

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-414

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/02/18 Filing Description: Expansion of Clearing of OTC Interest Rate Swaps Denominated in Mexican Pesos to 31 Years.

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: See filing.

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

October 2, 2018

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
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. Expansion of Clearing of OTC Interest Rate Swaps Denominated in Mexican Pesos to 31 Years.
CME Submission No. 18-414**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the expansion of the maximum maturity of fixed-floating interest rate swaps (“IRS”) denominated in Mexican Pesos (“MXN”) (the “Contract”) for submission for clearing via CME ClearPort from 21 years to 31 years effective Sunday, October 21, 2018 for trade date Monday, October 22, 2018.

This filing supplements the Exchange’s previous submissions to the Commission. CME Submission No. 13-523 dated December 6, 2013 included information relating to the acceptance of the Contract with a maximum maturity of 11 years.¹ CME Submission No. 14-215 dated May 30, 2014 notified the Commission of an expansion of clearing of the Contract from 11 years to 21 years effective on June 2, 2014.²

The Banco de México has mandated that certain financial institutions clear MXN-denominated fixed-to-floating interest rate swaps having a termination date range of approximately two months to 30 years and that reference the Mexican “Interbank Equilibrium Interest Rate” (TIIE). Given continued transactional activity, CME is expanding the TIIE swaps tenor to support 31 years. This will ensure that all participants, in particular Mexican financial institutions captured by the local clearing mandate, have the ability to clear TIIE swaps throughout its curve.

CME reviewed the derivatives clearing organization (“DCO”) core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the expansion may have some bearing on the following principles:

- **DCO Core Principle B – Financial Resources**: The expansion changes will not have a material impact on the financial resources of CME. As such, it will not prevent CME Clearing from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as DCO.
- **DCO Core Principle L – Public Information**: The expansion changes will be made publicly available

¹ <https://www.cmegroup.com/market-regulation/files/13-523.pdf>.

² <https://www.cmegroup.com/market-regulation/files/14-215.pdf>.

on the CME Group website.³ In addition, CME will release a notice to the marketplace regarding the amendments in advance of the effective date which will also be posted on the CME Group website.

- **DCO Core Principle R – Legal Risk:** CME has determined that the expansion changes are consistent with the requirement to have a well-founded, transparent and enforceable legal framework for each aspect of the activities of the DCO.

Attached as Exhibit 1 are the fixed-floating MXN IRS product specifications.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the expansion of the maximum maturity of fixed-floating IRS denominated in MXN for clearing, comply with the Act, including all regulations under the Act. 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 the undersigned at (212) 299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1: Fixed-Floating MXN IRS Product Specifications

³ <https://www.cmegroup.com/trading/interest-rates/cleared-otc.html>.

EXHIBIT 1

Fixed-Floating MXN Product Specifications

Instrument Type	Acceptable Currencies	Leg Types	Index	Maximum Maturity (from cleared date)	Variable Notional
Vanilla Interest Rate Swaps	MXN	Fixed Floating	MXN-TIIE-BANXICO	Up to 31Y	No