

July 17, 2012

BY ELECTRONIC FILING

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/CBOT/NYMEX Rules 818, 930, 971 and 973 and CME Chapter 8F Rules, Submission #12-240

Dear Mr. Stawick:

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 that they will adopt revisions to CME, CBOT and NYMEX Rules 818.B, 930.H, 971 and 973 and to CME Chapter 8F rules and related definitions. The proposed effective date for these rule revisions is Monday, November 5, 2012.

The Commission's Part 22 regulations for the "Legally Segregated, Operationally Commingled" (LSOC) customer protection regime for cleared swaps: (1) introduce new defined terms including Cleared Swap, Cleared Swaps Customer, Cleared Swaps Customer Account and Cleared Swaps Customer Collateral; and (2) incorporate by reference certain customer protection regulations for customer segregated (futures) accounts, including Regulations 1.20, 1.25, 1.27 to 1.30, and 1.49. Derivatives clearing organizations (DCOs) and futures commission merchants must comply with Part 22 by no later than Thursday, November 8, 2012.

The Part 22 regulations supplant the customer OTC "sequestered" rules in Chapter 8F of the CME rule book, which were implemented in October 2010. CME is therefore removing customer "sequestered" Rules 8F100 to 8F136 and related definitions from its rule book. In addition, CME, CBOT and NYMEX are revising Rules 818.B, 930.H, 971 and 973 in each of their rule books to reflect the removal of CME's customer "sequestered" rules and utilization of new terms from the Part 22 regulations.

The text of the proposed rule revisions is attached, with additions underlined and deletions overstruck. No substantive opposing views regarding the proposed revisions were expressed to CME, CBOT or NYMEX.

The proposed rule revisions comport with DCO Core Principle F (Treatment of Funds), and with the Commission's Part 22 regulations. CME, CBOT and NYMEX certify that this submission has been concurrently posted on its website at <http://www.cmegroup.com/market-regulation/rule-filings.html>. CME, CBOT and NYMEX further certify that this rule amendment complies with the Commodity Exchange Act and regulations promulgated thereunder.

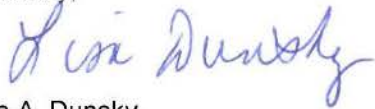
Mr. David Stawick

July 17, 2012

Page 2

Should you have any questions regarding this submission, please contact me at (312) 338-2483 or via e-mail at lisa.dunsky@cmegroup.com. Please reference our Submission No. 12-240 in any related correspondence

Sincerely,



Lisa A. Dunsky
Executive Director and Associate General Counsel

CME, CBOT and NYMEX Rulebooks

Chapter 8: Clearing House and Performance Bonds

Rule 818. CLOSE-OUT NETTING

....

818.B. Default of the Exchange

If at any time the Exchange fails to comply with an undisputed obligation to pay money or deliver property to a Clearing Member that is due and owing in connection with a transaction on the Exchange or cleared by the Exchange, for a period of five Business Days from the date that the Exchange receives notice from the Clearing Member of the past due obligation, the Clearing Member's open proprietary and customer (including, for this rule, CFTC Regulation Section 30.7 secured and Cleared ~~OTC-Derivatives~~Swaps Customers) positions at the Clearing House shall, at the election of that Clearing Member, be closed promptly.

....

Chapter 9: Clearing Members

Rule 930. PERFORMANCE BOND REQUIREMENTS: ACCOUNT HOLDER LEVEL

....

930.H. Aggregation of Accounts and Positions

Clearing members may aggregate and net positions in accounts under identical ownership within the same classifications of customer segregated, customer secured, ~~customer-sequestered~~Cleared Swaps Customers, and nonsegregated for performance bond purposes. Clearing members may compute performance bond requirements on identically owned concurrent long and short positions on a net basis.

....

Rule 971. SEGREGATION, SECURED AND SEQUESTERED-CLEARED SWAPS CUSTOMER ACCOUNT REQUIREMENTS

A. All clearing members must comply with the requirements set forth in CFTC Regulations 1.20 through 1.30, 1.32, and 30.7, and ~~CME Rules 8F400 through 8F436~~Part 22 of the CFTC Regulations. This includes, but is not limited to, the following:

1. Maintaining sufficient funds in segregation or set aside in separate or sequestered-Cleared Swaps Customer accounts;
2. Computing, recording and reporting completely and accurately the balances in the:
 - a. Statement of Segregation Requirements and Funds in Segregation;
 - b. Statement of Secured Amounts and Funds Held in Separate Accounts; and
 - c. Statement of ~~Sequestration~~Segregation Requirements and Funds-Cleared Swaps Customer Collateral Held in ~~Sequestered-Cleared Swaps Customer~~ Accounts.
3. Obtaining satisfactory segregation, separate and sequestered-Cleared Swaps Customer account acknowledgment letters and identifying segregated, separate and sequestered-Cleared Swaps Customer accounts as such; and
4. Preparing complete and materially accurate daily segregation, secured and sequestered-Cleared Swaps Customer amount computations in a timely manner.

