



Timothy Elliott
Executive Director and Associate General Counsel
Legal Department

October 30, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: REVISED – CFTC Regulation §40.6(a) Certification of Changes to CME Rule 274H.02.A. on Cash Settlement of Cleared OTC U.S. Dollar/Chilean Peso (Cleared OTC USD/CLP) Spot, Forwards and Swaps Contracts. CME Submission No. 13-507R

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. (“CME” or the “Exchange”), pursuant to Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), hereby notifies the Commission that it is self-certifying amendments to correct an error in the current rule text of CME Rule 274H.02.A. regarding Cash Settlement of Cleared OTC U.S. Dollar/Chilean Peso (Cleared OTC USD/CLP) Spot, Forwards and Swaps Contracts.

Specifically, CME seeks to amend the time of the underlying benchmark fixing for the spot exchange rate of the Chilean peso per U.S. dollar that is calculated by the Central Bank of Chile and is used by the Exchange for the final cash settlement of Cleared OTC USD/CLP from 8:00 p.m. Santiago time to 10:30 a.m. Santiago time.

These corrections will become effective on Sunday, November 17, 2013 for trade date of Monday, November 18, 2013.

Exhibit 1 summarizes corrections to CME Rule 274H.02.A with additions underscored and deletions ~~overstruck~~.

Please note that CME Submission No. 13-507R simply indicates that CME is filing as a derivatives clearing organization (“DCO”) rather than a designated contract market (“DCM”). No other revisions to Submission No. 13-507 are being made.

The Research and Product Development Department and the Legal Department collectively reviewed the designated contract market core principles (Core Principles) as set forth in the Commodity Exchange Act (“CEA” or “Act”). During the review, staff identified the following Core Principle as being potentially impacted:

- **Settlement Procedures**: This amendment is intended to enhance CME’s ability to complete settlements on a timely basis under varying circumstances. These amendments will correct an error in the CME Rulebook so that final settlement of Cleared OTC USD/CLP will conform with the underlying benchmark fixing that occurs at 10:30 a.m. Santiago time and will therefore facilitate CME’s settlement process.

CME certifies that these changes comply with the CEA and regulations thereunder. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, please contact me at 312-466-7478 or tim.elliott@cmegroup.com. Please reference CME Submission No. 13-507 in any related correspondence.

Sincerely,

/s/ Tim Elliott
Executive Director and Associate General Counsel

Attachments: Exhibit 1

Exhibit 1

Proposed Rule Amendments to Cleared OTC U.S. Dollar/Chilean Peso Spot, Forwards and Swaps

(Additions are underlined; deletions are ~~struck through~~.)

Chapter 274H Cleared OTC U.S. Dollar/Chilean Peso Spot, Forwards and Swaps

274H.02. CASH SETTLEMENT

274H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in two Business Days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price for that day. The daily Final Settlement Price shall be equal to the spot exchange rate of Chilean peso per U.S. dollar, "CLP DÓLAR OBS (CLP10)," as reported for that day by Banco Central de Chile for the formal exchange market which is available at approximately ~~10:30 AM 8:00 PM~~ Santiago time and rounded to four decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Chilean peso versus U.S. dollars.

All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "CLP DÓLAR OBS (CLP10)" for the valid value date for cash settlement in two Business Days, is as follows: "Observado Value DD MM YYYY Close" is 547.10 Chilean pesos per U.S. dollar, and the original trade price submitted for clearing by clearing firms of the buyer and seller was 515.25 Chilean pesos per U.S. dollar for a notional amount of 100,000 U.S. dollars, then the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing member account for the buyer with \$5,821.60 (i.e., $547.10 \text{ CLP per USD} - 515.25 \text{ CLP per USD} = (+31.85 \text{ CLP per USD} \times 100,000 \text{ USD}) / 547.10 \text{ CLP per USD} = \$5,821.60$). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing member account for the seller with \$5,821.60.

For example also, if the "CLP DÓLAR OBS (CLP10)" for the valid value date for cash settlement in two Business Days, is as follows: "Observado Value DD MM YYYY Close" is 515.25 Chilean pesos per U.S. dollar, and the original trade price submitted for clearing was 547.10 Chilean pesos per U.S. dollar for a notional amount of 100,000 U.S. dollars, then the Clearing House on the Business Day following the valid value date for cash settlement shall debit the buyer's clearing member account with \$6,181.47 (i.e., $515.25 \text{ CLP per USD} - 547.10 \text{ CLP per USD} = (-31.85 \text{ CLP per USD} \times 100,000 \text{ USD}) / 515.25 \text{ CLP per USD} = -\$6,181.47$). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing member account for the seller with \$6,181.47.