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CONFIDENTIAL TREATMENT  
REQUESTED

October 17, 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

**RE: Notification of Amendments to Rule 8G07 and the Manual of Operations for CME Cleared Interest Rate Swaps ("IRS Manual").  
CME Submission No. 11-382**

Dear Mr. Stawick:

Pursuant to Commission Regulation 40.6(a), Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commodity Futures Trading Commission of amendments to Rule 8G07 and the IRS Manual relating to our offering for interest rate swaps ("IRS").

The amendment to Rule 8G07 provides that, in cases where two IRS Clearing Members are affiliated, the minimum IRS Guaranty Fund requirement for each firm would be \$25,000,000; subject to the condition that only one of the affiliated IRS Clearing Members provide IRS clearing services only through the IRS proprietary account, and the other affiliated IRS Clearing Member provides its primary clearing services for customers as a FCM with any proprietary business of such FCM only incidental to providing such clearing service for customers. Each of the affiliated IRS Clearing Members must independently meet capital and other requirements of clearing membership as set forth in the CME Rules.

The amendments to the IRS Manual provide for revisions to operational processing times and processes, IRS Guaranty Fund calculations and IRS assessments allocations and amendment to the default management auction process requiring only IRS Clearing Members with open positions in a currency to bid for a defaulted IRS Clearing Member's portfolio in such currency.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

The text of the rules is attached, with additions underscored and deletions with strikethrough. The rules will be effective on November 1, 2011.

Mr. David Stawick  
October 17, 2011  
Page 2

CME certifies these changes comply with the Commodity Exchange Act and regulations thereunder, including the core principles of Financial Resources, Participant and Product Eligibility, Risk Management and Default Rules and Procedures by maintaining adequate resources and risk management in the event of a CDS loss and maintaining appropriate eligibility standards for affiliated IRS Clearing Members.

If you have any question, please contact Tim Doar, Managing Director, Risk Management, at (312) 930-3162, alternatively you may contact me at (212) 299-2228. Please reference CME Submission #11-382 in any related correspondence.

Sincerely,

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

Enclosure

# Exhibit 1

## Rule 8G07. IRS FINANCIAL SAFEGUARDS AND GUARANTY FUND DEPOSIT

1.....

(ii) Each IRS Clearing Member's minimum contribution to the IRS Guaranty Fund shall be the greater of:

(a) such IRS Clearing Member's proportionate share of the share of the theoretical two largest IRS Clearing Member losses described in paragraph (i) above, each clearing member's relative portion being based on the 90-day trailing average of its aggregate performance bond requirements and average gross notional open interest outstanding at the Clearing House (or such other shorter time interval determined by the IRS Risk Committee); or

(b) (x) \$50,000,000 for a non-Affiliated IRS Clearing Member or (y) \$25,000,000 for each Affiliated IRS Clearing Member, where one Affiliated IRS Clearing Member provides its primary clearing services for customers as a FCM with any proprietary business of such FCM only incidental to providing such clearing service for customers and the other Affiliated IRS Clearing Member only provides IRS clearing services through its proprietary account for itself and its Affiliates. An "Affiliated IRS Clearing Member" shall mean an IRS Clearing Member with an Affiliate that is also an IRS Clearing Member.

## **Exhibit 2**

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

**CONFIDENTIAL**

**[Redacted]**



October 17, 2011

**VIA ELECTRONIC MAIL AND OVERNIGHT MAIL**

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

**CONFIDENTIAL TREATMENT  
REQUESTED**

**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 October 17, 2011 (CME Submission No. 11-382) (the "Rule Submission") relating to IRS Guaranty Fund changes for affiliated IRs Clearing Members and 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.11-382 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  
October 17, 2011  
Page 2

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