

October 3, 2012

VIA E-MAIL

Mrs. Sauntia Warfield
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**RE: Regulation § 40.2 (a) and § 40.6 (a) Submission Certification
Listing USD Denominated Ibovespa Futures
CME Submission No. 12-298**

Dear Mrs. Sauntia Warfield:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC") that it is self-certifying the listing of USD Denominated Ibovespa Futures on Monday, October 22, 2012.

CME Group, and BM&FBOVESPA (BM&F) of Brazil completed a cross-listing and cross licensing agreement, dated March 5, 2012. This agreement covers benchmark indexes for U.S. and Brazil equity index futures. The agreement provides CME Group with the rights to create and list U.S. dollar (USD) Denominated futures contracts on the Bovespa Index ("Ibovespa") for trading on CME Group, while providing BM&F with the rights to create and list Brazilian Real (BRL) Denominated futures contracts on the S&P 500 index for trading on BM&F.

The Research Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, we have identified that the new product may have some bearing on the following Core Principles:

- Compliance with Rules: Trading in this contract will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in this contract will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new product will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- Contracts not readily subject to manipulation: The new contract is not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash market, which provides diverse participation and sufficient spot transactions to support the final settlement index as assessed by Bovespa.
- Prevention of market disruption: Trading in this contract will be subject to Rulebook Chapters 4 and 7 which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new product will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department.

- Position limitations or accountability: A person shall not own or control more than 3,500 USD Denominated Ibovespa futures contracts or equivalent contracts net long or net short in all contract months combined.
- Availability of General information: The Exchange will publish information on the contracts' specification on its website, together with daily trading volume, open interest and price information.
- Daily Publication of trading information: Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.
- Execution of transactions: The new contract is listed for clearing for trading on the CME Globex trading platform. The CME Globex electronic trading platform provides for a competitive and open execution of transactions due to its advanced functionality, high reliability and global connectivity. It runs continuously, so it is not restricted by borders or time zones. CME Globex remains among the fastest global electronic trading systems.
- Trade Information: All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- Financial integrity of contracts: All contracts traded on the Exchange will be cleared by the CME Clearing House which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Protection of market participants: Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in this product.
- Disciplinary procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the rules. Trading in this contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in these products are identified.
- Dispute resolution: Disputes with respect to trading in this contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. The rules in Chapter 6 allow all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to the rules in Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

The Exchange certifies that this product complies with the Act and rules thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-fillings.html>.

If you require any additional information regarding this action, please do not hesitate to contact me at 312-466-7478. Please reference CME Submission No. 12-298 in any related correspondence.

Sincerely,

/s/ Tim Elliott
Executive Director and Associate General Counsel

cc: Mr. Thomas M. Leahy and Mr. Philip Colling
CFTC Division of Market Oversight, Product Review & Analysis Section

Exchange Certification of USD Denominated Ibovespa Futures

October 3, 2012

Introduction

Chicago Mercantile Exchange (“CME” or “Exchange”) is self-certifying the listing of U.S. dollar (USD) Denominated futures contract based on the Bovespa Index (“Ibovespa”) on Monday, October 22, 2012. CME has executed a Cross Listing and Cross Licensing Agreement with BM&F Bovespa S.A. - BOLSA DE VALORES, MERCADORIAS E FUTUROS (“BVMF”) dated March 5, 2012. This agreement extends a license to CME to list for trading, settlement and/or clearing on CME’s trading facility, market exchange and clearing house, a futures contract that is based upon the Ibovespa. The USD Denominated Ibovespa futures shall be traded exclusively on the CME Globex electronic trading system.

The Exchange certifies that this product complies with the Act and rules thereunder.

In order to assist the Commission in its review of this matter, the Exchange hereby submits this document per Section 5c(c) of the CEA and regulation §40.2 thereunder, which provides a complete description of the Index and the feature of the associated contract. In particular, Section 1 of this document provides a description of the characteristics of the Ibovespa.

