



Jason Silverstein  
Executive Director and Associate General Counsel  
Legal Department

April 11, 2014

**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. Change to IRS Margin Model for Negative Rate Environment.  
CME Submission No. 14-129**

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6, Chicago Mercantile Exchange Inc. (“CME”) hereby notifies the Commission of changes to the log shocks to the margin model for interest rate swaps (“IRS”). The proposed changes will become effective on April 28, 2014.

The current IRS margin model generally utilizes historical swap prices to generate log return based scenarios for our historical value at risk (“VaR”) based model.

The changes to the IRS model are confidential and proprietary and are being submitted concurrently in CME Submission No. 14-129S, requesting confidential treatment. The changes do not materially affect the IRS margin model.

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 Principle as potentially being impacted:

**Risk Management:** The proposed change will enhance CME’s margin model for IRS during historical time periods of negative and low interest rate periods by generating sufficient margin to cover affected IRS products.

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

Notice of 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 Udes Jha at 312-930-3398 or via e-mail at [Udes.Jha@cmegroup.com](mailto:Udes.Jha@cmegroup.com), or contact me at 212-299-2228 or via e-mail at [Jason.Silverstein@cmegroup.com](mailto:Jason.Silverstein@cmegroup.com). Please reference our CME Submission No. 14-129 in any related correspondence.

Sincerely,

/s/ Jason Silverstein  
Executive Director & Associate General Counsel