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Jason Silverstein  
Executive Director and Associate General Counsel  
Legal Department

December 14, 2012

Office of the  
Secretariat

VIA E-MAIL

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

**RE: Regulation 40.6(a) Certification. Modifications to the Fee Schedule for  
Over-the-Counter ("OTC") Credit Default Swap Clearing  
CME Submission No. 12-464**

Dear Ms. Warfield:

Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to modify the fee schedule (the "Fee Schedule") that applies to CDX North American Index Credit Default Swaps cleared at CME. The modifications include extending the twenty five percent (25%) discount off of base clearing fees for all market participants that clear OTC North American Index CDS products. The modifications to the Fee Schedule will become effective on January 2, 2013.

Exhibit 1 sets forth the Fee Schedule that will be applicable to OTC Credit Default Swap transactions cleared at CME Group. Exhibit 1 includes two separate fee schedules. North American Index CDS Fee Schedule A is the default fee schedule for all market participants clearing North American CDX Index CDS products at CME Group. Market participants may also elect to participate in North American Index CDS Fee Schedule B (the "Flat Rate Fee Program"). The Flat Rate Fee Program features a single blended flat rate for each transaction cleared and employs a look back period to determine an implied average clearing fee and establish a single blended flat rate in the subsequent period. The look-back period for the Flat Rate Fee Program is semi-annual, based on a calendar year, ending fifteen days prior to the beginning of the next six month period. Modifications to the Fee Schedule appear below with additions underscored and deletions ~~overstruck~~.

CME business staff and the CME legal department collectively reviewed the designated clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted:

**Participant and Product Eligibility.** The Fee Schedule and proposed modifications set forth fees that apply to all market participants clearing CDX North American Index contracts at CME. CME believes that the Fee Schedule encourages customers to submit additional volume into the system to ensure system readiness and help build open interest ahead of a regulatory mandate.

**Rule Enforcement.** CME does not believe the Fee Schedule or proposed modifications incentivize market abuse in any way and do not otherwise impact any aspects of CME's risk management, settlement procedures, treatment of funds or default rules or procedures. Chapter 4 of CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices.

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CME certifies that the Fee Schedule and proposed modifications set out in Exhibit 1 comply with the CEA and the regulations thereunder. There were no substantive opposing views to the Fee Schedule or proposed modifications.

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>

If you require any additional information regarding this submission, please contact Jennifer Peve at 312-466-7478 or via e-mail at [jennifer.peve@cmegroup.com](mailto:jennifer.peve@cmegroup.com), or contact me at 212-299-2228. Please reference our CME Submission No. 12-464 in any related correspondence.

Sincerely,

/s/ Jason Silverstein  
Executive Director & Associate General Counsel

Enclosure: Exhibit 1 – OTC Credit Default Swap North American Index Clearing Fee Schedule

# EXHIBIT 1

## OTC CREDIT DEFAULT SWAP NORTH AMERICAN INDEX CLEARING FEE SCHEDULE

(Additions Underlined and Deletions ~~Overstruck~~)

## OTC CREDIT DEFAULT SWAP NORTH AMERICAN INDEX CLEARING FEE SCHEDULE

North American Index CDS Fee Schedule A	
Monthly Volume cleared (\$B)	Base Fee* (max of) \$ per million notional
0 - 1.0	\$6.00
1.0 - 3.0	\$5.40
3.0 - 10	\$4.80
10 - 20	\$4.20
20 - 35	\$3.60
35+	\$3.00

\*All market participants that clear OTC North American Index CDS products will be entitled to receive a 25% discount off their base clearing fees through ~~December 31, 2012~~ December 31, 2013.

North American Index CDS Fee Schedule B	
Monthly Volume cleared (\$B)	Base Fee* (max of) \$ per million notional
0 - 3	\$6.00
3 - 9	\$5.30
9 - 30	\$4.70
30 - 60	\$4.10
60 - 105	\$3.50
105+	\$2.90

\*All market participants that clear OTC North American Index CDS products will be entitled to receive a 25% discount off their base clearing fees through ~~December 31, 2012~~ December 31, 2013.

Fee Schedule A is the default fee schedule for all market participants clearing OTC North American Index CDS products at CME Group. Market participants may elect to participate in Fee Schedule B, the Flat Rate program, which charges base clearing fees via a single blended flat rate for each transaction cleared during a subsequent period.