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OFFICE OF THE SECRETARIAT

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June 24, 2009

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

**RE: CME Chapter 8-F ("Over-the-Counter Derivative Clearing")  
CME Submission No. 09-121**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commodity Futures Trading Commission that it has approved amendments to CME Rules 8F01 (Scope of Chapter), 8F02 (Definitions) and 8F04 (OTC Clearing Member Obligations and Qualifications). These Rules are amended to add COMEX Clearing Members to the definition of OTC Clearing Member and to expand the application of the capital requirements with respect to additional OTC cleared-only products.

The text of the rule changes is attached, with additions underscored and deletions lined-out. The amendments will be made effective on June 26, 2009.

CME certifies that these rule changes comply with the Commodity Exchange Act and regulations thereunder.

If you have any questions regarding these changes, please contact Tim Doar at 312.930.3162, Anne Polaski at 312.338.2679, or me at 312.648.5422.

Sincerely,

/s/ Stephen M. Szarmack  
Director and Associate General Counsel

**8F01. SCOPE OF CHAPTER**

This chapter sets forth the rules governing clearing and settlement of all products, instruments, and contracts in Over-The-Counter Derivatives, including, but not limited to, swaps and forward rate agreements, that the Clearing House has designated as eligible for clearing. OTC Clearing Members are also subject to all applicable Rules in the CME, CBOT and/or NYMEX Rulebooks that apply to CME, CBOT, or NYMEX or COMEX Clearing Members as applicable, unless an exemption from such rule has been granted by staff or the Clearing House Risk Committee.

**8F02. DEFINITIONS**

**OTC CLEARING MEMBER**

An OTC Clearing Member is an entity that has been approved by CME to clear OTC Derivatives. An OTC Clearing Member who is not also a CME, CBOT, or NYMEX or COMEX Clearing Member may not clear CME, CBOT, or NYMEX or COMEX transactions, as applicable, other than OTC Derivatives.

Subject to approval by CME Clearing, CME, CBOT, and NYMEX and COMEX Clearing Members may be afforded full rights and privileges to trade and clear OTC Derivatives that are listed for clearing by CME, CBOT, or NYMEX or COMEX, as applicable. This chapter shall be applicable to CME, CBOT, and NYMEX and COMEX Clearing Members and "OTC Clearing Member" shall be deemed to include CME, CBOT, and NYMEX and COMEX Clearing Members in respect to transactions in OTC Derivatives.

**OVER-THE-COUNTER ("OTC") DERIVATIVES**

Agreements, contracts, or transactions excluded from the Commodity Exchange Act by section 2(c), 2(d), 2(f), or 2(g) of the CEA, or by U.S.C. §§27 to 27f, or exempted under section 2(h) or 4(c) of the CEA, or other over-the-counter derivative instruments (as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991, 12 U.S.C. §4421(2)).

**CLOSE-OUT AMOUNT**

The amount of losses and costs of the CME that are or would be incurred by the CME, net of any gains incurred in replacing, or in providing the CME the economic equivalent of the material terms of the terminated OTC Derivatives, net of any gains incurred (if such net amount is positive), including (a) the payments and deliveries that would, absent termination, have been required after the termination date, (b) any option rights in respect of the terminated transactions, (c) all unpaid amounts due to the CME under the terminated transaction less all unpaid amounts due to the Bankrupt Member under the terminated transactions and (d) all related fees, costs and expenses incurred by the CME.

**8F04. OTC CLEARING MEMBER OBLIGATIONS AND QUALIFICATIONS**

OTC Clearing Members are subject to all relevant CME, CBOT and/or 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. CME, CBOT, NYMEX and COMEX Clearing Members are not required to fulfill the requirements set forth below unless specifically provided otherwise.

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, however, an OTC Clearing Member must maintain a minimum of \$50 million in capital if it only clears ~~agricultural commodity~~ OTC Derivatives and \$300 million in capital if it clears financial or credit ~~or other classes~~ (i.e., equity, interest rate, etc.) of OTC Derivatives. A CME, CBOT, NYMEX and COMEX Clearing Member must maintain \$300 million in capital if it clears rate swaps or credit default swaps. Staff may grant an exemption to the minimum capital requirement for an OTC Clearing Member that is affiliated with a CME, CBOT, ~~or NYMEX or COMEX~~ Clearing Member. An OTC Clearing Member that is an affiliate of a CME, CBOT, ~~or NYMEX or COMEX~~ Clearing Member must be guaranteed by the CME, CBOT, ~~or NYMEX or COMEX~~ Clearing Member with which it is affiliated unless an exemption is granted by CME Clearing.
3. 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.
4. An OTC 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.
5. 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.
6. The books and records of an OTC Clearing Member regarding OTC Derivatives cleared by the Clearing House and any CME, CBOT, ~~or NYMEX or COMEX~~ activities in connection therewith shall be made promptly available for inspection upon request by CME and such books and records shall be subject to reasonable standards of confidentiality.
7. 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.