



Jason Silverstein  
Executive Director and Associate General Counsel  
Legal Department

October 26, 2012

**VIA E-MAIL**

Sauntia S. Warfield  
Assistant Secretary  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

CONFIDENTIAL TREATMENT  
REQUESTED

Board of Governors of the Federal Reserve System  
[advance.notice806e@frb.gov](mailto:advance.notice806e@frb.gov)

**RE: 40.6 and 40.10 Submission; Request for Information Regarding Bank of China Limited New York Branch as a Settlement Bank  
CME Submission No. 12-362**

Dear Ms. Warfield,

Pursuant to Commission Regulation 40.6 and 40.10, Chicago Mercantile Exchange Inc. (CME) hereby notifies the Commodity Futures Trading Commission (the "Commission") of the establishment of settlement arrangements between Chicago Mercantile Exchange Inc. ("CME") and the New York Branch ("BOC NY") of the Bank of China Limited ("BOC") for all asset classes upon the later of December 31, 2012 and regulatory approval.

The Division of Clearing and Risk (the "Division") has concluded that the establishment of such settlement arrangement reflects a change in "operations that could materially affect the nature or level of risks presented" by CME and triggers the applicability of Regulation 40.10 "based on, among other things, the foreign nature of BOC NY and its ownership and potential issues related to BOC's risk management practices."

The settlement arrangements comport with DCO Core Principle E (Settlement Procedures) and CFTC Regulation 39.14. Attached as Exhibit 1 is a summary of BOC NY's satisfaction of CME's criteria for settlement banks and responses to specific Division questions, marked confidential treatment requested.

No substantive opposing views regarding these proposed rule revisions were expressed to CME. CME certifies that this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>. CME further certifies that the settlement and custodial arrangements with BOC NY comply with the Commodity Exchange Act and regulations promulgated thereunder.

Should you have any further questions regarding this matter please contact Michael Kobida, Exec Director Collateral Services Programs at (312) 454-8961, [Michael.Kobida@cmegroup.com](mailto:Michael.Kobida@cmegroup.com), Suzanne Sprague, Executive Director Risk Management at (312) 930-3260, [Suzanne.Sprague@cmegroup.com](mailto:Suzanne.Sprague@cmegroup.com) or me at (212) 299-2228, [Jason.Silverstein@cmegroup.com](mailto:Jason.Silverstein@cmegroup.com).

Please reference our Submission No. 12-362 in any related correspondence.

Sincerely,

/s/Jason Silverstein  
Executive Director and Associate General Counsel

cc: Ananda Radhakrishnan  
Anne Polaski  
Adam Cohen  
Phyllis Dietz

<sup>1</sup> CME disagrees with the Divisions assertion that the engagement of an additional settlement bank constitutes an operational change or a material change triggering the applicability of Regulation 40.10. CME is making this submission in compliance with Commission regulation 40.10(b).

**EXHIBIT 1**

**[CONFIDENTIAL]**