission No. 14-272

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”), pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.5(a), hereby seeks the Commission’s approval for rule amendments to the delivery procedures for the Live Cattle futures contract (Rulebook Chapter 101, clearing and trading floor code: LC; CME Globex code: LE; CME ClearPort code: 48), proposed to be effective on Tuesday, September 2, 2014. These amendments will apply to all existing contract months.

Amendments in the delivery procedures for live cattle were effective for the August 2014 contract month (CME Submission No. 14-071R). One of the procedures for live cattle delivery that changed is the scheduling for live deliveries. Pursuant to rules, certificates of delivery may not be tendered on dates that could result in a live delivery being scheduled on Christmas Eve or New Year’s Eve. The original intent of the amendments was to prevent live deliveries from being made on those dates since the availability of necessary personnel used in the live grading process is more limited on those dates than on other business days. However, the futures markets are normally open for trading on the dates that correspond to the tender days for Christmas Eve and New Year’s. Market participants desire to have the ability to tender delivery certificates in response to futures price movements on those tender days. CME is proposing amendments that would allow for placing delivery tenders on any day that futures trading is open but then would postpone any resulting live deliveries that are scheduled for Christmas Eve or New Year’s Eve until the following business day. All live deliveries would still be subject to the relevant one-day daily grading capacity limit for each live delivery facility. Historically, live deliveries on those dates have been infrequent and of small size. Since 2009, live deliveries on Christmas Eve only occurred in 2012 as was also the case for live deliveries on New Year’s Eve. In those instances, on December 24, 3 contracts were delivered at Syracuse KS while on December 31, 3 contracts at Texhoma OK, 8 contracts at Norfolk NE and 20 contracts at Syracuse KS were delivered. All deliveries could have in fact been accommodated on the next business day.

The Exchange business staff responsible for the amendments and the Legal Department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the amendments may have some bearing on the following Core Principles:

- Prevention of Market Disruption: Amendments to CME Rule 10104.A revise the delivery scheduling procedures to ensure orderliness in deliveries.
- Availability of General Information: The Exchange shall publish on the CME Group website information in regard to futures contract specifications, terms and conditions, and any changes

to the delivery procedures. In addition, the Exchange will issue a Special Executive Report (“SER”) to notify the marketplace of the amendments. The SER will be posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.5(a), the Exchange hereby certifies that the proposed amendments comply with the Act, including regulations under the Act. There were no substantive opposing views.

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

Should you have any questions concerning the above, please contact me at 212.299-2200 or via e-mail at Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Amendments to CME Rulebook (blackline)

Exhibit A

(additions **underlined** and deletions ~~struck through~~)

CME Rulebook

Chapter 101 Live Cattle Futures

FOR ALL CONTRACT MONTHS BEGINNING WITH AUGUST 2014 THROUGH JUNE 2015 10104. PROCEDURES FOR TENDER, DEMAND, RETENDER, RECLAIM, AND ASSIGNMENT OF CERTIFICATES OF DELIVERY

10104.A. Tendering a Certificate

A clearing member representing a short may present a Certificate of Delivery (on a form prescribed by the Clearing House) to the Clearing House no later than 4:30 p.m. on any Business Day except that Certificates may not be tendered:

1. On or before the first Friday of the contract month; **and**
2. After the third Business Day after expiration.
- ~~3. On any Business Day that would result in a live delivery being scheduled on Christmas Eve or New Year's Eve.~~

A Certificate of Delivery is a commitment to deliver cattle conforming with contract specifications at the delivery point designated in the Certificate, or at a corresponding approved slaughter plant selected by the buyer, if the Certificate is not reclaimed. A Certificate requires delivery on the eighth Business Day that is also a delivery day following the tender of that Certificate, if the buyer elects live grading. **If live graded delivery would occur on either Christmas Eve or New Year's Eve, then live graded delivery shall occur on the following Business Day.** If the buyer elects carcass grading, the Certificate requires delivery at the option of the buyer on any Business Day the slaughter plant is in operation between the fourth Business Day and the eighth Business Day, inclusive, following tender of that Certificate.

A Certificate must include the name, location, business address, and telephone number of the feedlot from which the cattle originate. A Certificate must also include: (1) the distance between the feedlot and the stockyards to which the cattle are tendered for delivery; (2) the distance between the feedlot and the approved slaughter plants corresponding to the stockyards to which the cattle are tendered for delivery; and (3) any other approved slaughter plants within 200 miles of the feedlot and the distances to such approved slaughter plants.

The seller is responsible for determining, in advance of tendering a Certificate, if the delivery point stockyards will be able to accommodate a live-graded delivery on the eighth Business Day following the day of tender should the buyer request one. If the buyer requests a live-graded delivery which the stockyards is unable to accommodate, then this will be deemed a failure by the seller to present a load of cattle for USDA grading under Rule 10103.B.8. In addition, the Exchange may prohibit deliveries on certain days for certain locations at which it deems deliveries would not be feasible due to auctions or other activities.

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