



September 23, 2011

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington DC 20581

**CONFIDENTIAL TREATMENT  
REQUESTED**

**RE: Addition of EUR, GBP, JPY, CAD and CHF denominated interest rate swaps  
and related interbank rates.  
CME Submission No. 11-361.**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") pursuant to Commission Regulation 39.4(c)(2), 40.2 and 40.6 hereby notifies the Commodity Futures Trading Commission of the attached changes to our rules for interest rate swap offering providing for the listing of interest rate swaps denominated in expansion of currencies and rate options. Euro denominated interest rate swaps referencing Euribor will be accepted for clearing on or around October 17, 2011. Great British Pound, Japanese Yen, Canadian Dollar and Swiss Franc denominated interest rate swaps and related interbank rates will be accepted for clearing prior to the end of the year. The Manual of Operations for CME Cleared Interest Rate Swaps has been updated to reflect the new denominations and rate options.

Additionally, Rule 90005 is being amended to clarify certain registration requirements for clearing IRS Products.

The text of the rules is attached, with additions underscored and deletions with strikethrough. The rules will be effective on Monday October 10, 2011.

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

If you have any question, please contact Steve Dayon, Director, Interest Rate Products, at (312) 466-4447 or me at (212) 299-2228.

Sincerely,

/s/ Jason S. Silverstein  
Director and Associate General Counsel



September 23, 2011

VIA ELECTRONIC MAIL AND OVERNIGHT MAIL

**CONFIDENTIAL TREATMENT  
REQUESTED**

Stacy Easter  
Paralegal Specialist  
FOIA Compliance Office  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: FOIA Confidential Treatment Request**

Dear Ms. Easter:

The Chicago Mercantile Exchange, Inc. (the "Exchange") is submitting to the Commodity Futures Trading Commission (the "Commission") a rule filing on September 23, 2011 (CME Submission No. 11-361) (the "Rule Submission") relating to additional currency denominations and rate options for cleared interest rate swaps which included certain changes to the Manual of Operations for CME Cleared Interest Rate Swaps (the "IRS Manual"). The IRS Manual submitted in the Rule Submission contains information that is a trade secret and confidential commercial information of the Exchange.

Accordingly, pursuant to Sections 8 and 8(a) of the Commodity Exchange Act, as amended, ("CEA") and Commission Regulation 145.9(d), the Exchange requests confidential treatment of the IRS Manual (the "Confidential Information") on the grounds that the disclosure of the information contained therein would reveal trade secrets and confidential commercial information of the submitter. The Exchange hereby encloses CME Submission No.11-361 submitting the original Rule Submission with the IRS Manual segregated with appropriate legend requesting confidential treatment.

Pursuant to Commission Regulation 145.9(d)(1)(ii), the Exchange requests that confidential treatment be maintained for the Confidential Information until further notice from the Exchange.

The Exchange also requests that the Commission notify the undersigned immediately upon receipt of any FOIA request for the Confidential Information or any court order, subpoena or summons for same. Finally, the Exchange requests immediate notification in the event the Commission intends to disclose the Confidential Information to Congress or to any other governmental agency or unit pursuant to Section 8 of the CEA. The Exchange does not waive its notification rights under Section 8(f) of the CEA with respect to any court order, subpoena or summons for the Confidential Information.

Ms. Stacey Easter  
September 23, 2011  
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Please contact the undersigned at (212) 299-2228 should you have any questions concerning this letter.

Very truly yours,

/s/ Jason S. Silverstein  
Director & Associate General Counsel

Enclosure

cc: Eileen Donovan, Special Counsel, Division of Clearing and Intermediary Oversight

## Chapter 900 Interest Rate Swaps

### 90001. SCOPE OF CHAPTER

The scope of this Chapter is limited in application to IRS Products. The procedures for trading IRS Products and for clearing and settling IRS Contracts and any other matters not specifically covered herein shall be governed by the other Chapters of these Rules, including Chapter 8-F (Over-the-Counter Derivatives Clearing) and Chapter 8-G (Interest Rate Derivative Clearing), to the extent applicable.

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions.

### 90002. DEFINITIONS

#### 90002.A. Acceptance Conditions

With respect to an IRS Contract, the acceptance for clearing by both IRS Clearing Members of an IRS Product submitted for clearing and the acceptance by the Clearing House of such IRS Product for clearing.

#### 90002.B. Acceptance Date

With respect to an IRS Contract, the date on which the Acceptance Conditions are satisfied.

#### 90002.C. Acceptance Time

With respect to an IRS Contract, the time at which the Acceptance Conditions are satisfied.

#### 90002.D. Clearing Business Day

With respect to an IRS Contract, any day on which the Clearing House is open to process and settle IRS Contracts.

#### 90002.E. Clearing Effective Date

With respect to an IRS Contract:

- (a) where the Acceptance Time for such IRS Contract is prior to 7.00 p.m. (Eastern Standard Time) on a Clearing Business Day, the Acceptance Date for such IRS Contract; and
- (b) where the Acceptance Time for such IRS Contract is on or after 7.00 p.m. (Eastern Standard Time) on a Clearing Business Day, the Clearing Business Day immediately following the Acceptance Date for such IRS Contract.

