

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-194

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): June 1, 2015 Filing Description: 40.4(b)(5) Request for Non-Material Agricultural Rule Change Regarding Delivery Procedures for Live Cattle Futures

**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: CME Live Cattle Futures

Rule Numbers: 10104.C.2 and 10104.F.1

June 1, 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 40.4(b)(5) Request for Non-Material Agricultural Rule Change.  
Delivery Procedures for Live Cattle Futures.  
CME Submission No. 15-194**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.4(b)(5), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is requesting a determination of non-materiality for amendments to the rules for submitting Demand Notices used in the assignment of delivery intentions for live cattle in connection with its Live Cattle Futures contract (Rulebook chapter: 101; Clearing Code: LC; CME Open Outcry Code: LC; CME Globex Code: LE; CME ClearPort Code: 48). The proposed effective date is Tuesday, June 16, 2015. The amendments shall apply to all contract months beginning with the August 2015 contract, which is currently listed.

In an earlier submission (CME Submission No. 14-071R dated February 28, 2014), CME self-certified amendments to the rules of the Live Cattle Futures contract that allowed for delivery of heifers, in addition to steers beginning with the August 2015 contract month which was listed on March 17, 2014. The rule amendments required short position holders submitting delivery intentions to specify whether steers or heifers are to be delivered. In order to clearly assign those intentions to any long position holders that might demand them, the proposed delivery procedures amendment reflects that the gender of the cattle must be specified on Demand Notices. The proposed rule change is non-material because it applies only to the content of the Demand Notice and not whether heifers or steers are eligible for delivery.

The amended rules are provided in Appendix A in blackline format.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified the following Core Principle as potentially being impacted:

- Availability of General Information: The Exchange shall publish on its website information in regard to futures contract specifications, terms and conditions, and any changes to the delivery procedures.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.4(b)(5), the Exchange hereby certifies that the amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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 the undersigned at 212-299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – CME Rulebook Chapter 101 (blackline format)

## **Appendix A**

### **CME Rulebook**

#### Chapter 101 Live Cattle Futures

(additions are underscored)

#### **FOR ALL CONTRACT MONTHS BEGINNING WITH AUGUST 2015**

#### 10104. PROCEDURES FOR TENDER, DEMAND, RETENDER, RECLAIM, AND ASSIGNMENT OF CERTIFICATES OF DELIVERY

##### 10104.C. Demand Notice

A clearing member representing a long may present a Demand Notice for the purpose of securing priority in the assignment of a Certificate of Delivery. The following rules govern Demand Notices:

1. The Demand Notice shall be presented to the Clearing House (on a form prescribed by the Clearing House) by 5:00 p.m. on any Business Day on which Certificates are tendered or retendered.
2. The Demand Notice shall specify: the date the long position was established, the buyer's choice (if any) for delivery points, the buyer's choice (if any) for the gender of the cattle and the minimum amount of accrued retender charges acceptable to the buyer.
3. A Certificate assigned to a Demand Notice may not be retendered.
4. A Demand Notice which is not assigned a Certificate on the day of presentment is void.

##### 10104.F. Assignment of Certificates

The Clearing House shall assign Certificates and notify the clearing member representing the long on the day of tender or retender. Assignments shall be made in the following order:

1. Newly-tendered Certificates and retendered Certificates shall be assigned to Demand Notices which specify delivery points, gender and retender charges which match those of the Certificate. In the case of duplication, the Certificate shall be assigned to the Demand Notice submitted by the long with the oldest long position. In the case of Demand Notices with long positions established on the same date, the time the Demand Notice was submitted to the Clearing House will determine priority.
2. Retendered Certificates which have not been assigned to Demand Notices will be assigned to Reclaim Notices, if any.
3. Retendered Certificates and newly-tendered Certificates which have not been demanded or reclaimed will be assigned to long positions by matching the Certificates having the largest retender charges with the oldest long positions.