



U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Clearing and Risk

May 3, 2012

ELECTRONIC MAIL

Kim Taylor
President and Managing Director
CME Clearing House
CME Group
20 S. Wacker Drive
Chicago, IL 60606

Re: Extension for Compliance with Regulation 39.13(g)(8)(ii)

Dear Ms. Taylor:

By correspondence of May 3, 2012, you requested that the Division of Clearing and Risk (Division) grant an extension of 90 days from May 7, 2012, for compliance with the requirements of Commission Regulation 39.13(g)(8)(ii), as it applies to customers that are exchange members (member-customers) and to customer omnibus accounts.¹

You have represented that based on the adverse impact of the requirements of Regulation 39.13(g)(8)(ii) on member-customers of the CME Group, and the uncertain impact on customer omnibus accounts, additional time is required to address implementation of the regulation.

The Division herein grants the requested extension to CME Group, thereby requiring compliance with Regulation 39.13(g)(8)(ii), as it applies to member-customers and to customer omnibus accounts, no later than August 5, 2012, unless CME Group is notified otherwise. This extension is granted by the Division in reliance on the representations contained in your request, and any different, changed, or omitted material facts or circumstances may require termination of the extension and immediate action by CME Group, its clearing members, member-customers, or

¹ See 76 Fed. Reg. 69,334, 69,439 (Nov. 8, 2011). Regulation 39.13(g)(8)(ii) provides as follows:

(ii) *Customer initial margin requirements.* A derivatives clearing organization shall require its clearing members to collect customer initial margin, as defined in § 1.3 of this chapter, from their customers, for nonhedge positions, at a level that is greater than 100 percent of the derivatives clearing organization's initial margin requirements with respect to each product and swap portfolio. The derivatives clearing organization shall have reasonable discretion in determining the percentage by which customer initial margins must exceed the derivatives clearing organization's initial margin requirements with respect to particular products or swap portfolios. The Commission may review such percentage levels and require different percentage levels if the Commission deems the levels insufficient to protect the financial integrity of the clearing members or the derivatives clearing organization.

other FCMs, to facilitate compliance. The Division retains the authority to condition further, modify, suspend, or otherwise restrict the extension granted herein.

Should you have questions regarding this matter, please contact Phyllis P. Dietz, Deputy Director (pdietz@cftc.gov, 202-418-5449) or Heidi M. Rauh, Special Counsel (hrauh@cftc.gov, 312-596-0644).

Sincerely,

Ananda Radhakrishnan / PD

Ananda Radhakrishnan
Director

cc: Phyllis P. Dietz
Heidi M. Rauh