B. Exchange staff may prescribe additional segregation, secured and sequestered-Cleared Swaps Customer amount requirements.

C. All clearing members must provide written notice to the Audit Department of a failure to maintain sufficient funds in segregation or set aside in separate or sequestered-Cleared Swaps Customer accounts. The Audit Department must receive immediate written notification when a clearing member knows or should know of such failure.

Rule 973. CUSTOMER ACCOUNTS WITH THE CLEARING HOUSE

All customer funds deposited with the Clearing House on behalf of customers protected by CFTC Regulation 1.20 shall be held in accordance with the Commodity Exchange Act and CFTC Regulation 1.20 in an account identified as Customer Segregated. Such customer funds shall be segregated by the Clearing House and treated as belonging to the customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the segregation acknowledgment letter requirement of CME Rule 971.A.3., the Commodity Exchange Act, and CFTC Regulation 1.20 for customer deposits held at the Clearing House.

All ~~customer funds~~ Cleared Swaps Customer Collateral deposited with the Clearing House on behalf of Cleared OTC Derivatives Swaps Customers shall be held in accordance with ~~CME Rules 8F100 through 8F136~~ Part 22 of the CFTC Regulations in an account identified as a Cleared OTC Derivatives Sequestered Swaps Customer Account. Such ~~customer funds~~ Cleared Swaps Customer Collateral shall be ~~sequestered~~ segregated by the Clearing House and treated as belonging to such customers of the clearing member. Pursuant to ~~this~~ the rule, a clearing member shall satisfy the ~~sequestered~~ Cleared Swaps Customer Account acknowledgement letter requirement of CME Rule 971.A.3 for customer deposits held at the Clearing House.

CME Rulebook

Definitions

~~CLEARED OTC DERIVATIVES CUSTOMER SEQUESTERED ACCOUNT~~

~~An account in which Funds of Cleared OTC Derivatives Customers (or investments thereof) are held; Provided, however, That, for purposes of CME Rules, the term Cleared OTC Derivatives Customer Sequestered Account shall not include an account in which positions in cleared OTC derivatives (or the money, securities and/or other property margining, guaranteeing or securing such derivatives) are, pursuant to a CFTC order, commingled with positions and funds held in segregated accounts maintained in accordance with Section 4d of the CEA.~~

~~CLEARED OTC DERIVATIVES CUSTOMERS~~

~~Customers of a futures commission merchant with positions in cleared swaps, as that term is defined in CFTC Regulation 190.01(pp); Provided however, That a customer is only a Cleared OTC Derivatives Customer with respect to its positions in cleared swaps, as that term is defined in CFTC Regulation 190.01(pp); Provided, further, That, for purposes of CME Rules, the term Cleared OTC Derivatives Customers shall not include customers whose only cleared swap positions (and whose money, securities and/or other property margining, guaranteeing or securing such swaps) are, pursuant to a CFTC order, commingled with positions and funds held in segregated accounts maintained in accordance with Section 4d of the CEA.~~

~~FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS~~

~~The money, securities, and/or other property received by a futures commission merchant from, for, or on behalf of Cleared OTC Derivatives Customers, to margin, guarantee, or secure their cleared swaps and all money accruing to such customers as a result of such contracts, and, in the case of options on cleared swaps, to be used as a premium for the purchase of such option by the customer or as a premium payable to the customer or to guarantee or secure the performance of such option by the customer or representing accruals for such options to the customer (including the market value of such options purchased by the customer and for which the customer has paid full value).~~

Chapter 8-F

Over-the-Counter Derivative Clearing

8F003. CLASSIFICATION OF POSITIONS

OTC Derivatives submitted for clearing by an OTC Clearing Member for its proprietary account shall be assigned to and held in a proprietary account of such Clearing Member. All collateral deposited as performance bond to support positions in the proprietary account of an OTC Clearing Member and all variation margin payments made from such account shall be deemed the property of the OTC Clearing Member and shall be subject to the Clearing House's lien and security rights as described in Rule 8F008.

