



RECEIVED  
CFTC

2012 JAN 18 AM 8:00

Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

OFFICE OF THE  
SECRETARIAT

January 17, 2012

**VIA E-MAIL**

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Implementation of CME OTC FX Fee Waiver Program  
CME Submission No. 12-027**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc ("CME" or the "Clearing House") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a fee waiver program in support of certain cleared-only over-the-counter ("OTC") foreign exchange ("FX") products. ("Program"). The proposed Program will become effective on February 1, 2012.

Exhibit 1 sets forth the terms of the proposed Program.

CME business staff responsible for this temporary fee waiver and the CME legal department collectively reviewed the derivatives clearing organization core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, CME staff concluded that the following Core Principle applies to this submission:

**Financial Resources:** This temporary reduction in clearing fees will have a non-material impact on the financial resources of the CME Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO;

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Regulations 40.6(a), the Exchange hereby certifies that this fee reduction complies with the Act, including regulations under the Act.

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

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at [robert.lev@cmegroup.com](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our CME Submission No. 12-027 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

# EXHIBIT 1

## CME OTC FX Fee Waiver Program

### Program Purpose

The purpose of this Program is to incentivize market participants to submit transaction in the OTC FX products listed below to the Clearing House for clearing. The resulting increase in volume benefits all participant segments in the market.

### Product Scope

The following cleared only OTC FX products ("Products"):

1. CME Cleared OTC FX – Emerging Markets
  - a. USDBRL, USDCLP, USDCNY, USDCOP, USDIDR, USDINR, USDKRW, USDMYR, USDPEN, USDPHP, USDRUB, USDTWD Non-Deliverable Forwards
  - b. USDCZK, USDHUF, USDHKD, USDILS, USDMXN, USDPLN, USDSGD, USDTHB, USDTRY, USDZAR Cash-Settled Forwards
2. CME Cleared OTC FX – Majors
  - a. AUDJPY, AUDUSD, CADJPY, EURAUD, EURCHF, EURGBP, EURJPY, EURUSD, GBPUSD, NZDUSD, USDCAD, USDCHF, USDDKK, USDJPY, USDNOK, USDSEK Cash-Settled Forwards.

### Eligible Participants

The temporary reduction in fees will be open to all market participants and will automatically be applied to any transaction in the Products submitted to the Clearing House for clearing.

### Program Term

Start date is February 1, 2012. End date is June 30, 2012.

### Hours

The Program will be applicable regardless of the transaction time.

### Program Incentives:

Fee Waivers. All market participants that clear the Products will have their clearing fees waived.