Section 2 validates the Ibovespa as a non-narrow based index.

Section 3 discusses the terms and conditions of the associated futures contract. To the extent that many of these terms and conditions have been adapted from terms and conditions currently in place in the context of existing stock index markets including many previously listed on CME, this description and justification is abbreviated accordingly.

Section 4 of this document outlines CME’s efforts to execute a bi-lateral information sharing agreement with BVMF.

Section 5 of this document provides a complete set of the proposed rules governing trading of USD Denominated Ibovespa futures.

Section 6 includes rule amendments necessitated by the introduction of USD Denominated Ibovespa futures.

The Exchange stands ready to support this certification with additional information as requested by the Commission.

1. Nature of the Index

The Bovespa Index (“Ibovespa”) is a non-narrow liquidity weighted total return index of stocks that are traded on the Sao Paulo Stock Exchange (“Bovespa”) division of . At this time there are 69 component stocks included in the Ibovespa. The index is comprised of a theoretical portfolio of stocks that accounted for 80% of the volume traded during the last 12 months. These stocks were also traded on at least 80% of the trading days. The Ibovespa is revised every four months in order to keep its representative of the volume traded at the Bovepsa. On average the components of Ibovespa represent approximately 70% of the turnover on the Bovespa.

2. Non-Narrow Based Security Indexes

The proposed contract provides for cash settlement against the Ibovespa. Accordingly, we submit that the Ibovespa constitutes a non-narrow based securities index per the strictures of Section 1a(35) of the CEA. Note that Section 1a(35)(A) excludes from the definition of narrow-based security index any securities index that satisfies certain criteria. Specifically, CEA Rule 1a(e5)(A) provides that the term “narrow-based security index” means an index-

- (i) that has 9 or fewer component securities,
- (ii) in which a component security comprises more than 30 percent of the index’s weighting,
- (iii) in which the 5 highest weighted component securities in the aggregate comprise more than 60 percent of the index’s weighting, or
- (iv) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index’s weighting have an aggregate dollar value of average trading volume of less than \$50,000,000 (or in the case of an index with 15 or more component securities, \$30,000,000), except that if there are two or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25 percent of the index’s weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security.

The Ibovespa does not constitute a narrow-based security indexes per Section 1a(35)(A) of the CEA as detailed below. As of August 31, 2012:

- (i) The Ibovespa included 67 constituents.
- (ii) The largest component security by weight in the Ibovespa was 10.19% on June 27, 2012.
- (iii) The maximum weight for the 5 highest weighted component securities in the Ibovespa was 31.99% on July 16, 2012.

- (iv) In the aggregate, the lowest quartile (25 percent) of the Ibovespa has a documentable minimum daily trading volume during the March 2013 through January 2012 period equal to \$509,623,240 on June 25, 2012. Perforce, the bottom 25% of the Index achieved an aggregate dollar value of average trading volume in excess of \$30 million.

Table 1 depicts the maximum and minimum aggregate daily volume for the lowest 25 percent of the weighted component securities of the Ibovespa, as well as the data cited previously in this section. Holidays are excluded from the table.

Ibovespa						
	1	2	3	4		
Month	No. of securities	Max weight (%)	Max Weight - Top 5 Securities (%)	Bottom 25% weighted securities: ADV		
				Maximum	Minimum	No. of securities
Mar-12	70	8.958%	30.367%	\$1,572,370,249	\$825,689,525	41
Apr-12	68	9.686%	29.643%	\$1,750,472,360	\$649,579,048	38
May-12	68	9.571%	31.472%	\$2,176,110,246	\$528,806,654	40
Jun-12	68	10.194%	31.347%	\$1,882,612,572	\$509,623,240	38
Jul-12	67	10.122%	31.989%	\$1,507,578,262	\$511,833,086	39
Aug-12	67	9.058%	31.025%	\$2,260,981,168	\$772,076,020	39

As an indication of the Ibovespa's liquidity, the turnover for the underlying constituents of the Bovespa Index is included in Table 2 below. During the past twelve (12) months, Ibovespa constituents have an average daily turnover of approximately 5 billion USD per day, in the aggregate. The table below illustrates the average daily turnover for each month since September 2011.