OTC Derivatives submitted for clearing for the account of a Clearing Member's Cleared OTC Derivatives Swaps Customers shall be assigned and held in a Cleared OTC Derivatives Sequestered Swaps Customer Account of such Clearing Member. All Clearing Members must comply with the requirements set forth in CME Rule 971 for such Cleared OTC Derivatives Swaps Customer Accounts.

Notwithstanding the foregoing, if the CFTC issues an order permitting OTC Clearing Members to commingle customer funds used to margin particular OTC Derivatives that are cleared by CME with other funds held in CEA Section 4d(a)(2) customer segregated accounts, such positions may be held in the customer segregated accounts of an OTC Clearing Member and, if so held, all collateral deposited as performance bond to support such positions and all variation margin payments made from such accounts shall be commingled with similar property of regulated customers. All Clearing Members must comply with the requirements set forth in CME Rule 971 for such customer segregated accounts.

~~8F100. GENERAL PROVISIONS: CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNTS~~

~~(a) For purposes of CME Rules relating to Cleared OTC Derivatives Customer Sequestered Accounts (including CME Rules 8F100 through 8F136 and related definitions), the term "futures commission merchant" shall include: 1) futures commission merchants that are clearing members; and 2) any other futures commission merchant that has agreed in writing, whether with a clearing member carrying its account or with CME, to comply with CME Rules relating to Cleared OTC Derivatives Customer Sequestered Accounts.~~

~~(b) Any clearing member carrying a customer omnibus account containing cleared swaps (as that term is defined in CFTC Regulation 190.01(pp)) in the name of a non-clearing futures commission merchant shall: 1) include in its written agreement with such non-clearing futures commission merchant language sufficient to require compliance with CME Rules relating to Cleared OTC Derivatives Customer Sequestered Accounts by the non-clearing futures commission merchant; and 2) allow inspection of each such written agreement at any reasonable time by representatives of CME.~~

~~8F117. NOTICE OF DEFICIENCY IN CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNTS~~

~~Whenever a person registered as a futures commission merchant knows or should know that the total amount of its funds on deposit in Cleared OTC Derivatives Sequestered Accounts is less than the total amount of such funds required by CME Rules to be on deposit, the futures commission merchant must report such deficiency immediately by telephone notice, confirmed immediately in writing by facsimile notice, to CME and the principal office of the CFTC in Washington, DC, to the attention of the Director and the Chief Accountant of the Division of Clearing and Intermediary Oversight, and, if the futures commission merchant is a securities broker or dealer, to the Securities and Exchange Commission, in accordance with 17 C.F.R. § 240.17a-11.~~

~~8F118-119. [RESERVED]~~

~~8F120. FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS TO BE SEQUESTERED AND SEPARATELY ACCOUNTED FOR~~

~~(a) All Funds of Cleared OTC Derivatives Customers shall be separately accounted for and sequestered as belonging to Cleared OTC Derivatives Customers. Such Funds of Cleared OTC Derivatives Customers when deposited with CME, any bank, trust company or another futures commission merchant shall be deposited under an account name which clearly identifies them as such and shows that they are sequestered as required by CME Rules. Each futures commission merchant shall obtain and retain in its files for the period provided in CFTC Regulation 1.31 a written acknowledgment from such bank, trust company or futures commission merchant, that it was informed that the funds deposited in the Cleared OTC Derivatives Sequestered Account are those of Cleared OTC Derivatives Customers and are being held in accordance with the provisions of CME Rules. Under no circumstances shall any portion of Funds of Cleared OTC Derivatives Customers be obligated to CME, any member of a contract market, a futures commission merchant, any depository, or any other person except to purchase, margin, guarantee, secure, transfer, adjust or settle trades, contracts or transactions of Cleared OTC Derivatives Customers. No person, including CME or any depository, that has received Funds of Cleared OTC Derivatives Customers for deposit in a Cleared OTC Derivatives Sequestered Account, as provided in this rule, may hold, dispose of, or use any such funds as belonging to any person other than the Cleared OTC Derivatives Customers of the futures commission merchant which deposited such funds.~~