#### 90002.F. Contract Elections

With respect to an IRS Contract, each of the following elections made by an IRS Participant for such IRS Contract: the: Effective Date, Notional Amount(s) and currency, Business Day(s), Business Day Convention, Termination Date and any Business Day Convention adjustment, Fixed Rate Payer Payment Dates, Fixed Rate, Fixed Rate Day Count Fraction, Floating Rate Payer Payment Dates, Floating Rate Option, Designated Maturity, Spread, Floating Rate Day Count Fraction, Compounding (Flat/None), Floating Rate for Initial Floating Rate Payer Calculation Period, initial payment amount (if any), initial amount payer (if any) and whether the IRS Clearing Participant is acting as a Floating Rate Payer or a Fixed Rate Payer and whether the Clearing House is acting as a Floating Rate Payer or a Fixed Rate Payer.

#### 90002.G. Eligible Contract Participant ("ECP")

An eligible contract participant as defined in the Commodity Exchange Act.

#### 90002.H. Interest Rate Swap ("IRS")

A contract that provides for the exchange, on specified payment dates, of cash payments (on a net or gross basis) determined by reference to a predetermined notional amount or notional amounts, one or both of which payments is/are based on a floating or variable reference interest rate or interest rate index.

#### 90002.I. IRS Clearing Member

A Clearing Member of the Clearing House that is authorized to submit IRS Products for clearing pursuant to these Rules.

**90002.J. IRS Contract**

An IRS Product that has been accepted for clearing by the Clearing House.

**90002.K. IRS Participant**

A market participant on whose behalf an IRS Clearing Member holds a position in an IRS Contract.

**90002.L. IRS Product**

An IRS that the Clearing House has designated as eligible for clearing. An IRS Product must specify a Termination Date equal to or less than 50 years and 2 Clearing Business Days after the Clearing Business Day on which such IRS Product is submitted for clearing to the Clearing House.

(a) ~~a Termination Date equal to or less than 31 years after the Clearing Business Day on which such IRS Product is submitted for clearing by the Clearing House;~~

(b) ~~the Notional Amount in USD; and~~

(c) ~~in the case of a USD IRS, the Floating Rate Option as USD-LIBOR-BBA.~~

**90002.M. ISDA**

The International Swaps and Derivatives Association, Inc.

**90002.N. ISDA Definitions**

The 2006 ISDA Definitions, as published by ISDA.

**90003. NOTICES**

Any notice, document, communication, filing or form to be served on, filed with, made to or provided by the Clearing House to an IRS Clearing Member pursuant to these Rules or in relation to any IRS Contract or IRS Product shall be served, filed, made or provided in accordance with these Rules and the relevant procedures set forth in the Clearing House Manual from time to time.

Any notice, document, communication, filing or form to be served on, filed with, made to or provided to the Clearing House pursuant to these Rules or in relation to any IRS Contract or IRS Product shall be served, filed, made or provided in accordance with these Rules and the relevant procedures set forth in the Clearing House Manual from time to time.

Notwithstanding any other provision of these Rules, for so long as the Clearing House is unable to receive or deliver, or an IRS Clearing Member is unable to deliver, any notice as a result of a failure, malfunction, suspension or termination of all or any part of any of the relevant Clearing House systems, the time periods for delivery of any such notice will be tolled and any applicable delivery deadlines shall be extended accordingly.

**90004. ISDA DISCLAIMER**

ISDA® bears no responsibility or liability arising from the reproduction, public display, incorporation, dissemination or reference to all or any of the 2006 ISDA Definitions. © 2006 International Swaps and Derivatives Association, Inc.

**90005. REGISTRATION****90005.A. IRS Clearing Members**

An IRS Clearing Member must register with CME in order to clear IRS Contracts through the Clearing House. IRS Clearing Members and IRS Participants must complete all applicable on-boarding agreements required by the Clearing House to satisfy the registration process.

**90005.B. IRS Participants**

In order for an IRS Participant to participate in the clearing of IRS Contracts through the Clearing House, such IRS Participant's IRS Clearing Member must register the account of such IRS Participant with CME prior to submitting IRS Products on behalf of such Participant for clearing by the Clearing House and shall comply with any requirements of Rule 8F.09.

**90005.C. Eligible Contract Participant**

In order to transact in IRS Contracts, an IRS Participant must be an ECP. An IRS Clearing Member that clears IRS Contracts must obtain a ~~covenant~~ representation from each IRS Participant for which it provides clearing services that such IRS Participant is, and will be, an ECP at all times clearing services are provided for such IRS Participant. If an IRS Clearing Member becomes aware that an IRS Participant for which it provides clearing services no longer qualifies as an ECP, the IRS Clearing Member must notify the Clearing House and work with the IRS Participant to close out any open IRS Contracts as soon as possible.

**90005.D. Identification of IRS Contracts**

Each IRS Contract shall be identified with an account number which identifies the originator of such IRS, and which specifies whether such IRS Contract is (i) a proprietary transaction of an IRS Clearing Member duly registered with the Clearing House or (ii) a transaction by an IRS Participant duly registered with the Clearing House.

