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February 25, 2011

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: New CME Rule 900.B.; and CBOT Rules 900 and 901
CME & CBOT Submission No. 11-065**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") and Chicago Board of Trade, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission of new CME Rule 900.B. ("Financial Instrument Clearing Members") and amendments to CBOT Rule 900 ("Categories of Clearing Members") and Rule 901 ("General Requirements And Obligations") in connection with the implementation of the Financial Instruments Clearing Member (FICM) initiative.

The FICM clearing membership category is designed to facilitate the clearing of cash U.S. Treasury and exchange interest rate spread trades through the offer of risk margin offsets that reflect the combined cash U.S. Treasury and CME & CBOT interest rate positions.

The text of the rule amendments is attached, with additions underscored and deletions lined-out. The amendments will be made effective on Monday, February 28, 2011.

The Exchanges certify that the amendments comply with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

If you have any questions regarding this action, please contact Jonathan Kronstein, Director Interest Rate Products, at (312) 930-3472 or me at 312-466-7478. Please reference CME & CBOT Submission No. 11-065 in any related correspondence.

Sincerely,

/s/ Tim Elliott
Director & Associate General Counsel

CME RULEBOOK

CME Rule 900.B. Financial Instrument Clearing Members

A Financial Instrument Clearing Member ("FICM") shall have the right to clear, for its own account, trades in certain CME and CBOT interest rate products executed in connection with a cash versus futures trading strategy.

The FICM must be guaranteed by a CME and/or CBOT Clearing Member that is entitled to clear all of the products cleared by the FICM. The guarantor must be the clearing member for the FICM's transactions in U.S. Treasury Securities and report to the Clearing House, at appropriate intervals, the FICM's open positions in U.S. Treasury Securities. The guarantor shall assume complete responsibility for all of the FICM's obligations to the Exchange and Clearing House arising from its operations as a FICM. In the event of a default by the FICM to the Clearing House in respect of any futures or options on futures, the FICM shall be suspended by the Exchange and the open positions of the FICM shall be transferred to, owned by, and become the direct responsibility of the guarantor. In the event of a default by the FICM or a related entity to the guarantor clearing firm, the Exchange will, at the request of the guarantor clearing firm, and upon due verification of the facts, facilitate the suspension of the FICM, in which case the open positions of the FICM shall be transferred to, owned by, and become the direct responsibility of the guarantor.

The FICM shall be subject to applicable CME and CBOT Rules, including those contained in CME and CBOT Rules Chapter 8 and Chapter 9, and including without limitation, CME Rule 802 (Protection of the Clearing House, including the primary responsibility for the Clearing House assessment obligation therein). The FICM shall comply with all of the requirements and obligations of a clearing member pursuant to CME Rule 901 (General Requirements and Obligations) with the exception of the parent guarantee requirement pursuant to CME 901(L). The FICM must satisfy the following requirements:

- (i) Adjusted Net Capital of \$500,000;
- (ii) Initial minimum guaranty fund deposit of \$50,000 to be increased to reflect transaction volume, open interest and risk;
- (iii) The assignment of one Full or two Associate Memberships and 4,000 CME Group shares for the privilege of clearing CBOT interest rate products and two CME, two IMM, two IOM, one GEM and 6000 CME Group shares for the privilege of clearing CME interest rate products. The CME Group share requirement for FICMs eligible to clear both CBOT and CME interest rate products is 7,750 shares. Memberships and shares may be independently assigned.
- (iv) The applicant shall be engaged in or demonstrate immediate capacity to engage in U.S. Treasury/interest rate futures spread trades and in order to maintain the status of a FICM, shall actively execute both sides of U.S. Treasury/interest rate futures spread trades.

A FICM applicant shall execute and place on file with the Exchange the following documents:

- (v) An application for the FICM clearing membership;

- (vi) Globex System access documentation;
- (vii) Settlement bank account documents to permit the Clearing House to collect and disperse monies directly to the FICM;
- (viii) An acknowledgement from the guarantor that it agrees to guarantee the performance and financial obligations of the FICM to the Clearing House for certain identified interest rate products;
- (ix) Authorization to the Clearing House to verify, at its discretion, the transactions and open positions of the FICM in U.S. Treasury Securities;
- (x) Authorization to the Clearing House to deliver the FICM's trade register and recap ledger to the FICM's Clearing Member guarantor;
- (xi) A Clearing Member and FICM authorization pursuant to which the Clearing Member/guarantor will be authorized to submit complete and accurate transaction and position information respecting the U.S Treasury Securities of the FICM to the Clearing House; and
- (xii) Any additional documents or information requested by the Clearing House for risk management purposes.

