



Sean M. Downey  
Associate Director and Assistant General Counsel  
Legal Department

December 5, 2011

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

**RE: Regulation 40.6(a) Rule Certification. Chicago Mercantile Exchange Inc./The Board of Trade of the City of Chicago, Inc./New York Mercantile Exchange, Inc./ Commodity Exchange, Inc.  
Submission # 11-470: Issuance of CME Group Market Regulation Advisory Notice RA1107-5**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, "the Exchanges") are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying the issuance of CME Group Market Regulation Advisory Notice RA1107-5 which will be released to the marketplace on December 20, 2011. The Advisory Notice informs market participants that are currently operating under the terms of an Exchange-approved exemption from speculative position limits that the Exchanges are temporarily waiving the requirement under each Exchange's Rule 559 ("Position Limit and Exemptions") that they annually file an updated application. This waiver will be in effect through May 31, 2012.

The temporary waiver is being granted given that the new CFTC rules on position limits will likely be in effect in the near future and will require revisions to each Exchange's Rule 559 to set forth the types of exemptions available to market participants under the revised CFTC rules. The changes to Rule 559 will require market participants to provide new applications and the intent of the temporary waiver is to reduce the administrative burden on market participants and the Exchanges pending the new CFTC rules becoming effective.

The Market Regulation and Legal Departments collectively reviewed the designated contract market ("DCM") core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, we have identified that the issuance of the Advisory Notice may have some bearing on the following Core Principles:

- **Compliance with Rules:** The Advisory Notice will waive the requirement in Rule 559 that market participants file annually an updated application to exceed speculative position limits. All relevant terms and conditions of a previously granted exemption will remain in place and will be enforced by the Market Regulation Department. The temporary waiver will in no way compromise active monitoring and enforcement of existing position limits, including the monitoring and enforcement of the terms of any Exchange-granted exemption from those limits.
- **Position Limitations or Accountability:** The granting of the temporary waiver has no effect on the existing Exchange-imposed position limit levels; its sole purpose is to temporarily waive the annual updated application filing requirement currently set forth in Rule 559. As noted above, all existing position limits will continue to be monitored and enforced.

Mr. David Stawick  
December 5, 2011  
Page 2

The Exchanges certify that the issuance of CME Group Market Regulation Advisory Notice RA1107-5 complies with the Commodity Exchange Act and regulations 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-filings.html>.

A copy of the Advisory Notice begins on the next page.

If you have any questions regarding this submission, please contact Robert Sniagowski, Market Regulation, at 312.341.5991 or via email at [Robert.Sniagowski@cmegroup](mailto:Robert.Sniagowski@cmegroup). Alternatively, you may contact me at 312.930.8167 or via email at [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com). Please reference CME/CBOT/NYMEX/COMEX Submission No. 11-470 in any related correspondence.

Sincerely,

/s/Sean M. Downey  
Associate Director & Assistant General Counsel

# Appendix 1

## MARKET REGULATION ADVISORY NOTICE

---

Exchange	CME, CBOT, NYMEX & COMEX
Subject	Temporary Waiver of Annual Application Update for Position Limit Exemptions
Rule References	Rule 559
Advisory Date	December 20, 2011
Advisory Number	CME Group RA1107-5

Effective immediately, CME, CBOT, NYMEX and COMEX (collectively, "the Exchanges") are granting a **temporary** waiver of the requirement under each Exchange's Rule 559 ("Position Limit and Exemptions") that market participants file an updated application on an annual basis to exceed speculative position limits.

On November 18, 2011, the Commodity Futures Trading Commission ("CFTC") final rules governing position limits and exemptions were published in the Federal Register. These rules, which become effective 60 days after the CFTC further defines the term "swap," outline specific requirements for obtaining an exemption from federal position limits. As a result of the final CFTC rules, various types of exemptions authorized by Rule 559 will no longer be applicable, while additional types of exemptions will be added. Further information on the revisions to the types of exemptions from speculative position limits that will be permitted pursuant to Rule 559 will be the subject of a future Market Regulation Advisory Notice.

In light of the fact that the new CFTC rules will likely be effective in the near future and will require new applications to be filed with the Exchanges, we are temporarily waiving the annual updated application filing requirements through May 31, 2012. This temporary waiver is intended to reduce the administrative burden on both market participants operating under an exemption and the Exchanges. Should it appear that the final rules will not be in effect prior to May 31, the Exchanges will review whether an extension is warranted and will advise the marketplace accordingly.

Notwithstanding this temporary waiver, all market participants currently operating under the terms of an Exchange-granted exemption from speculative position limits remain bound by and must comply with all relevant terms and conditions of such exemptions and Exchange rules.

Questions regarding this advisory may be directed to the following individuals in Market Regulation:

William Kokontis, Director, Market Surveillance, 312.435.3665

Chris Reinhardt, Associate Director, Market Surveillance, 212.299.2882

Joe Hawrysz, Director, Market Surveillance, 312.341.7750

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or [news@cmegroup.com](mailto:news@cmegroup.com).