~~(b) All Funds of Cleared OTC Derivatives Customers received by CME from a clearing member to purchase, margin, guarantee, secure or settle the cleared OTC derivatives trades, contracts or transactions of the clearing member's Cleared OTC Derivatives Customers and all money accruing to such Cleared OTC Derivatives Customers as the result of trades, contracts or transactions so carried shall be separately accounted for and sequestered as belonging to such Cleared OTC Derivatives Customers, and CME shall not hold, use or dispose of such customer funds except as belonging to such Cleared OTC Derivatives Customers. Such Funds of Cleared OTC Derivatives Customers, when deposited in a bank or trust company, shall be deposited under an account name which clearly shows that they are the Funds of Cleared OTC Derivatives Customers of clearing members, sequestered as~~

required CME Rules. CME shall obtain and retain in its files for the period provided by CFTC Regulation 1.31, an acknowledgment from such bank or trust company that it was informed that the funds deposited in the Cleared OTC Derivatives Sequestered Account are those of Cleared OTC Derivatives Customers of CME clearing members and are being held in accordance with the provisions of CME Rules.

(c) Each futures commission merchant shall treat and deal with the funds of a Cleared OTC Derivatives Customer as belonging to such Cleared OTC Derivatives Customer. All Funds of Cleared OTC Derivatives Customers shall be separately accounted for, and shall not be commingled with the money, securities or property of a futures commission merchant or of any other person, or be used to secure or guarantee the trades, contracts or transactions, or to secure or extend the credit, of any person other than the one for whom the same are held: Provided, however, That Funds of Cleared OTC Derivatives Customers of a futures commission merchant may for convenience be commingled and deposited in the same account or accounts with any bank or trust company, with another person registered as a futures commission merchant, or with CME, and that such share thereof as in the normal course of business is necessary to purchase, margin, guarantee, secure, transfer, adjust, or settle the cleared OTC derivatives trades, contracts or transactions of such Cleared OTC Derivatives Customers or resulting market positions, with CME or with any other person registered as a futures commission merchant, may be withdrawn and applied to such purposes, including the payment of premiums to options grantors, commissions, brokerage, interest, taxes and other fees and charges, lawfully accruing in connection with such trades, contracts or transactions: Provided, further, That Funds of Cleared OTC Derivatives Customers may be invested in accordance with Rule 8F125.

(d) In no event may Funds of Cleared OTC Derivatives Customers be held or commingled and deposited with (i) customer funds in the same account or accounts required to be separately accounted for and segregated pursuant to Section 4d of the CEA and the regulations thereunder, or (ii) money, securities or property representing the foreign futures or foreign options secured amount held in accordance with CFTC Regulation 30.7.

~~8F121. CARE OF MONEY AND EQUITIES ACCRUING TO CLEARED OTC DERIVATIVES CUSTOMERS~~

All money received directly or indirectly by, and all money and equities accruing to, a futures commission merchant from CME or from any clearing member or from any member of a contract market or from any other person incident to or resulting from any cleared OTC derivatives trade, contract or transaction made by or through such futures commission merchant on behalf of any Cleared OTC Derivatives Customer shall be considered as accruing to such Cleared OTC Derivatives Customer within the meaning of CME Rules. Such money and equities shall be treated and dealt with as belonging to such Cleared OTC Derivatives Customer in accordance with the provisions of CME Rules. Money and equities accruing in connection with Cleared OTC Derivatives Customers' open cleared OTC derivatives trades, contracts or transactions need not be separately credited to individual accounts but may be treated and dealt with as belonging undivided to Cleared OTC Derivatives Customers having open cleared OTC derivatives trades, contracts or transactions which if closed would result in a credit to such Cleared OTC Derivatives Customers.

~~8F122. USE OF FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS RESTRICTED~~

No futures commission merchant shall use, or permit the use of, the funds of one Cleared OTC Derivatives Customer to purchase, margin, or settle the trades, contracts or transactions of, or to secure or extend the credit of, any person other than such Cleared OTC Derivatives Customer. Funds of a Cleared OTC Derivatives Customer shall not be used to carry trades or positions of the same Cleared OTC Derivatives Customer other than in OTC derivatives cleared through the facilities of a derivatives clearing organization that has established rules or bylaws which require cleared swaps (as that term is defined in CFTC Regulation 190.01(pp)), along with the money, securities and/or other property margining, guaranteeing or securing such swaps, to be held in a separate account.