**Table 2: Ibovespa Average Daily Turnover
(September 2011 to September 2012)**

Month Ending	Ibovespa Average Daily Turnover
Sep-11	\$4,781,985,848
Oct-11	\$5,056,328,781
Nov-11	\$4,408,231,723
Dec-11	\$4,096,222,647
Jan-12	\$4,812,885,066
Feb-12	\$5,838,956,538
Mar-12	\$5,210,005,835
Apr-12	\$5,110,911,132
May-12	\$5,587,803,761
Jun-12	\$4,958,478,087
Jul-12	\$4,556,238,687
Aug-12	\$5,034,876,113
Sep-12	\$6,188,784,180

3. Description of Individual Contract Terms

In order to facilitate the certification process, the Exchange offers the following description and explanation of futures on USD Denominated Ibovespa futures contract terms and conditions. Note that this contract replicates other extant stock index futures contracts in most respects. Note further that the Exchange intends to offer futures on the USD Denominated Ibovespa on the CME Globex electronic trading system.

Trading Unit - Rule 35402.B. Each USD Denominated Ibovespa futures contract shall be valued at \$1.00 (1 USD) times the Ibovespa.” As of this writing, the Index was in the vicinity of 60,708 index points which equates to a contract value of approximately \$60,708.

Price Increments - Rule 35402.C. Bids and offers shall be quoted in terms of the USD Denominated Ibovespa. The minimum fluctuation of the futures contract shall be 25 index points, equivalent to 25.00 USD per contract.

Termination of Trading - Rule 35402.G. The Final Settlement Date for the USD Denominated Ibovespa futures contract is the Wednesday closest to the 15th calendar of the bi-monthly cycle month, *i.e.*, the Wednesday closest to the 15th of February, April, June, August, October and December. If the Wednesday closest to the 15th of the expiry month is a non-trading day at BVMF, the last trading day shall be the next BVMF trading day.

Final Settlement Price - Rule 35402.G. The Final Settlement Price shall be based on the final settlement price of Ibovespa futures at BVMF. On the expiration date, the final settlement price shall be the settlement index (the arithmetic average of the Bovespa Index values published by BM&F every 30 (thirty) seconds during the last three hours of BM&FBovespa spot market trading, up to and including the closing call).

Position Limits - The Position Limit for USD Denominated Ibovespa futures contracts shall be 3,500 contracts, net long or net short, in all months combined.

Price Increment—Rule 35402.C., Price Increments, specifies that “[b]id and offers shall be quoted in terms of the USD Denominated Ibovespa. The minimum fluctuation of the futures contract shall be 25 index points, equivalent to 25.00 USD per contract.”

No-Bust Range—The Globex trade cancellation policy is amended to specify a “no-bust range” of 300 index points per USD Denominated Ibovespa futures contract.

Block Trading—Block trading is not permitted in the context of this product.

Other contract Terms and Conditions—The table (below) summarizes contract terms and conditions.

