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OFFICE OF THE  
SECRETARIAT

July 18, 2011

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 Rules 45202., 452A01., 45302., and 453A01.  
CME Submission No. 11-283**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of amendments to CME Rulebook Chapter 452, for Three-Month Eurodollar Futures, and Chapter 453, for One-Month Eurodollar Futures. These amendments remove Rules 45202.I. and 45302.I., respectively, which Rules stipulate that contracts will not trade, at any time other than during Regular Trading Hours, at prices that are outside a range spanning from two price index points below to two price index points above such contracts' previous daily settlement prices. (CME Rulebook defines Regular Trading Hours to be "[t]hose hours designated for open outcry trading of the relevant product as determined from time to time." For any Exchange Business Day for Three-Month Eurodollar Futures and One-Month Eurodollar Futures, Regular Trading Hours for such contracts are between 7:20am and 2:00pm Chicago time.)

The amendments also remove passages in Rules 452A01.A. and 453A01.A. that concern trading halts in, respectively, Options on Three-Month Eurodollar Futures and Options on One-Month Eurodollar Futures, where such trading halts would be prompted by trading conditions in the respective companion futures in which such futures prices are either limit bid or limit offered.

The Exchange certifies that these changes comply with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal. Accordingly, the Exchange intends to implement these rule changes on or after Monday, August 1, 2011.

The Exchange undertakes these amendments to bring trading conditions for Three-Month Eurodollar Futures and One-Month Eurodollar Futures into conformity with trading conditions applicable to other interest rate contracts that are listed for trading on either CME or other Designated Contract Markets operated by CME Group, and that are not subject to price limits. Examples include, but are not limited to, Treasury futures and Interest Rate Swap futures listed for trading on the Board of Trade of the City of Chicago, Inc.

Attachments 1 and 2 exhibit amendments to CME Chapters 452 and 453, respectively. Attachments 3 and 4 present amendments to CME Chapters 452A and 453A. In all instances rule amendments appear with, additions underlined and with deletions overstruck.

For additional information regarding this action, please contact Frederick Sturm at 312-930-1282 or via e-mail at [Frederick.Sturm@cmegroup.com](mailto:Frederick.Sturm@cmegroup.com). Alternatively, you may contact me at 312-466-7478 or via e-mail at [Tim.Elliott@cmegroup.com](mailto:Tim.Elliott@cmegroup.com). Please reference CME Submission No. 11-283 in any related correspondence.

Sincerely,

/s/ Timothy Elliott  
Director and Associate General Counsel

## **Attachment 1**

### **CME Rulebook Chapter 452 -- Three-Month Eurodollar Futures**

#### **Rule 45202. Futures Call**

##### **45202.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and delivery in such months as may be determined by the Exchange.<sup>1</sup>

1. Revised December 2001.

##### **45202.B. Trading Unit**

The size of the unit of trading shall be Eurodollar Interbank Time Deposits in the amount of \$1,000,000.

##### **45202.C. Price Increments**

Bids and offers shall be quoted in terms of the IMM Index, 100.0000 minus the three-month Eurodollar interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 7.20 percent shall be quoted as 92.8000.)

###### **1. The Nearest Expiring Contract Month**

Minimum fluctuations of the IMM Index shall be in multiples of .0025 Index points, equal to \$6.25 per contract. For each .0025 increase in the Index, the Clearing House shall credit \$6.25 per contract to those clearing members holding open long positions and debit \$6.25 per contract from those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit \$6.25 per contract from those clearing members holding open long positions and credit \$6.25 per contract to those clearing members holding open short positions.

###### **2. All Contract Months Excluding the Nearest Expiring Contract Month**

Minimum fluctuations of the IMM Index shall be in multiples of .005 Index points, equal to \$12.50 per contract. For each .005 increase in the Index, the Clearing House shall credit \$12.50 per contract to those clearing members holding open long positions and debit \$12.50 per contract from those clearing members holding open short positions. For each .005 decline in the Index, the Clearing House shall debit \$12.50 per contract from those clearing members holding open long positions and credit \$12.50 per contract to those clearing members holding open short positions.<sup>1</sup>

1. Revised January 1997; March 1997; August 1998; November 2000; May 2002; February 2003; May 2003.

##### **45202.D. Position Accountability**

A person owning or controlling more than 10,000 contracts net long or net short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For

positions involving options on Three-Month Eurodollar futures, this rule is superseded by the option position accountability rule.<sup>1</sup>

1. Effective July 5, 1983; Revised March 1990; January 1992.

#### **45202.E. Accumulation of Positions**

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.<sup>1</sup>

1. Effective July 5, 1983; Revised September 1986.

#### **45202.F. [Reserved]**

#### **45202.G. Termination of Trading**

Futures trading shall terminate at 11:00 a.m. London Time\* on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.

\*This is 5:00 a.m. Chicago Time except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

#### **45202.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading and/or clearing of a contract except that all deliveries must conform to governmental regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law pertaining to the trading, clearing, or delivery of Eurodollars, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subjected to such government orders.