~~8F123. INTEREST OF FUTURES COMMISSION MERCHANTS IN FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS; ADDITIONS AND WITHDRAWALS~~

Rule 8F120, which prohibits the commingling of funds of Cleared OTC Derivatives Customers with the funds of a futures commission merchant, shall not be construed to prevent a futures commission

merchant from having a residual financial interest in the funds of Cleared OTC Derivatives Customers, sequestered as required by CME Rules and set apart for the benefit of Cleared OTC Derivatives Customers; nor shall such provisions be construed to prevent a futures commission merchant from adding to the sequestered Funds of Cleared OTC Derivatives Customers such amount or amounts of money, from its own funds or unencumbered securities from its own inventory, of the type permitted under Rule 8F125, as it may deem necessary to ensure any and all Cleared OTC Derivatives Sequestered Accounts held at all times, at a minimum, the amount required by CME Rules. The books and records of a futures commission merchant shall at all times accurately reflect its interest in the separated funds of Cleared OTC Derivatives Customers. A futures commission merchant may draw upon such funds of Cleared OTC Derivatives Customers to its own order, to the extent of its actual interest therein, including the withdrawal of securities held in Cleared OTC Derivatives Sequestered Accounts held by CME, a bank, trust company or other futures commission merchant. Such withdrawal shall not result in the funds of one Cleared OTC Derivatives Customer being used to purchase, margin or carry the trades, contracts or transactions, or extend the credit of any other Cleared OTC Derivatives Customer or other person.

8F124. FUNDS HELD IN CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNTS; EXCLUSIONS THEREFROM

Money held in a Cleared OTC Derivatives Sequestered Account by a futures commission merchant shall not include: (a) Money invested in obligations or stocks of any clearing organization or in memberships in or obligations of any contract market; or (b) money held by any clearing organization which it may use for any purpose other than to purchase, margin, guarantee, secure, transfer, adjust, or settle the contracts, trades, or transactions of the Cleared OTC Derivatives Customers of such futures commission merchant.

8F125. INVESTMENTS OF FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS

A futures commission merchant or CME may invest Funds of Cleared OTC Derivatives Customers subject to the terms and conditions set forth in CFTC Regulation 1.25, which regulation shall apply to such funds as if such funds were customer funds or customer money subject to Section 4d of the CEA and the regulations thereunder.

8F126. DEPOSIT OF INSTRUMENTS PURCHASED WITH FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS

(a) Each futures commission merchant who invests Funds of Cleared OTC Derivatives Customers in instruments permitted under Rule 8F125 shall separately account for such instruments and sequester such instruments as belonging to such Cleared OTC Derivatives Customers. Such instruments, when deposited with CME, a bank, trust company or another futures commission merchant, shall be deposited under an account name which clearly shows that they belong to Cleared OTC Derivatives Customers and are separated as required by CME Rules. Each futures commission merchant upon opening a Cleared OTC Derivatives Sequestered Account shall obtain and retain in its files an acknowledgment from such bank, trust company or other futures commission merchant that it was informed that the instruments belong to Cleared OTC Derivatives Customers and are being held in accordance with CME Rules. Such acknowledgment shall be retained in accordance with CFTC Regulation 1.31. Such bank, trust company or other futures commission merchant shall allow inspection of such obligations at any reasonable time by representatives of CME.

(b) When it invests money belonging or accruing to Cleared OTC Derivatives Customers of its clearing members in instruments permitted under Rule 8F125, CME shall separately account for such instruments and sequester such instruments as belonging to such Cleared OTC Derivatives Customers. Such instruments, when deposited with a bank or trust company, shall be deposited under an account name which will clearly show that they belong to Cleared OTC Derivatives Customers and are sequestered as required by CME Rules. Upon opening a Cleared OTC Derivatives Sequestered Account, CME shall obtain and retain in its files a written acknowledgment from such bank or trust company that it was informed that the instruments belong to Cleared OTC Derivatives Customers of clearing members and are being held in accordance with the provisions of CME Rules. Such acknowledgment shall be retained in accordance with CFTC Regulation 1.31. Such bank or trust company shall allow inspection of such instruments at any reasonable time by representatives of CME.

