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Timothy R. Elliott  
Director and Associate General Counsel  
Legal Department

December 12, 2011

VIA E-MAIL

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Amendments to CME Rules 45102.I., 452D01.A., 46002.I., and 460A01.A.; CME Submission #11-446R (revision to initial submission to change effective date)**

Dear Mr. Stawick:

The Chicago Mercantile Exchange, Inc. ("CME" or "Exchange") hereby notifies the Commission of amendments to CME Rulebook Chapter 451 for 13-Week U.S. Treasury Bills Futures and Chapter 460 for Three-Month Overnight Index Swap Futures. These amendments remove Rules 45102.I. and 46002.I., respectively, which 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 13-Week U.S. Treasury Bills Futures and Three-Month Overnight Index Swap Futures, Regular Trading Hours for such contracts are between 7:20 a.m. and 2:00 p.m., Chicago time.)

The amendments also remove passages in Rules 452D01.A. and 460A01.A. that concern trading halts in, respectively, Options on Three-Month Eurodollar Futures Calendar Spreads and Options on Three-Month Overnight Index Swap 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 undertakes these amendments to bring trading conditions for 13-Week U.S. Treasury Bills Futures and Three-Month Overnight Index Swap Futures into conformity with trading conditions applicable to other interest rate contracts that are currently 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, One-Month and Three-Month Eurodollar futures listed for trading on the Chicago Mercantile Exchange and Treasury Bond and Note futures and Interest Rate Swap futures listed for trading on the Chicago Board of Trade. These amendments also bring the trading rules and regulations of the aforementioned contract markets into alignment with the underlying cash markets that are not subject to price limits during extended trading hours.

Attachment 1 summarizes amendments to CME Rules 45102.I., 452D01.A., 46002.I., and 460A01.A., respectively. In all instances rule amendments appear with additions underlined and with deletions overstruck. Attachment 2 contains a copy of this letter which reflects the redline changes from submission 11-446.

Mr. David Stawick  
December 12, 2011  
Page 2

The Research and Product Development 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 revisions to CME Rules 45102.I., 452D01.A., 46002.I., and 460A01.A. may have some bearing on the following Core Principles:

- **Prevention of Market Disruption.** The amendments to CME Rules 45102.I., 452D01.A., 46002.I., and 460A01.A comply with DCM Core Principles relating to the prevention of market disruptions because the amendments because they allow price discovery and risk mitigation in the relevant markets to continue unabated during extended trading hours.
- **Execution of Transactions.** The amendments are designed to comply with Core Principles relating to the execution of transactions because they bring the trading rules that govern the relevant contract markets into alignment with the underlying cash markets that are not subject to price limits during extended trading hours. The amendments are also designed to ensure that the trading rules and regulations of the aforementioned contract markets are in conformity with the trading conditions of interest rate contracts that are currently listed for trading on either the Chicago Mercantile Exchange or other designated contract markets operated by CME Group that are not subject to price limits during extended trading hours.
- **Protection of Market Participants:** The amendments are designed to comply with Core Principles relating to the protection of market participants by ensuring that the trading rules and regulations governing the relevant contracts markets are in conformity with the trading conditions of interest rate contracts that are currently listed for trading on either the Chicago Mercantile Exchange or other designated contract markets operated by CME Group that are not subject to price limits during extended trading hours, and by facilitating continued price discovery and risk mitigation in these markets during extended trading hours.

The Exchanges certify that the revisions to CME Rules 45102.I., 452D01.A., 46002.I., and 460A01.A. comply with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal. **The amendments will become effective on trade date Monday, January 9, 2012.**

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>.

For additional information regarding this action, please contact me at (312) 466-7478. Please reference our CME Submission #11-446R in any related correspondence.

Sincerely,

/s/Timothy R. Elliott  
Director & Associate General Counsel

Enclosure

# Appendix 1

## Amendments Removing Price Limits of 13-Week U.S. Treasury Bills Futures and Three-Month Overnight Index Swap Futures and Trading Halts of Options on Three-Month Eurodollar Futures Calendar Spreads and Options on Three-Month Overnight Index Swap Futures

(Additions are underlined; deletions are ~~struck through~~.)

### Chapter 451 13-Week U.S. Treasury Bills Futures

#### ~~45102.I. Price Limits and/or Trading Hours<sup>4</sup>~~

~~There shall be no trading of the Three Month U.S. Treasury bill futures contract during Electronic Trading Hours (ETH) at a price more than 2.00 IMM Index points above or below the Reference RTH Price.~~

### Chapter 452D Options on Three-Month Eurodollar Futures Calendar Spreads

#### **452D01.A. Contract Months, and Trading Hours, ~~and Trading Halts~~**

Option 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.

~~There shall be no trading in any Eurodollar calendar spread 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.~~

### Chapter 460 Three-Month Overnight Index Swap Futures

#### ~~46002.I. Price Limits and/or Trading Hours~~

~~There shall be no trading of 3 Month OIS futures contracts during Electronic Trading Hours (ETH) at a price more than 2.0000 IMM Index points above or below the Reference RTH price.~~

### Chapter 460A Options on Three-Month Overnight Index Swap Futures

#### **460A 01.A. Contract Months, and Trading Hours, ~~and Trading Halts~~**

Option 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.

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

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<sup>4</sup>Effective September 1990. Revised March 1993; November 1993.

~~For purposes of this rule, the primary futures contract shall be defined as the futures contract with (i) at least three months to expiry and (ii) no more than six months to expiry.~~

~~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.~~

**Appendix 2**  
**Submission No. 11-446R (REDLINE)**

**(Underline Shall Mean Addition; ~~Strikethrough~~ Shall Mean Deletion)**



Timothy R. Elliott  
Director and Associate General Counsel  
Legal Department

December ~~9~~12, 2011

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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>.

For additional information regarding this action, please contact me at (312) 466-7478. Please reference our CME Submission #11-446446R in any related correspondence.

Sincerely,

/s/Timothy R. Elliott  
Director & Associate General Counsel

Enclosure