

October 31, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: CFTC Regulation 40.6(a) Certification. Notification of Amendments to the CME Manual of Operations for CME Cleared Interest Rate Swaps (“IRS Manual”) CME Submission No. 13-520

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. (“CME”), pursuant to Commodity Futures Trading Commission (“CFTC” or the “Commission”) Regulation 40.6, hereby notifies the Commission of amendments to the IRS Manual, effective November 18, 2013. The IRS Manual is being updated to reflect certain product and operational changes as specified below.

- Chapter 2 (Interest Rates Products) – Addition of MXN as an eligible currency and MXN-TIIE-BANXICO as an eligible floating rate for fixed-floating interest rate swaps with a maximum maturity of 11 years.
- Chapter 3 (The Clearing System; Getting Started) – Changed reference of “platforms” to “SEFs.”
- Chapter 4 (Trade Entry, Messaging, and Management) – Added requirement that IRS Clearing Members pre-approve any trades submitted to clearing from a swap execution facility consistent with the September 26, 2013 Division of Clearing and Risk and the Division of Market Oversight staff guidance on swaps straight-through processing. CME will also require that trades submitted from a platform must be explicitly accepted or pass credit limits at CME for each account. Additionally, CME is enabling functionality for transfers for IRS Clearing Members to initiate transfers directly through the clearing system and is making conforming changes deeming a member that initiates a transfer to have consented to such transfer.
- Chapter 6 (Account Configuration, Money Calculations and Collateral) – Added ISDA ACT/ACT(ISMA) as an eligible day count fraction.

Please note that this Submission No. 13-520 covers, among other things, changes needed to the IRS Manual in anticipation of the addition of MXN on November 18, 2013. CME will be providing information required for these new products to the CFTC separately in Submission No. 13-523 under Regulation 39.5. In addition, CME will be self-certifying changes required to the CME Rulebook in a separate 40.6 Submission No. 13-522.

Changes to the IRS Manual are reflected in Exhibit 1, which is confidential and has been redacted in its entirety, with additions underlined and deletions ~~stricken through~~.

CME reviewed the derivatives clearing organization core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, CME identified the following Core Principles as potentially being impacted:

Participant and Product Eligibility: The product additions in Chapter 2 and 6 reflect new IRS products and product elections to be made available for clearing at CME.

Risk Management: The requirements for credit checks and transfer consents in Chapter 4 are consistent with prudent risk management procedures for processing of SEF submitted transactions and trade transfers and consistent with recent Commission staff guidance as noted above.

CME certifies that the above rules and rule amendments comply with the CEA and the regulations thereunder. There were no substantive opposing views to the proposed amendments.

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

If you require any additional information regarding this submission, please contact me at 212-299-2228 or via e-mail at Jason.Silverstein@cmegroup.com. Please reference our CME Submission No. 13-520 in any related correspondence.

Sincerely,

/s/ Jason Silverstein
Executive Director and Associate General Counsel

Attachment: Exhibit 1

EXHIBIT 1

Manual of Operations for CME Cleared Interest Rate Swaps

CONFIDENTIAL

[Redacted]