



August 25, 2008

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

OFFICE OF THE SECRETARIAT

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RE: CME Chapters 8F ("Over-the-Counter Derivative Clearing")
CME Submission No. 08-129

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission of amendments to CME Chapter 8F. Minor clean-up and conforming changes were made to Chapter 8F ("Over-the-Counter Derivative Clearing") regarding closing-out positions and the insolvency and liquidation of an OTC clearing member.

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

If you require any additional information regarding this action, please do not hesitate to contact me. Please reference our CME Submission #08-129 in any correspondence.

Sincerely,

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

Chapter 8-F Over-the-Counter Derivative Clearing

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 or CBOT Clearing Member may not clear CME or CBOT transactions, as applicable, other than OTC Derivatives.

CME and CBOT Clearing Members shall be afforded full rights and privileges to trade and clear OTC Derivatives that are listed for clearing by CME or CBOT, as applicable. This chapter shall be applicable to CME and CBOT Clearing Members and "OTC Clearing Member" shall be deemed to include CME and CBOT 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)). OTC Derivatives shall not include FXMS Products.

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.

8F13. INSOLVENCY AND LIQUIDATION

In the event of a bankruptcy or insolvency of an OTC Clearing Member or any other clearing member carrying OTC Derivatives, the default Rules and risk management procedures of CME shall apply, including, but not limited to, the provisions in Rule 975. Upon the bankruptcy or insolvency of such a clearing member, the Clearing House will terminate, or offset, any open OTC Derivatives of the bankrupt or insolvent Clearing Member. The Clearing House may mitigate or eliminate the risks incurred by it as a result of offsetting or terminating such open OTC Derivatives by any one or more of the following means: 1) replace all or a portion of the OTC Derivatives of the defaulting clearing member by entering into a transaction with a solvent clearing member(s); 2) replace all or a portion of the OTC Derivatives of the defaulting clearing member by entering into OTC Derivatives for its own account in the open market; and/or 3) enter into OTC Derivatives (or exchange-traded contracts) to hedge the economic risks imposed on it as a result of offsetting or terminating such OTC Derivatives by any commercially reasonable means. The Clearing House may also replace any OTC Derivatives it enters into to replace or hedge economic risks from any terminated transaction by substituting a transaction with a solvent clearing member(s) that offsets the original terminated transaction.

Any Close-out Amount incurred by the Clearing House in liquidating, transferring and/or establishing, adjusting and/or replacing positions resulting from the clearing member's default will be deducted from the defaulting clearing member's collateral held by CME. In the event the collateral of the defaulting clearing member is not sufficient to satisfy the Close-Out Amount, the unsatisfied costs will be a claim by the Clearing House against the defaulting clearing member.