



Sean M. Downey
Director and Assistant General Counsel
Legal Department

October 18, 2012

VIA E-MAIL

Ms. Sauntia Warfield
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Regulation 40.6(a). Chicago Mercantile Exchange Inc./The Board of Trade of the City of Chicago, Inc./The New York Mercantile Exchange, Inc./Commodity Exchange Inc.
Submission # 12-341: Adoption of Rule 419 ("Contract Modification")**

Dear Ms. Warfield:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), The New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX"), (collectively, the "Exchanges") are self-certifying the adoption of CME/CBOT/NYMEX/COMEX Rule 419 ("Contract Modification") in connection with the October 17, 2012, compliance date for designated contract markets ("DCMs") with respect to the Commodity Futures Trading Commission ("CFTC") final rule on Core Principles and Other Requirements for Designated Contract Markets ("Final Rules"). The new rule will become effective on November 2, 2012.

In conjunction with the CME Rulebook Harmonization Project and Core Principle 7 Review, the "Contract Modification" section in each CME product chapter was reviewed for relevancy and accuracy. During the review, it was noted that this section varies slightly in language in each product chapter. In addition, it was noted that this section is present in some of the CBOT product chapters but is absent from the NYMEX Rulebook. As the language in "Contract Modification" was deemed relevant for inclusion in all three Rulebooks, a harmonized version of the rule will be adopted and relocated in Chapter 4 ("Enforcement of Rules") of each Exchange's Rulebook. New Rule 419 ("Contract Modification") will apply to all product chapters, unless otherwise noted in a specific chapter. Correspondingly, Rule 419 supersedes the outdated "Contract Modification" sections in the CBOT Rulebook, which will be removed at a later date.

The Market Regulation Department and the Legal Department collectively reviewed the DCM Core Principles as set forth in the Commodity Exchange Act ("Act"). During the review, we have identified that the changes described above may have some bearing on the following Core Principles:

Compliance with Rules: The adoption of Rule 419 is an ancillary change relating to the CME Rulebook Harmonization Project and Core Principle 7 review. The adoption of Rule 419 ensures accuracy and harmonization across all three Rulebooks, and will therefore be in compliance with this Core Principle.

Availability of General Information: The adoption of Rule 419 is an ancillary change relating to the CME Rulebook Harmonization Project and Core Principle 7 review. The adoption of Rule

419, along with the newly harmonized CME product chapters, will be disseminated to the marketplace via the issuance of a Special Executive Report.

The revisions appear in Exhibits A with additions underscored and deletions overstruck.

The Exchanges certify that the revisions in Exhibits A comply with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

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

If you have any questions regarding this submission, please contact Erin Schwartz, Market Regulation, at 312.341.3083 or via email at Erin.Schwartz@cmegroup.com. Alternatively, you may contact me at 312.930.8167 or via email at Sean.Downey@cmegroup.com. Please reference CME Submission No. 12-341 in any related correspondence.

Sincerely,

/s/ Sean Downey
Director & Assistant General Counsel

Attachments: Exhibit A – Rule 419

EXHIBIT A

CME/CBOT/NYMEX CHAPTER 4 – ENFORCEMENT OF RULES

419. **CONTRACT MODIFICATION**

All deliveries must conform to government regulations in force at the time of delivery, and all options must conform to government regulations in force at the time of exercise. Unless specifically provided otherwise in the applicable product chapter, if any duly authorized U.S. government agency or body with appropriate jurisdiction issues an order, ruling, directive or law that conflicts with the requirements of these Rules, such order, ruling directive or law shall be construed to take precedence and become part of these Rules, and all open and new contracts shall be subject to such government orders.

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