

February 13, 2013

**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: Rule 40.6 Certification. Increase to \$150MM of CME corporate contribution to IRS financial safeguards.  
CME Submission No. 13-045**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME") pursuant to Commodity Futures Trading Commission (the "Commission") Regulation 40.6 hereby notifies the Commission of amendments to CME Rules increasing CME's corporate contribution to the financial safeguards for IRS to \$150,000,000. CME intends to implement such amendments on March 1, 2013.

CME periodically assesses the structure of its financial safeguards packages. In assessing the financial safeguards available for IRS products, CME has determined that an increase to the CME corporate contribution is appropriate. The amendment to CME Rule 8G802.B.1(i) reflects the increase in such contribution and the amendment to 8G802.H reflects a conforming change to the CME contribution during an IRS Cooling Off Period.

The texts of all proposed amendments are attached as Exhibit 1, with additions underlined and deletions struck. The amendments comport with DCO Core Principle B (Financial Resources) and Commission Regulation 39.11 (Financial Resources) promulgated thereunder by increasing the amount of financial resources available to support the default of an IRS Clearing Member at CME.

No substantive opposing views regarding these proposed rule revisions were expressed to CME. CME certifies that this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>. CME further certifies that these rule amendments comply with the Commodity Exchange Act and regulations promulgated thereunder.

Should you have any questions regarding this submission, please contact Tim Doar, Chief Risk Officer & Managing Director at (312) 930-3162 or via email at [Tim.Doar@cmegroup.com](mailto:Tim.Doar@cmegroup.com); or me at (212) 299-2228 or via e-mail at [Jason.Silverstein@cmegroup.com](mailto:Jason.Silverstein@cmegroup.com).

Please reference our Submission No. 13-045 in any related correspondence.

Sincerely,

/s/ Jason Silverstein  
Executive Director & Associate General Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## 8G802.B. Satisfaction of Clearing House Obligations

### *1. Application of Clearing House and non-defaulting IRS Clearing Member contributions*

If the IRS Collateral and the IRS Customer Collateral, as described in Rule 8G802.A, is insufficient to cover the IRS Loss produced by the default, the Clearing House shall cover, or reduce the size of, such IRS Loss by applying the following funds to such losses in the order of priority as follows (the “IRS Priority of Payments”):

- (i) First, the corporate contribution of CME for IRS Products (the “CME IRS Contribution”), which shall equal \$~~400~~150,000,000.....

## 8G802.H. Multiple Defaults

The provisions set forth in Rule 8G802.A and 8G802.B shall apply with respect to each default by an IRS Clearing Member. If more than one IRS Clearing Member default occurs at a time or in close sequence, including a default that occurs by reason of an IRS Clearing Member’s failure to satisfy an assessment demand, the Clearing House shall manage the defaults separately. Upon a default, non-defaulted IRS Clearing Members shall be subject to a maximum obligation to contribute to the IRS Guaranty Fund and to fund IRS Assessments equal to the aggregate amounts set forth in Rules 8G07 and 8G802. This maximum shall apply from the date of the original default until the later of (i) the 25th Business Day thereafter and (ii) if another clearing member is in default during the 25 Business Days following the initial or any subsequent default, the 25th Business Day following the last default (the “IRS Cooling Off Period”), regardless of the number of defaults that occur during such IRS Cooling Off Period. The maximum does not limit IRS Clearing Members’ obligations to restore their IRS Guaranty Fund contributions as set forth in Rule 8G802.F, except that if the IRS Clearing Member’s required IRS Guaranty Fund contribution would exceed the maximum, the IRS Clearing Member’s IRS Guaranty Fund requirement shall be reduced accordingly for the remainder of the IRS Cooling Off Period. Following an IRS Cooling Off Period, the Clearing house shall notify each IRS Clearing Member of its IRS Guaranty Fund deposit obligation and its IRS Assessments exposure.

The aggregate maximum contribution for the IRS Cooling Off Period shall be based upon each IRS Clearing Member’s IRS Guaranty Fund requirement and IRS Assessments in effect at the time of the original default, provided that if an IRS Clearing Member’s IRS Guaranty Fund requirement and IRS Assessments is increased during the IRS Cooling Off Period due to material changes in its own business creating a material shortfall as to the requirement (as described in Rule 8G07) then the maximum shall be based on the revised requirement.

The CME IRS Contribution shall be limited to an aggregate maximum of \$~~400~~150,000,000 during the Cooling Off Period, regardless of the number of defaults that occur during such Cooling Off Period.