

February 12, 2014

VIA E-MAIL

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

**RE: CFTC Regulation 40.6(a) Certification. Adoption of Rule 815.
CME/CBOT/NYMEX Submission No. 14-060**

Dear Ms. Jurgens:

Pursuant to Commission Regulation 40.6(a), Chicago Mercantile Exchange Inc. ("CME"), the Board of Trade of the City of Chicago, Inc. ("CBOT"), and the New York Mercantile Exchange, Inc. ("NYMEX") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying new rule 815: Third Party Execution Platforms for Swaps with an effective date of Wednesday, February 28, 2014 ("Effective Date").

Rule 815 is designed to address the risks posed to the CME Clearing House ("Clearing House") by third party execution platforms for swaps by clarifying the time at which the rules of the Clearing House apply, confirming the authority of the Clearing House to conduct risk management in conformance with its obligations under CFTC Regulation 39.13 and ensuring that the Clearing House has sufficient flexibility to perform default management as required under CFTC Regulations 39.16 and 39.27(b)(4). Note that the Clearing House also negotiated provisions in its commercial agreements with third party execution platforms for swaps ("Execution Platforms") which stipulate that the Clearing House rules apply once a trade has been submitted for clearing. In addition, the Execution Platforms contractually agreed to be bound by the Clearing House rules applicable to the clearing services provided to them by the Clearing House.

Clearing House staff and the legal department collectively reviewed the derivatives clearing organization ("DCO") core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, staff identified the adoption of Rule 815 may have some bearing on the following Core Principles:

Risk Management: Rule 815 will assist the Clearing House in complying with this Core Principle by making clear when the rules of the Clearing House apply and reinforcing the Clearing House's right to manage the risks associated with clearing swaps for Execution Platforms. For example, Rule 815 confirms that the Clearing House rules apply once a trade has been submitted for clearing and that the Clearing House has the sole authority to: accept or reject trades, block or cancel trades, block or terminate connections with Execution Platforms, determine whether it will accept trade transaction counterparty risk and determine whether contracts are economically equivalent. These rules prevent the actions of third parties from limiting or interfering with the ability of the Clearing House to perform prudent risk management and comply with its regulatory obligations. In order to properly engage in prudential risk management and to provide the market with clarity as to the risk profile of the Clearing House's

interactions with third party trade execution platforms, the Clearing House believes in the importance of defining the authority of the Clearing House in managing these important relationships. Were the provisions of Rule 815 not in place, then the Clearing House and the market constituencies it serves will likely face a variety of unacceptable ambiguities regarding the clearing and risk management of swap positions.

Default Rules and Procedures: The Clearing House routinely reviews its approach to default management and always seeks to have the utmost flexibility to allow for the efficient, fair, and safe management of events during which clearing members become insolvent or default on their obligations. One way to accomplish this goal is to anticipate the impact of potential market infrastructure changes on the Clearing House's ability to properly manage default risks. The requirement that Execution Platforms provide the Clearing House with access for risk management purposes is designed to address the possibility that a significant portion of swap liquidity migrates to SEFs and/or DCMs. If a liquidity migration occurs, the Clearing House believes that best practices would argue in favor of it having the ability to utilize all available liquidity pools to manage a default situation.

Legal Risk Considerations: CFTC Regulation 39.27(b)(3) requires DCOs to have an enforceable legal framework to address the default of a clearing member, including but not limited to, the unimpeded ability to liquidate collateral and close out or transfer positions in a timely manner. As noted in the section directly above, the Clearing House believes that Execution Platforms may provide the necessary liquidity pools in the future which may assist it in closing out positions in a timely manner. As such, the Clearing House determined that it was important to implement a binding rule providing it with the ability to access the swap liquidity available at Execution Platforms. As noted above, Execution Platforms agreed to be bound by the clearing house rules in their commercial arrangements with the Clearing House which, in conjunction with these rules, enhances the legal framework under which the Clearing House manages default risks.

The Exchanges certify that Rule 815 complies with the Act and regulations thereunder. There were no substantive opposing views to the proposed rule.

The Exchanges certify that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you have any questions regarding this submission, please contact me at (312) 930-8167 or via e-mail at Sean.Downey@cmegroup.com. Alternatively, you may contact Amy McCormick at (312) 634-8794 or Amy.McCormick@cmegroup.com.

Sincerely,

/s/ Sean Downey
Senior Director and Associate General Counsel

Attachment: Exhibit A – Text of CME, CBOT, and NYMEX Rule 815

EXHIBIT A

Chapter 8. Clearing House and Performance Bonds

RULE 815: THIRD PARTY EXECUTION PLATFORMS FOR SWAPS

815.A. Exclusivity of Clearing House Rules

The Clearing House Rules shall exclusively apply, and prevail to the extent there is any conflict with any third party rules, to all swap trades, and resulting positions, from the time that a swap trade, including a swap trade executed on a swap execution facility (“SEF”) or other third party execution platform for swaps (collectively, “Third Party Execution Platforms”), is submitted for clearing. Notwithstanding the foregoing, if the Clearing House rejects a swap trade for clearing, the Clearing House Rules shall cease to apply to that swap trade until such swap trade is resubmitted for clearing.

815.B. Clearing House Authority

The Clearing House will have the sole authority to:

1. determine whether any trade submitted for clearing will be accepted or rejected. For the avoidance of doubt, Third Party Execution Platforms may not make a determination on clearing acceptance or rejection and may only communicate the Clearing House’s determination of whether a trade has been accepted or rejected for clearing.
2. block or cancel any trades submitted for clearing by, or on behalf of, any Third Party Execution Platforms if it determines that such trades were executed or submitted to the Clearing House in error.
3. deny or terminate the connection of Third Party Execution Platforms to the Clearing House due to technical, operational or risk management issues at the Third Party Execution Platforms.
4. determine whether it will accept any trade transaction counterparty risk.
5. determine whether contracts cleared by the Clearing House are economically equivalent and should be offset within the Clearing House pursuant to the Act.

815.C. Voids and Price Adjustments

A void or price adjustment for any swap trade that has been accepted for clearing is not valid without the consent of the Clearing House.

815.D. Submission to Clearing House Rules and Access to Execution Platforms

All Third Party Execution Platforms that submit, or have submitted on their behalf, swap trades for clearing to the Clearing House shall be bound by Clearing House Rules, including, but not necessarily limited to, the disciplinary Rules and the emergency Rules contained in Chapters 2, 4, 8, 8G and 8H and shall, at all times, provide the Clearing House with access to its execution platform for risk management purposes.

815.E. Compliance with Regulatory Standards

No Third Party Execution Platform may submit swap trades for clearing to the Clearing House unless it has complied with all applicable CFTC regulations, standards and requirements including, but not limited to, technological, operational and risk management standards.

815.F. Transfer of Swap Positions

No swap positions may be transferred, including those resulting from an execution on Third Party Execution Platforms, unless such transfer is made in accordance with the Clearing House Rules.