Exchange staff may grant exceptions to the requirements of Rule 900.C for good cause if it is determined that such exceptions will not jeopardize the financial integrity of the Exchange.

CBOT RULEBOOK

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CBOT Rule 900. CATEGORIES OF CLEARING MEMBERS

The Exchange may establish different clearing member categories and alter the rights and responsibilities of such categories. The term "clearing member" as used in the Rules, shall include all clearing member categories established by the Exchange, including Clearing FCMs, grandfathered Clearing Closely Held Corporate Members, Clearing Corporate Members, Financial Instrument Clearing Members and Sole Proprietor Clearing Members, unless otherwise specified. Clearing members that qualified as Clearing Closely Held Corporate Members prior to June 30, 2010 are grandfathered as Clearing Closely Held Corporate Members. CBOT Clearing Members shall have all applicable rights, responsibilities and privileges attendant thereto, subject to the provisions of these rules and shall be qualified to clear transactions for all CBOT products and all Expanded-Access Products listed for trading by CME after July 12, 2007.

CBOT Rule 901. GENERAL REQUIREMENTS AND OBLIGATIONS

A. – N. - No Change

O. A Financial Instrument Clearing Member ("FICM") shall have the right to clear, for its own account, trades in certain CME and CBOT interest rate products executed in connection with a cash versus futures trading strategy. The FICM must be guaranteed by a CME and/or CBOT Clearing Member that is entitled to clear all of the products cleared by the FICM. The guarantor must be the clearing member for the FICM's transactions in U.S. Treasury Securities and report to the Clearing House, at

appropriate intervals, the FICM's open positions in U.S. Treasury Securities. The guarantor shall assume complete responsibility for all of the FICM's obligations to the Exchange and Clearing House arising from its operations as a FICM. In the event of a default by the FICM to the Clearing House in respect of any futures or options on futures, the FICM shall be suspended by the Exchange and the open positions of the FICM shall be transferred to, owned by, and become the direct responsibility of the guarantor. In the event of a default by the FICM or a related entity to the guarantor clearing firm, the Exchange will, at the request of the guarantor clearing firm, and upon due verification of the facts, facilitate the suspension of the FICM, in which case the open positions of the FICM shall be transferred to, owned by, and become the direct responsibility of the guarantor. The FICM shall be subject to applicable CME and CBOT Rules, including those contained in CME and CBOT Rules Chapter 8 and Chapter 9, and including without limitation, CBOT Rule 802 (Protection of the Clearing House, including the primary responsibility for the Clearing House assessment obligation therein). The FICM shall comply with all of the requirements and obligations of a clearing member pursuant to this CBOT Rule 901 (General Requirements and Obligations) with the exception of the parent guarantee requirement pursuant to CBOT Rule 901(L). The FICM must satisfy the following requirements:

- (i) Adjusted Net Capital of \$500,000;
- (ii) Initial minimum guaranty fund deposit of \$50,000 to be increased to reflect transaction volume, open interest and risk;
- (iii) The assignment of one Full or two Associate Memberships and 4,000 CME Group shares for the privilege of clearing CBOT interest rate products and two CME, two IMM, two IOM, one GEM and 6000 CME Group shares for the privilege of clearing CME interest rate products. The CME Group share requirement for FICMs eligible to clear both CBOT and CME interest rate products is 7,750 shares. Memberships and shares may be independently assigned.
- (iv) The applicant shall be engaged in or demonstrate immediate capacity to engage in U.S. Treasury/interest rate futures spread trades and in order to maintain the status of a FICM, shall actively execute both sides of U.S. Treasury/interest rate futures spread trades.

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- (ix) Authorization to the Clearing House to verify, at its discretion, the transactions and open positions of the FICM in U.S. Treasury Securities;
- (x) Authorization to the Clearing House to deliver the FICM's trade register and recap ledger to the FICM's Clearing Member guarantor;
- (xi) A Clearing Member and FICM authorization pursuant to which the Clearing Member/guarantor will be authorized to submit complete and accurate

transaction and position information respecting the U.S Treasury Securities of the FICM to the Clearing House; And

- (xii) Any additional documents or information requested by the Clearing House for risk management purposes.

Exchange staff may grant exceptions to the requirements of Rule 901.O for good cause if it is determined that such exceptions will not jeopardize the financial integrity of the Exchange.