

June 7, 2012

Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581  
Email: [submissions@cftc.gov](mailto:submissions@cftc.gov)

Dear Sir or Madam,

Chicago Mercantile Exchange Inc. ("CME Inc.") hereby submits this Swap Data Repository ("SDR") Application pursuant to Section 21 of the Commodity Exchange Act and Part 49 of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC" or "Commission"). CME Inc. respectfully requests that the Commission grant CME Inc.'s provisional registration application for all asset classes of swaps. CME Inc. further requests confidential treatment for [REDACTED] all documents designated as "Confidential Exhibits" on Schedule I. *TK*

For purposes of our provisional SDR registration application, we have made three operating assumptions.

First, as recognized by CFTC Rule 39.12(b)(6), once an executed swap is cleared, the original swap is extinguished and replaced by two swaps. We assume that no further reporting obligations apply to the original swap once the swap is cleared and thus extinguished.

Second, we assume that cleared swaps will be reported as positions, not transactions. When a DCO nets the different transactions of any market participant in a particular swap product, the transactions are extinguished and only the market participant's position remains. It is this position (which results from multiple transactions in the swap product) for which the DCO provides a valuation, not each transaction. Only data on positions (and not transactions) will reveal the risks of a cleared swap, systemic, credit and otherwise.

Third, we assume that the DCO that accepts a swap for clearing will select the SDR to which the reports on the two new swaps resulting from clearing will be made. We believe this approach will make the reporting system operate more efficiently and better serve the CFTC's needs.

Should you have any questions regarding this application, please feel free to contact me at 312-930-3156.

Sincerely,

  
Kim Taylor  
President, CME Clearing

Attachments  
cc: Lois Gregory

**SCHEDULE I**
**LIST OF EXHIBITS**  
**Description**

<b>Document</b>	<b>Description</b>	<b>Confidential Exhibit</b>
Form SDR	CME Inc.'s SDR application	No
Exhibit A	List of control persons of CME Inc.	Yes
Exhibit B - (1)	Narrative explaining fitness standards for CME Inc.'s Board	No
Exhibit B - (2)	List of officers and directors of CME Inc.	No
Exhibit C	Information regarding the chief compliance officer for CME's SDR	Yes
Exhibit D	Documents relating to CME Inc.'s governance arrangements	No
Exhibit E	CME SDR's organizational structure	No
Exhibit F	Conflict of interest policies applicable to CME's SDR	Yes
Exhibit G	List of all CME Inc. affiliates; copy of agreements that will enable CME Inc. to comply with registration requirements and core principles and board and ownership information for CME Inc.'s parent company	Yes
Exhibit H	Copy of CME Inc.'s organizational documents	No
Exhibit I	Opinion of counsel (foreign applicants only)	Yes
Exhibit I-1	Designation of agent (foreign applicants only)	Yes
Exhibit J	CME SDR's Rulebook	No
Exhibit K	CME Inc.'s internal disciplinary policies	Yes
Exhibit L	Material pending legal proceedings	Yes
Exhibit M	CME Inc. financial information	Yes
Exhibit N	Financial information of certain CME Inc. affiliates	Yes
Exhibit O	CME's SDR fee schedule	Yes
Exhibit P	Information regarding service providers to CME's SDR	Yes
Exhibit Q	User manual for CME's SDR	Yes
Exhibit R	Description of system test procedures, tests conducted, or test results that will enable CME's SDR to comply with core principles	Yes
Exhibit S	Services to be performed by CME's SDR	Yes
Exhibit T	List of CME Inc. computer hardware used to perform SDR functions	Yes
Exhibit U	Qualifications of CME SDR's professional personnel	Yes

Exhibit V	Description of CME SDR's data security and verification measures	Yes
Exhibit W	CME SDR's emergency policies and procedures and business continuity-disaster recovery plan	Yes
Exhibit X	Description of relevant backup systems	Yes
Exhibit Y	Technical information about CME's SDR systems	Yes
Exhibit Z	Information regarding users of CME's SDR, disciplinary actions and the data elements for public reporting	Yes
Exhibit AA	Information sharing/confidentiality agreements	Yes
Exhibit BB	Description of policies and procedures that limit CME's SDR services	Yes
Exhibit CC	CME's SDR User Agreement	Yes
Exhibit DD	Description of requirements for persons requesting access to CME's SDR data	Yes
Exhibit EE	Policies for reviewing limitations on access to CME's SDR	Yes
Exhibit FF	Core principles chart	No
Exhibit GG-1	Policies and procedures to protect privacy of swap data	Yes
Exhibit GG-2	Board Code of Ethics	No
Exhibit HH	Policies and procedures to protect section 8 data, market participant data, and intellectual property	Yes
Exhibit II	Policies and procedures regarding use of data	Yes
Exhibit JJ	Policy for resolving disputes regarding data accuracy	Yes
Exhibit KK	Policies and procedures relating to calculation of positions	Yes
Exhibit LL	Policies and procedures to ensure CME's SDR does not invalidate or modify provisions in valid swaps	Yes
Exhibit MM	Procedures addressing withdrawal from SDR designation	Yes