~~8F127. RECORD OF INVESTMENTS~~

~~(a) Each futures commission merchant that invests funds of Cleared OTC Derivatives Customers shall keep a record showing the following:~~

- ~~(1) The date on which such investments were made;~~
- ~~(2) The name of the person through whom such investments were made;~~
- ~~(3) The amount of money or current market value of securities so invested;~~
- ~~(4) A description of the instruments in which such investments were made, including the CUSIP or ISIN numbers;~~
- ~~(5) The identity of the depositories or other places where such instruments are sequestered;~~
- ~~(6) The date on which such investments were liquidated or otherwise disposed of and the amount of money or current market value of securities received of such disposition, if any;~~
- ~~(7) The name of the person to or through whom such investments were disposed of; and~~
- ~~(8) Daily valuation for each instrument and readily available documentation supporting the daily valuation for each instrument. Such supporting documentation must be sufficient to enable auditors to verify the valuations and the accuracy of any information from external sources used in those valuations.~~

~~(b) — When CME receives documents from its clearing members representing investment of Funds of Cleared OTC Derivatives Customers, CME shall keep a record showing separately for each clearing member the following:~~

- ~~(1) The date on which such documents were received from the clearing member;~~
- ~~(2) A description of such documents, including the CUSIP or ISIN numbers; and~~
- ~~(3) The date on which such documents were returned to the clearing member or the details of disposition by other means.~~

~~(c) — Such records shall be retained in accordance with CFTC Regulation 1.31. No such investments shall be made except in instruments permitted under Rule 8F125.~~

~~8F128. APPRAISAL OF INSTRUMENTS PURCHASED WITH FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS~~

~~Futures commission merchants who invest Funds of Cleared OTC Derivatives Customers in instruments permitted under Rule 8F125 shall include such instruments in Cleared OTC Derivatives Sequestered Account records and reports at values which at no time exceed current market value, determined as of the close of the market on the date for which such computation is made.~~

~~8F129. INCREMENT OR INTEREST RESULTING FROM INVESTMENT OF FUNDS OF CLEARED OTC DERIVATIVES CUSTOMERS~~

~~The investment of Funds of Cleared OTC Derivatives Customers in instruments permitted under Rule 8F125 shall not prevent the futures commission merchant or CME so investing such funds from receiving and retaining as its own any increment or interest resulting therefrom.~~

~~8F130-131. [RESERVED]~~

~~8F132. CLEARED OTC DERIVATIVES SEQUESTERED ACCOUNT; DAILY COMPUTATION AND RECORD~~

~~(a) Each futures commission merchant must compute as of the close of the previous business day:~~

- ~~(1) The total amount of customer funds on deposit in Cleared OTC Derivatives Sequestered Accounts on behalf of Cleared OTC Derivatives Customers;~~
- ~~(2) the amount of such customer funds required by CME Rules to be on deposit in Cleared OTC Derivatives Sequestered Accounts on behalf of such Cleared OTC Derivatives Customers; and~~
- ~~(3) the amount of the futures commission merchant's residual interest in such customer funds.~~

~~(b) In computing the amount of funds required to be in Cleared OTC Derivatives Sequestered Accounts, a futures commission merchant may offset any net deficit in a particular Cleared OTC Derivatives Customer's account against the current market value of readily marketable securities, less applicable~~

percentage deductions (i.e., "securities haircuts") as set forth in Rule 15c3-1(c)(2)(vi) of the Securities and Exchange Commission (17 CFR § 241.15c3-1(c)(2)(vi)), held for the same customer's account. The futures commission merchant must maintain a security interest in the securities, including a written authorization to liquidate the securities at the futures commission merchant's discretion, and must sequester the securities in a safekeeping account with CME, a bank, trust company or another futures commission merchant. For purposes of this section, a security will be considered readily marketable if it is traded on a "ready market" as defined in Rule 15c3-1(c)(11)(i) of the Securities and Exchange Commission (17 CFR § 240.15c3-1(c)(11)(i)).

(c) The daily computations required by this Rule must be completed by the futures commission merchant prior to noon on the next business day and must be kept, together with all supporting data, in accordance with the requirements of CFTC Regulation 1.31.

8F133-135. [RESERVED] _____

8F136. CLASSIFICATION OF POSITIONS _____

Each futures commission merchant shall maintain, as provided in CFTC Regulation 1.31, a record of all securities and property received from Cleared OTC Derivatives Customers in lieu of money to margin; purchase, guarantee or settle the cleared OTC derivatives trades, contracts or transactions of such customers. Such record shall show separately for each Cleared OTC Derivatives Customer: a description of the securities or property received; the name and address of such Cleared OTC Derivatives Customer; the dates when the securities or property were received; the identity of the depositories or other places where such securities or property are segregated; the dates of deposits and withdrawals from such depositories; and the dates of return of such securities or property to such Cleared OTC Derivatives Customer, or other disposition thereof, together with the facts and circumstances of such other disposition.