#### ~~45202.I. Price Limits and/or Trading Hours~~

~~There shall be no trading of the Three-Month Eurodollar futures contract during Electronic Trading Hours (ETH) at a price more than 2.0000 INM Index points above or below the Reference RTH Price.<sup>4</sup>~~

~~4. Effective September 1990. Revised March 1993; November 1993.~~

## **Attachment 2**

### **CME Rulebook Chapter 453 -- One-Month Eurodollar Futures**

#### **Rule 45302. Futures Call**

##### **45302.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and delivery in such months as may be determined by the Exchange.<sup>1</sup>

1. Revised December 2001.

##### **45302.B. Trading Unit**

The size of the unit of trading shall be Eurodollar Interbank Time Deposits in the amount of \$3,000,000.<sup>1</sup>

1. Revised January 1997; March 1997; August 1998.

##### **45302.C. Price Increments**

Bids and offers shall be quoted in terms of the IMM Index, 100.0000 minus the one-month Eurodollar interbank time deposit rate on an annual basis for a 360-day year. (For example, a rate of 7.20 percent shall be quoted as 92.8000).

Minimum fluctuations of the IMM Index shall be in multiples of .0025 Index points, equal to \$6.25 per contract. For each .0025 increase in the Index, the Clearing House shall credit \$6.25 per contract to those clearing members holding open long positions and debit \$6.25 per contract from those clearing members holding open short positions. For each .0025 decline in the Index, the Clearing House shall debit \$6.25 per contract from those clearing members holding open long positions and credit \$6.25 per contract to those clearing members holding open short positions.

##### **45302.D. Position Accountability**

A person owning or controlling more than 5,000 contracts net long or short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For positions involving options on One-Month Eurodollar futures, this rule is superseded by the option position accountability rule.

##### **45302.E. Accumulation of Positions**

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

##### **45302.F. [Reserved]<sup>1</sup>**

1. Rule 45302.F. eliminated August 1995.

**45302.G. Termination of Trading<sup>1</sup>**

Futures trading shall terminate at 11:00 a.m. London Time\* on the second London bank business day immediately preceding the third Wednesday of the contract's named month of delivery.

\* This is 5:00 a.m. Chicago Time except when Daylight Savings Time is in effect in either, but not both, London or Chicago.

1. Revised January 1997.

**45302.H. Contract Modifications**

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

~~**45302.I. Price Limits and/or Trading Hours**~~

~~There shall be no trading of the One Month Eurodollar futures contract during Electronic Trading Hours (ETH) at a price more than 2,000 IMM Index points above or below Reference RTH Price.<sup>4</sup>~~

~~4. Effective September 1990. Revised March 1993; November 1993.~~

**Attachment 3  
CME Rulebook Chapter 452A –  
Options on Three-Month Eurodollar Futures**

**Marked Version**

**Rule 452A01. OPTION CHARACTERISTICS**

**452A01.A. Contract Months, ~~and Trading Hours, and Trading Halts~~**

Options ~~contracts~~ shall be listed for such contract months and scheduled for trading during such hours, ~~except as indicated below~~, as may be determined by the ~~Board of Directors~~Exchange.<sup>1</sup>

~~There shall be no trading in any Three-Month Eurodollar option contract when the primary futures contract for that Eurodollar contract is limit bid or offered.~~

~~For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.~~

~~For purposes of this rule during Electronic Trading Hours (ETH), the GLOBEX Control Center shall have the responsibility of determining whether the primary futures contract is limit bid or offered.~~<sup>4</sup>

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1. Revised September 1990, December 2001, July 2011.

**Clean Version**

**Rule 452A01. OPTION CHARACTERISTICS**

**452A01.A. Contract Months and Trading Hours**

Options shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Exchange.<sup>1</sup>

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1. Revised September 1990, December 2001, July 2011.

**Attachment 4  
CME Rulebook Chapter 453A –  
Options on One-Month Eurodollar Futures**

**Marked Version**

**Rule 453A01. OPTION CHARACTERISTICS**

**453A01.A. Contract Months, ~~and Trading Hours, and Trading Halts~~**

Options shall be listed for such contract months and scheduled for trading during such hours, ~~except as indicated below~~, as may be determined by the Exchange.<sup>1</sup>

~~There shall be no trading in any option contract when the primary futures contract for that contract is limit bid or offered.~~

~~For purposes of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit.~~

~~For purposes of this rule during Electronic Trading Hours (ETH), the GLOBEX Control Center shall have the responsibility of determining whether the primary futures contract is limit bid or offered.<sup>4</sup>~~

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1. Revised December 2001, July 2011.

**Clean Version**

**Rule 453A01. OPTION CHARACTERISTICS**

**453A01.A. Contract Months and Trading Hours**

Options shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Exchange.<sup>1</sup>

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1. Revised December 2001, July 2011.