



**CME Group**

A CME/Chicago Board of Trade Company

C.F.T.C.  
OFFICE OF THE SECRETARIAT  
2009 JUN 25 PM 3 23

June 25, 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 Rule 8F05 ("Substitution")  
CME Submission No. 09-118**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commodity Futures Trading Commission of amendments to CME Rule 8F05 ("Substitution") to clarify that a clearing member, executing a transaction for its proprietary account, will be a principle on such transaction. However, when a clearing member is executing a transaction for a customer's account, the clearing member will be considered an agent on that transaction.

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

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

If you have any questions regarding this matter, please contact me at (312) 648-5422.

Sincerely,

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

8F05.

## SUBSTITUTION

An OTC Derivative that is both executed and submitted to the Clearing House on the current business date at prevailing market prices, and in accordance with the rules governing such transaction shall be guaranteed by the Clearing House once accepted at the Clearing House. An OTC Derivative that is submitted to the Clearing House on a business date after its initial execution date, or an OTC Derivative that is executed outside of prevailing market prices, and in accordance with the rules governing such transaction, shall be guaranteed by the Clearing House at the time payment of initial settlement of mark to market, performance bond and any other applicable initial OTC cash flows for such OTC Derivative, in accordance with the procedures set forth in Rule 814, is confirmed by the appropriate settlement bank for both OTC Clearing Members. The Clearing House shall substitute itself as the counterparty to each party to the original transaction at the time of guarantee. The OTC Clearing Member shall be deemed the principle party to the transaction ~~whether~~ when executed by that Clearing Member for its own proprietary account or by the agent when executed by the clearing member for the account of an authorized customer of that Clearing Member. After that substitution, there shall be two equal and offsetting over-the-counter transactions as follows: one between the buyer and the Clearing House, as seller; and an equal and offsetting transaction between the Clearing House and the seller.