



Jason Silverstein
Executive Director and Associate General Counsel
Legal Department

September 5, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Rule 40.6(a) Submission. Change to IRS margin model for negative rate environment.
CME Submission No. 13-360**

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (the "Commission") Regulation 40.6, Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commission of changes to the margin model for interest rate swaps ("IRS") relating to Singapore Dollar ("SGD") IRS. The proposed changes will be effective on September 23, 2013.

The current IRS margin model utilizes historical inputs. In August 2011, the Singapore Dollar Swap Offer Rate ("SOR") turned negative due to inflows into the Singapore dollar. Inputs into the IRS margin model are undefined for negative rate environments. The proposed change will solve for the negative SOR inputs from the August 2011 timeframe.

The changes to the IRS model are confidential and proprietary and are being submitted concurrently in CME Submission 13-360S requesting confidential treatment. The changes do not materially affect the IRS margin model.

CME reviewed the designated clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME identified the following Core Principle as potentially being impacted:

Risk Management. The proposed change will allow CMEs margin model for IRS to properly compute margin coverage for SGD IRS utilizing the appropriate historical time periods while taking into account the negative interest rate history of SOR.

CME certifies that the above rules and rule amendments comply with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views.

Notice of this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

If you require any additional information regarding this submission, please contact Udes Jha at 312-930-3398 or via e-mail at udesh.jha@cmegroup.com, or contact me at 212-299-2228 or via e-mail at jason.silverstein@cmegroup.com. Please reference our CME Submission No. 13-360 in any related correspondence.

Sincerely,

/s/ Jason Silverstein
Executive Director & Associate General Counsel