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June 8, 2010

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

**RE: Amendments to CME Rule 501A1.C.
CME Submission No. 10-163**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of amendments to CME Rulebook Chapter 501A, which gives terms and conditions for Options on Three-Month Euroyen Futures. Such amendments clarify and correct previous amendments to this chapter that the Exchange certified with the Commission on 28 April 2010 and 26 May 2010 (respectively, "Amendments to CME Rulebook Chapters 501 and 501A", CME Submission No. 10-114, and "Amendments to CME Rulebook Chapters 501 and 501A", CME Submission No. 10-146.)

The rule amendments declared herein serve to bring terms and conditions of CME Options on Three-Month Euroyen Futures into conformity with both:

(a) recent changes in terms and conditions of SGX Euroyen (TIBOR) Futures and companion SGX Euroyen (TIBOR) Options that are listed for trading on the Singapore Exchange Ltd. Such changes are undertaken so as to comply with the terms of the Mutual Offset System ("MOS") between CME and the Singapore Exchange Derivatives Trading Ltd and the Singapore Exchange Derivatives Clearing Ltd (collectively, "SGX"); and

(b) guidelines prescribed in Appendix A(c)(3) of 17 CFR 40, as these apply to minimum option premium increments for option contracts listed on boards of trade.

CME and SGX Mutual Offset System

As of their latest renewal on 22 October 2006, the terms of the MOS given in the "Agreement to Renew Mutual Offset System" ("Agreement") include the following:

(a) Article I Section 1.5 defines a "designated futures contract" as "a futures contract or option contract the terms and conditions of which are identical in all respects on both [CME and SGX], which is traded on both [CME and SGX], and which has been designated by [CME and SGX] as a futures contract or an option contract eligible for trading pursuant to the Mutual Offset System..."

(b) Schedule A identifies SGX Three-Month Euroyen futures as a "designated futures contract."

(c) Article 1 Section 1.11 names SGX as the "Home Exchange" for Euroyen futures.

(d) Schedule A further vests the Home Exchange with jurisdiction over the terms and conditions of any designated futures contract.

The thrust of these terms is that any modification to terms and conditions of a designated futures contract made by the Home Exchange must be adopted by the other exchange that is party to the MOS.

Pertinent to this submission is that SGX is the Home Exchange for SGX Euroyen (TIBOR) Futures and, by extension, CME Three-Month Euroyen Futures.

Changes to Terms of SGX Euroyen (TIBOR) Futures Contracts

In regard to SGX Euroyen (TIBOR) Futures contracts, SGX has reduced the minimum price increment from one half of 1/100th of one futures contract price point to one quarter of 1/100th of one futures contract price point, with application only to the nearest four contract delivery months in the March Quarterly cycle (i.e., March, June, September, and/or December). Accordingly CME has made similar modifications to terms and conditions of its Three-Month Euroyen Futures, by way of its Submission No. 10-146.

Changes to Terms of SGX Euroyen (TIBOR) Options...

In regard to SGX Euroyen (TIBOR) Option contracts, SGX has chosen to maintain the minimum option premium increment at one half of 1/100th of one futures contract price point for all such option contracts, despite the modification to minimum price increment in Euroyen (TIBOR) futures described above.

...versus 17 CFR 40

The guidelines given in 17 CFR 40 stipulate that CFTC Rule 33.4(d), concerning "Designation as a contract market for the trading of commodity options", should be implemented such that, for any futures option listed by a board of trade, the minimum option premium increment shall be no greater than the minimum price increment for such option's underlying reference futures contract. As such, the guidelines bar CME from applying to its Options on Three-Month Euroyen Futures the standards for minimum option premium increments that SGX upholds for its Euroyen (TIBOR) Options.

Resolution

Article XXI Section 21.6 of the CME-SGX MOS Agreement provides that "if any provision... shall be prohibited by or invalidated under applicable law, then such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions" of the MOS.

On these grounds, CME hereby amends the terms and conditions of its Options on Three-Month Euroyen futures so that for each such option the minimum option premium increment shall equal the minimum price increment of the CME Euroyen futures contract into which the option exercises. The text of the rule amendment described herein is attached, in a marked version, with additions underlined and deletions bracketed and overstruck.

CME certifies that the rule changes certified herein comply with the Commodity Exchange Act and regulations thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Frederick Sturm at 312-930-1282 or via e-mail at frederick.sturm@cmegroup.com or me at 312-648-5422. Please reference our CME Submission No. 10-163 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Regulatory Counsel

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Text of Rule Amendments

(Additions are underlined. Deletions are [~~bracketed and overstruck~~].)

Chapter 501A Options on Three-Month Euroyen Futures

501A01. OPTION CHARACTERISTIC

501A1.C. Minimum Fluctuations ¹

The price of an option shall be quoted in IMM Index points. Each .01 IMM Index point (1 basis point) shall represent 2,500 Japanese yen per contract. For example, a quote of 0.35 represents an option price of 87,500 Japanese yen (35 basis points x 2,500 Japanese yen).

For any option that is exercisable into any Three-Month Euroyen futures contract for which the minimum price increment is .0025 IMM Index points, per CME Rule 50102.C., the minimum fluctuation in option premium shall be .0025 IMM Index points (625 Japanese yen per contract).

For any option that is exercisable into any Three-Month Euroyen futures contract for which the minimum price increment is .005 IMM Index points, per CME Rule 50102.C., [~~T~~]the minimum fluctuation in option premium shall be .005 IMM Index points (~~[625]~~1,250 Japanese yen per contract, [~~also known as one-half tick~~]).

Trades may also occur at a price of 300 Japanese yen, [~~also known as a cabinet~~], whether or not such trades result in the liquidation of positions for both parties to the trade.

¹ Revised September 1997; November 1997.