

March 28, 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: Modifications to CME/CBOT Clearing Rules to Facilitate Clearing of KCBT Products.
CME/CBOT Submission No. 13-115**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME") and the Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") are self-certifying to the Commodity Futures Trading Commission ("Commission") amendments to the Exchanges' clearing rules. The effective date for the proposed revisions is the later of April 15, 2013, or the effective date established by a Commission order permitting the transfer of open interest from the Kansas City Board of Trade Clearing Corporation ("KCBTCC") to CME.

KCBTCC is currently the derivatives clearing organization ("DCO") for transactions executed on the Board of Trade of Kansas City, Missouri, Inc. ("KCBT"). CME is the DCO for transactions executed on CME, CBOT, the New York Mercantile Exchange, Inc., and Commodity Exchange, Inc. In a letter dated January 14, 2013, CME and KCBTCC jointly petitioned the Commission for approval to transfer all open interest from KCBTCC to CME on April 15, 2013. Upon the transfer of open interest from KCBTCC to CME, KCBTCC will cease clearing transactions for KCBT and the CME will assume the role of DCO for all trades executed on or through KCBT. To facilitate clearing of KCBT products by CME, this Submission No.13-115 establishes CBOT and CME Clearing Member (collectively, the "Clearing Members") eligibility to clear trades executed on KCBT.

The Exchanges' Market Regulation Department and Legal Department collectively reviewed the DCO core principles ("Core Principles"), as set forth in the Commodity Exchange Act ("CEA"), and identified Core Principle 2—*Financial Resources* ("Core Principle 2") and Core Principle 3—*Participant and Product Eligibility* ("Core Principle 3") as potentially being impacted by these rule modifications.

- **Financial Resources:** Permitting the Clearing Members to clear KCBT products does not increase risk to the DCO or diminish the financial resources available to CME in the event of a clearing member default. As noted below in conjunction with the analysis under Core Principle 3, the Clearing Members are in compliance with capital and financial resources requirements under CME rules and applicable laws and regulations.
- **Participant and Product Eligibility:** Pursuant to Core Principle 3, each DCO must establish participation requirements that permit fair and open access to clearing facilities, ensure clearing members have adequate financial resources and operational capacity to meet their clearing obligations, and ensure that clearing members are subject to ongoing monitoring, periodic reporting, and enforcement provisions. The proposed revisions establish fair and objective criteria for eligibility to clear KCBT products. CME and CBOT Clearing Memberships are

available to participants that fulfill objective, publicly disclosed criteria, including financial, operational, and business integrity standards. Permitting the Clearing Members to clear KCBT products does not materially increase risk in that the Clearing Members are currently eligible to clear similar products in the CBOT Wheat product complex. The capital requirements for clearing KCBT products are the same as those for clearing CBOT Wheat products, and are objective, transparent, and commonly accepted standards that appropriately match capital to risk. The Clearing Members currently meet the financial resources requirements to clear products in the CBOT Wheat product complex and must continue meeting their obligations to maintain eligibility to clear KCBT products. The Clearing Members maintain, and have demonstrated through prior clearing activity, adequate operational capacity and the ability to fulfill obligations arising from clearing similar contracts in the CBOT Wheat product complex. The Clearing Members have satisfied CME of their ability to participate in default management proceedings. Furthermore, the Clearing Members will continue to be subject to CME's monitoring, reporting, and enforcement rules, as well as all other applicable laws and regulations thereunder, including the Core Principles.

Exhibit 1 sets forth the proposed revisions to the Exchanges' rules. The modifications appear below with additions underscored and deletions ~~everstruck~~.

The Exchanges certify that the proposed revisions comply with the CEA and the regulations thereunder. No substantive opposing views to the proposed revisions were made to the Exchanges.

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

If you require any additional information regarding this submission, please contact me at 212-299-2200 or christopher.bowen@cmegroup.com. Alternatively, you may contact Bob Sniagowski at 312-341-5991 or via e-mail at robert.sniagowski@cmegroup.com. Please reference our CME/CBOT Submission No. 13-115 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1 – Proposed Revisions to CME and CBOT Clearing Rules

EXHIBIT 1

Proposed Revisions to CME and CBOT Clearing Rules

Proposed Amendments to CME Rule 900.A

900. CATEGORIES OF CLEARING MEMBERS

900.A. CME Clearing Members

CME Clearing Members shall have all applicable rights, responsibilities and privileges attendant thereto, subject to the provisions of these rules and shall be qualified to clear transactions for all CME products, all KCBT products and all Expanded-Access Products listed for trading by CBOT after July 12, 2007.

CME Clearing Members receive fees in conjunction with CME Rule 106.H. Trading Member Firms. CME Clearing Members with shares are those clearing members that maintain CME Group Class A shares in accordance with CME Rule 106.J. Equity Member Firm requirements in order to receive equity member rates.

[The remainder of CME Rule 900 is unchanged]

Proposed Amendments to CBOT Rule 900

900. CATEGORIES OF CLEARING MEMBERS

The Exchange may establish different clearing member categories and alter the rights and responsibilities of such categories.

The term "clearing member" as used in the Rules, shall include all clearing member categories established by the Exchange, including Clearing FCMs, grandfathered Clearing Closely Held Corporate Members¹, Clearing Corporate Members, Financial Instrument Clearing Members and Sole Proprietor Clearing Members, unless otherwise specified. Clearing members that qualified as Clearing Closely Held Corporate Members prior to June 30, 2010 are grandfathered as Clearing Closely Held Corporate Members.

CBOT Clearing Members shall have all applicable rights, responsibilities and privileges attendant thereto, subject to the provisions of these rules and shall be qualified to clear transactions for all CBOT products, all KCBT products and all Expanded-Access Products listed for trading by CME after July 12, 2007.

CBOT Clearing Members receive fees in conjunction with CBOT Rule 106.H. Trading Member Firms. CBOT Clearing Members with shares are those clearing members that maintain CME Group Class A shares in accordance with CBOT Rule 106.J. Equity Member Firm requirements in order to receive equity member rates.

[The remainder of CBOT Rule 900 is unchanged]