Contract Specifications
USD Denominated Ibovespa Futures Specifications

Contract Value	\$1 x Ibovespa
Index Construction	Total Return Index of 69 Stocks listed on the Sao Paulo Stock Exchange Rules based Index Methodology
Tick Size	25 Index Points (or \$25 per tick)
Listing Cycle	Four (4) bi-monthly contracts in the February, April, June, August, October, December cycle
Hours of Trade	Offered on CME Globex® electronic trading platform on Mondays-Fridays from 15 minutes after the open of Ibovespa futures on BM&FVovespa (“BVMF”) until 3:15 pm (Chicago time). The start of the CME trading day for Ibovespa futures will change based on changes in daylight saving time in both the U.S. and Brazil. On the first day of trading (October 22, 2012) USD Denominated Ibovespa futures will commence trading on Globex at 6:15 a.m. (Chicago time)
Termination of Trading Time for Expiring Contract	5:00 pm (Sao Paulo time). For the December 2012 expiration, this corresponds to 1 p.m. (Chicago time)
Final Settlement	Cash Settlement based on the Ibovespa Settlement Index at BVMF
Final Settlement Date	Wednesday closest to the 15 th of the expiration month with contingencies if the Wednesday is not a BVMF trading day
Limits	Recalculated Daily. Daily Price Limits equal to the previous day daily settlement price of Ibovespa futures at BVMF plus and minus (±) ten percent (10%) of the BVMF Ibovespa futures price
Position Limit	3,500 contracts in all months combined
Initial Margin Requirement	Approximately 17.5% x Ibovespa
Ticker	Clearing = IBV, Ticker = IBV

4. Contracts Not Readily Susceptible to Manipulation

CME has requested that BVMF provide information to enable CME to determine that it is able to fulfill its Self Regulatory Organization (“SRO”) responsibilities related to listing the USD Denominated Ibovespa futures contract.

Ibovespa futures will be listed by CME pursuant to a licensing agreement that ensures CME’s right to the use of the Ibovespa as a settlement price.

BVMF will also provide all necessary information to the CME to allow it to verify that the BVMF utilizes business practices and appropriate safeguards to minimize the opportunity or incentive to manipulate the Ibovespa, and to determine that the Index’s methodology is reflective of underlying securities prices that are reliable, acceptable and publicly available.

The CME can obtain general and aggregated market information directly from BVMF. Through BVMF’s independent Self-Regulatory Department (“SRO Department”) it can provide aggregated and general market information to facilitate CME’s implementation of self-regulatory responsibilities.

However, the BVMF cannot directly provide CME with more granular information revealing the beneficial owner of transactions or positions on BVMF under Brazilian Banking law.

More granular information is available, on an as needed basis, under the cooperative information sharing arrangement between the Commodity Futures Trading Commission (the “Commission”) and the Brazilian Securities and Exchange Commission (Comissao de Valores Mobiliarios) (“CVM”). To the extent that CME requires more granular data indicating the identity of a trader or positions by beneficial owner, the CME may obtain such information in conjunction with the Commission through long-standing bi-lateral information sharing arrangements between the Commission and BVMF’s home regulator.

On April 12, 1991, the Commission and CVM entered into a bi-lateral agreement of mutual assistance and the exchange of information. The Commission and CVM agreed to “use all the means provided under the law of its jurisdiction to investigate a violation of any law, rule or regulation within the jurisdiction of the requesting Authority, or to obtain information in connection with the facts contemplated by the request.” A copy of this Memorandum of Understanding Between the U.S. CFTC and the CVM on Mutual Assistance and Exchange of Information is available at:

<http://www.cftc.gov/International/MemorandaofUnderstanding/index.htm>

A letter from BVMF’s General Counsel to CME, dated June 29, 2012 outlines BVMF’s ability and inability to comply with CME’s information sharing request. A copy of this letter is attached in an appendix to this submission.

5. Rules Governing USD Denominated Ibovespa Futures
Chapter 354
USD Denominated Ibovespa Futures

35400. SCOPE OF CHAPTER

This chapter is limited in application to Bovespa Index (“Ibovespa”) futures. In addition to this chapter, Ibovespa futures shall be subject to the general rules and regulations of the Exchange as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

35401. CONTRACT SPECIFICATIONS

Each USD Denominated Ibovespa futures contract shall be valued at \$1.00 times the Ibovespa.

35402. TRADING SPECIFICATIONS

35402.A. Trading Schedule

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

35402.B. Trading Unit

The unit of trading shall be 1.00 USD times the Ibovespa.

