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SECRETARIAT

June 22, 2011

Mr. David Stawick

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

**RE: Section 5c(c)(1), Part 40.6 – Rule Certification  
Revision to Rule 588.E. (“Trade Cancellations and Price  
Adjustments – Liability for Losses Resulting from Price Adjustments  
or Cancellations”)  
CME/CBOT/NYMEX/COMEX Submission No. 11-241**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. (“CME”), The Board of Trade of the City of Chicago, Inc. (“CBOT”), The New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) hereby notify the Commodity Futures Trading Commission that they will be revising Rule 588.E. (“Trade Cancellations and Price Adjustments – Liability for Losses Resulting from Price Adjustments or Cancellations”) effective on July 1, 2011. The revision will prohibit the submission of an arbitration claim for a loss incurred by a party who executes a trade in error on the CME Globex platform where the price of the error trade is within the non-reviewable trading range. The non-reviewable trading ranges are established to promote trade certainty within defined reasonable levels that are deemed not to impair market integrity and to ensure that parties have accountability for the orders they enter in the CME Globex platform. The revision ensures that trade certainty is not compromised by subjecting parties on the opposite side of an error trade to arbitration where the price of the error trade is within the non-reviewable trading range.

The revision to Rule 588.E. is set forth below, with additions underscored. The Exchanges certify that the revision complies with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

**588.E. Liability for Losses Resulting from Price Adjustments or Cancellations and Prohibition on Claims for Losses Arising From Error Trades Executed Within the Non-Reviewable Range**

A party entering an order that results in a price adjustment or trade cancellation shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or cancelled provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

A claim for a loss pursuant to this section must be submitted to the Exchange on an Exchange claim form within five business days of the event giving rise to the claim. The Exchange shall reject any claim that is not filed in a timely manner or is not permitted by this section and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade cancellation or a price adjustment and to the clearing member through which the trade was placed. Such party, or the clearing member on behalf of the party,

shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability.

To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement must be provided to the Exchange.

To the extent that liability is denied, the party making the claim may submit the claim to arbitration in accordance with Rule 622. Such claims must be submitted to the Market Regulation Department within ten business days of the date the party was issued notification that liability was denied.

Claims for losses incurred a result of trades executed in error at prices within the non-reviewable range may not be submitted for arbitration pursuant to the provisions of Chapter 6.

If you have any questions regarding the revision to Rule 588.E., please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or via email at [Robert.Sniegowski@cmegroup.com](mailto:Robert.Sniegowski@cmegroup.com). Alternatively, you may contact me at 312.930.8167 or via email at [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com). Please reference CME/CBOT/NYMEX/COMEX Submission No. 11-241 in any related correspondence.

Sincerely,

/s/ Sean Downey

Associate Director & Assistant General Counsel