



Lisa Dunsky
Director and Associate General Counsel
Legal Department

March 28, 2012

BY ELECTRONIC FILING

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

RE: Amendments to CME Rule 8F04, Submission #12-097

Dear Mr. Stawick:

Pursuant to Commission Regulation 40.6(a), Chicago Mercantile Exchange Inc. (CME) hereby notifies the Commodity Futures Trading Commission that it will adopt revisions to CME Rule 8F04 (OTC Clearing Member Obligations and Qualifications). The proposed effective date for these revisions is May 7, 2012.

The Commission has adopted a number of new regulations designed to implement the core principles for derivatives clearing organizations (DCOs) in the Commodity Exchange Act, as amended by the Dodd-Frank Act. CFTC Regulation 39.12(a)(2)(iii), which becomes effective on May 7, 2012, provides that a DCO "shall not set minimum capital requirements of more than \$50 million for any person that seeks to become a clearing member in order to clear swaps." In order to comply with this Regulation, we plan to amend CME Rule 8F04. The text of this rule amendment is set forth on Exhibit A, with additions underlined and deletions overstruck.

The proposed rule amendment comports with DCO Core Principle C (Participant and Product Eligibility) and with Commission Regulation 39.12(a)(2)(iii).

No substantive opposing views regarding this rule amendment were expressed to CME.

CME certifies that this submission has been concurrently posted on its website at <http://www.cmegroup.com/market-regulation/rule-filings.html>. CME further certifies that this rule amendment complies with the Commodity Exchange Act and regulations promulgated thereunder.

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Should you have any questions regarding this submission, please contact me at (312) 338-2483 or via e-mail at lisa.dunsky@cmegroup.com. Please reference our Submission No. 12-097 in any related correspondence.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Dunsky".

Lisa Dunsky
Director and Associate General Counsel

EXHIBIT A

CME Rulebook

Chapter 8F. Over-the-Counter Derivative Clearing

Rule 8F004. OTC CLEARING MEMBER OBLIGATIONS AND QUALIFICATIONS

OTC Clearing Members are subject to all relevant CME, CBOT and NYMEX Rules and the Clearing House Manual unless an exemption has been granted by staff or the Clearing House Risk Committee. OTC Clearing Members must execute all agreements and documents required by the Clearing House. The qualifications and requirements to become an OTC Clearing Member are set forth below.

A CME, CBOT, NYMEX and COMEX Clearing Member clearing OTC Derivatives must satisfy the requirements set forth below.

1. An OTC Clearing Member must be in "good standing" under each applicable regulatory regime to which it is subject at the time it applies for OTC clearing membership and it must maintain its good standing status while it is an OTC Clearing Member.
2. An OTC Clearing Member must be in compliance with all applicable regulatory capital requirements and an OTC Clearing Member must maintain minimum capital of \$50 million:
 - i. ~~\$50 million if it clears only commodity (i.e., agricultural, metals and energy) and/or foreign exchange OTC Derivatives products; and~~
 - ii. ~~\$300 million if it clears only the OTC Derivatives products listed above in section 2.i. and other OTC Derivatives products not specifically listed in this rule, excluding credit default swaps and rate swaps; and~~
3. [Reserved]
4. [Reserved]
5. [Reserved]
6. An OTC Clearing Member and an OTC Clearing Member applicant shall be engaged in or demonstrate immediate capacity to engage in the conduct of the business of an OTC Clearing Member.
7. An OTC Clearing Member that is not also a CME, CBOT, NYMEX or COMEX Clearing Member shall maintain a membership-equivalent deposit with CME of at least \$5 million in cash or collateral, which shall be valued in the sole discretion of the Clearing House, to assure performance of all obligations arising out of OTC Derivatives submitted by it to the Clearing House.
8. An OTC Clearing Member must comply with the financial requirements set forth in CME Rule 970. However, if the OTC Clearing Member is regulated by another regulatory authority, then it shall submit to CME annual audited financial statements as well as all unaudited financial statements provided to its primary regulator within five days after such statements are provided to its regulator. All financial statements shall be in the English language.
9. The books and records of an OTC Clearing Member regarding OTC Derivatives cleared by the Clearing House shall be made promptly available for inspection upon request by CME and such books and records shall be subject to reasonable standards of confidentiality.
10. Each OTC Clearing Member that is a Futures Commission Merchant shall keep the types of information and records that are described in Section 4g of the Commodity Exchange Act and CFTC regulations thereunder including, but not limited to, Regulation 1.35, with respect to all OTC Derivatives submitted for clearing.