35402.C. Price Increments

Bids and offers shall be quoted in terms of the USD Denominated Ibovespa. The minimum fluctuation of the futures contract shall be 25 index points, equivalent to 25.00 USD per contract.

35402.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

35402.E. [Reserved]

35402.F. [Reserved]

35402.G. Termination of Trading

Futures trading shall terminate at the same time as the close of trading at BM&FBovespa (“BVMF”) on the day of determination of the Final Settlement Price. The last trading day for USD Denominated Ibovespa Futures is the Wednesday closest to the 15th calendar day of the contract month. If it is a non-trading day at BVMF, the last trading day shall be the next BVMF trading day.

35402.H. [Reserved]

35402.I. Price Limits, Trading Halts, and/or Trading Hours

For purposes of rules determining price limits and trading halts ETH refers to the Electronic Trading Hours of the USD Denominated Ibovespa Futures. At the open of ETH, there shall be price limits corresponding to a 10.0% increase above and a 10.0% decrease below the previous day's Ibovespa futures settlement price at BVMF.

USD Denominated Ibovespa futures price limits shall be calculated daily at the end of each ETH trading day based on the settlement price of Ibovespa futures ("F") at BVMF, as follows:

where:

F = Ibovespa futures daily settlement price at BVMF

L = 10% × F

10.0% Price Limits equal F plus and minus L, or $(F \pm L)$, subject to rounding as follows:

If the lower price limit $(F - L)$ is not evenly divisible by 25, then the lower price limit shall be rounded up to the nearest 25 point increment. If the upper price limit $(F + L)$ is not evenly divisible by 25, then the upper price limit shall be rounded down to the nearest 25 point increment.

If there is no trading in Ibovespa futures at BVMF on a CME, Inc. trading day, then the price limits for USD Denominated Ibovespa futures shall be the trading limits based on the settlement price for Ibovespa futures at BVMF during the most recent BVMF trading day. Price limits and trading halts do not apply to the expiring USD Denominated Ibovespa futures contract during the last three trading days of the contract.

35403. SETTLEMENT PROCEDURES

Delivery under the USD Denominated Ibovespa Futures contract shall be by cash settlement.

35403.A. Final Settlement Price

The Final Settlement Price shall be based on the final settlement price of Ibovespa futures at BVMF.

35403.B. Final Settlement

Clearing members holding open positions in USD Denominated Ibovespa futures contracts at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

35404. [RESERVED]

35405. - 06. [RESERVED]

(End Chapter 354)

**6. Other Rule Amendments Associated with
USD Denominated Ibovespa Futures**

The following amendments to Exchange Rules are necessitated by the introduction of USD Denominated Ibovespa futures. Additions are underlined, deletions are bracketed and overstruck.

CHAPTER 5: TRADING QUALIFICATIONS AND PRACTICES

588.G. GLOBEX Non-Reviewable Trading Ranges
Previous portion of Rule is unchanged.

International Index Futures (CME)	Non-Reviewable Range (NRR)	NRR including Unit of Measure	NRR Tick
E-micro S&P CNX Nifty (Nifty 50) Futures	1000	10 index points	20
<u>USD Denominated Ibovespa Futures</u>	<u>300</u>	<u>300 index points</u>	<u>12</u>

Interpretations, Interpretations & Special Notices Relating to Chapter 5

POSITION LIMIT, POSITION ACCOUNTABILITY AND REPORTABLE LEVEL TABLE

CONTRACT NAME	OPTIONS	FIRST SCALE-DOWN SPOT MONTH	SECOND SCALE-DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORT ABLE FUT LEVEL	REPORT ABLE OPT LEVEL
CME Equity Index									
Nikkei 225 (JPY) and E-mini Nikkei 225 (JPY)	Y					*5,000		25	25
<u>USD Denominated Ibovespa</u>	<u>N</u>					<u>*3,500</u>		<u>25</u>	<u>NA</u>