**90006. SUBMISSION OF INTEREST RATE SWAPS TO THE CLEARING HOUSE****90006.A. IRS Submission Methods**

IRS Products may be submitted to the Clearing House for clearing through (a) the CME ClearPort GUI and API, (b) the Clearing House migration utility and (c) any other facility or trade platform approved by the Clearing House from time to time. To the extent not specified elsewhere in these Rules, the Clearing House will specify the terms and conditions under which IRS Products may be submitted to the Clearing House for clearing through procedures defined in the Clearing House Manual.

**90006.B. Transactions Not Accepted for Clearing**

Notwithstanding any provision to the contrary in the Rules or in the Exchange User License Agreement (as may be amended from time to time), the parties to a bilateral IRS transaction submitted for clearing and which has not been accepted for clearing by the Clearing House pursuant to these Rules may separately agree that such trade is a valid, binding agreement between the parties which is un-cleared and which has no affiliation with the Clearing House.

**90007. INTERPRETATION**

For the purposes of any IRS Contract, references in the ISDA Definitions to:

- (i) a "Confirmation" shall be deemed to be references to the terms of the relevant IRS Contract;  
and
- (ii) a "Swap Transaction" shall be deemed to be references to the relevant IRS Contract.

## Chapter 901

### U.S. Dollar Interest Rate Swaps Contract Terms

#### 90101. SCOPE OF CHAPTER

~~This Chapter sets forth the terms and conditions of US Dollar IRS Contracts ("USD IRS Contracts"). The terms and conditions of each USD-IRS Contract shall be defined by this Chapter, as supplemented by the Definitions and the relevant Contract Elections, and as further supplemented and amended by provisions of these Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions.~~

#### 90102. CONTRACT TERMS

##### ~~90102.A.~~ ~~Business Day Convention~~

~~With respect to an USD-IRS Contract, Payment Dates shall be subject to adjustment in accordance with the Modified Following Business Day Convention.~~

##### ~~90102.B.~~ ~~Business Days~~

~~With respect to an USD-IRS Contract, Business Days shall be New York and London.~~

##### ~~90102.CA.~~ ~~Calculation Agent~~

~~With respect to an USD-IRS Contract, the Clearing House shall be the sole Calculation Agent for all purposes. The Calculation Agent shall not be required to consult with the parties to an USD-IRS Contract prior to making any determination.~~

##### ~~90102.DB.~~ ~~Currency~~

~~Each With respect to an USD-IRS Contract shall, the Settlement Currency shall specify a currency of settlement be USD dollars ("USD"). All USD-IRS Contract calculations and determinations shall be made with reference to USD the specified currency, and all payments shall be due in such currency USD.~~

##### ~~90102.E.~~ ~~Day Count Fraction~~

~~With respect to an USD-IRS Contract, the Floating Rate Day Count Fraction shall be Actual/360 and the Fixed Rate Day Count Fraction shall be 30/360.~~

##### ~~90102.CF.~~ ~~Initial Payments~~

~~If an Initial Payment Payer and an Initial Payment Amount are specified in the Confirmation of an USD-IRS Contract, the Initial Payment Payer shall pay to the Clearing House an amount equal to such initial payment amount on the Business Day immediately following the relevant Clearing Effective Date; provided that if the initial payment amount is equal to or greater than \$100,000,000 (or its equivalent) for such USD-IRS Product or group of USD-IRS Products submitted at the same time for clearing, then such initial payment amount shall be due at or prior to the Acceptance Time.~~

##### ~~90102.DG.~~ ~~Reset Date~~

~~With respect to an USD-IRS Contract, the Reset Date shall be the first day of each Calculation Period.~~

##### ~~90102.E.~~ ~~Rate Options~~

~~With respect to an IRS Contract, the Rate Option elected by the IRS Clearing Participant in accordance with Rule 90002.F from the following Rate Options:~~

- ~~1. USD-LIBOR-BBA~~
- ~~2. EUR-EURIBOR-Reuters~~
- ~~3. EUR-EURIBOR-Telerate (as defined in the 2000 ISDA Definitions, as published by ISDA)~~
- ~~4. GBP-LIBOR-BBA~~
- ~~5. JPY-LIBOR-BBA~~
- ~~6. CHF-LIBOR-BBA~~
- ~~7. CAD-BA-CDOR~~



**90103. CONTRACT MODIFICATIONS**

**90103.A. CME Rules**

The terms of USD-IRS Contracts may be modified by CME in accordance with the Rules, with such modification to become part of these Rules and to be applicable to all USD-IRS Contracts that are entered into subsequent to the relevant date of modification.

**90103.B. Change in Law or Regulation**

If any governmental agency or body with jurisdiction over CME issues an order, ruling, directive or law that conflicts with the requirements of these Rules, CME shall make such amendments and modifications to these Rules as it deems appropriate in its sole discretion in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all USD-IRS Contracts that are open as of, or entered into subsequent to, the relevant effective date of the order, ruling, directive or law.

**Manual of Operations for CME Cleared Interest Rate Swaps**

**CONFIDENTIAL**

**[Redacted]**