Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 13, 2014

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: CFTC Regulation 40.6(a) Certification. Notification Regarding the Addition of Clarifying Language to CME Rulebook Chapters for Annual, Semi-Annual, and Quarterly Great British Pound/U.S. Dollar Realized Variance Futures, Japanese Yen/U.S. Dollar Realized Variance Futures, Australian Dollar/U.S. Dollar Realized Variance Futures, and Euro/U.S. Dollar Realized Variance Futures Contracts. CME Submission No. 14-178

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to the following foreign exchange futures contracts that are listed for trading on CME Globex and for submission for clearing through CME ClearPort effective on Sunday, June 29, 2014 for trade date Monday, June 30, 2014:

- Great British Pound/U.S. Dollar (GBP/USD) Realized Variance Futures (Rulebook chapter: 251J; Code: Quarterly, VPQ; Semi-Annual, VPS; and Annual, VPA)
- Japanese Yen/U.S. Dollar (JPY/USD) Realized Variance Futures (Rulebook chapter: 253J; Code: Quarterly, VJQ; Semi-Annual, VJS; and Annual, VJY)
- Australian Dollar/U.S. Dollar (AUD/USD) Realized Variance Futures (Rulebook chapter: 255J; Codes: Quarterly, VAQ; Semi-Annual, VAS; and Annual, VAY)
- Euro/U.S. Dollar (EUR/USD) Realized Variance Futures (Rulebook chapter: 261J; Code: Quarterly, VEQ; Semi-Annual, VES; and Annual, VEA)

Specifically, CME is amending Rules 251J.01. for GBP/USD Realized Variance Futures, 253J.01. for JPY/USD Realized Variance Futures, 255J.01. for AUD/USD Realized Variance Futures, and 261J.01. for EUR/USD Realized Variance Futures to eliminate ambiguity in the holiday schedules for Bloomberg spot foreign exchange fixings that are used to determine the final settlement prices of these futures contracts following contract expiration on the last trading day in these futures contracts. The amendments clarify the number of actual daily periodic observations that CME uses in computing the final settlements prices of these futures.

Appendix A provides amendments to CME Chapters 251J, 253J, 255J, and 261J in blackline format.

The Research and Product Development Department and the Legal Department collectively reviewed the designated contract market ("DCM") core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, staff identified the following Core Principles as being potentially impacted:

- **Compliance with Rules:** CME is adding clarifying language to the Exchange rulebook chapters for Realized Variance futures in order to reduce the ambiguity that is inherent in Bloomberg

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holiday schedules. This language will provide certainty regarding the number of actual daily periodic observations that CME uses in computing the final settlements of these futures. In adding this language, the Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of Realized Variance futures.

- **Availability of General Information:** As required by this Core Principle, CME will issue a Special Executive Report ("SER") about adding clarifying language to the CME rulebook chapters for Realized Variance futures to market authorities, market participants, and the public so that they have accurate, up-to-date information regarding the computation of the final settlement prices of these futures following contract expiration on the last trading day. The SER will also be available on the CME Group website.

- **Trade Information:** In making these changes to Realized Variance Futures, CME shall provide for the recording and safe storage of all identifying trade information related to these markets for posterity.

- **Record Keeping:** In making these changes to Realized Variance Futures, CME shall maintain records of all activities relating to the business of these markets for posterity.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the attached amendments comply with the Act, including regulations under the Act. 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.

If you have any questions regarding this submission, please contact me at (212) 299-2200 or via e-mail at Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment:

Appendix A – Rule Chapter Amendments

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Appendix A

Rule Amendments to Realized Variance Futures

(additions are underlined, deletions are ~~struck through~~)

Chapter 251J: Great British Pound/U.S. Dollar ("GBP/USD") Realized Variance Futures

251J.01 CONTRACT SPECIFICATIONS

The Floating Index Price or Realized Variance shall be calculated as the annualized variance of the continuously compounded percentage returns from one observation point to the next over the life of the contract. The Realized Variance will be calculated by formula. The formula shall be

$$\frac{252}{n} \cdot \sum_{i=1}^{n} \left[\left(\ln\left(\frac{S_i}{S_{i-1}}\right) \right)^2 * 10{,}000 \right]$$

Rounded to the nearest .01 index point.

Where

n Number of observations taken in the life of the contract

i The period being observed

S_i The 4:00 p.m. fixing price of the Spot GREAT BRITISH POUND/U.S. Dollar as reported by Bloomberg. Daily observation points shall be included in the calculation of the Floating Index Price or Realized Variance when provided by Bloomberg, with the noted exceptions being when a holiday in the United States, the United Kingdom, and Germany coincide.

Chapter 253J: Japanese Yen/U.S. Dollar ("JPY/USD") Realized Variance Futures

253J01. CONTRACT SPECIFICATIONS

The Floating Index Price or Realized Variance shall be calculated as the annualized variance of the continuously compounded percentage returns from one observation point to the next over the life of the contract. The Realized Variance will be calculated by formula. The formula shall be

$$\frac{252}{n} \cdot \sum_{i=1}^{n} \left[\left(\ln\left(\frac{S_i}{S_{i-1}}\right) \right)^2 * 10{,}000 \right]$$

Rounded to the nearest .01 index point.

Where

n Number of observations taken in the life of the contract

i The period being observed

S_i The 4:00 p.m. fixing price of the Spot Japanese Yen/U.S. Dollar as reported by Bloomberg. Daily observation points shall be included in the calculation of the Floating Index Price or Realized Variance when provided by Bloomberg, with the noted exceptions being when a holiday in the United States, the United Kingdom, and Germany coincide.

Chapter 255J: Australian Dollar/U.S. Dollar ("AUD/USD") Realized Variance Futures

255J01. CONTRACT SPECIFICATIONS

The Floating Index Price or Realized Variance shall be calculated as the annualized variance of the continuously compounded percentage returns from one observation point to the next over the life of the contract. The Realized Variance will be calculated by formula. The formula shall be

$$\frac{252}{n} \cdot \sum_{i=1}^{n}\left[\left(\ln\left(\frac{S_i}{S_{i-1}}\right)\right)^2 * 10{,}000\right]$$

Rounded to the nearest .01 index point.

Where

n Number of observations taken in the life of the contract

i The period being observed

S_i The 4:00 p.m. fixing price of the Spot AUSTRALIAN DOLLAR/U.S. Dollar as reported by Bloomberg. Daily observation points shall be included in the calculation of the Floating Index Price or Realized Variance when provided by Bloomberg, with the noted exceptions being when a holiday in the United States, the United Kingdom, and Germany coincide.

Chapter 261J: Euro/U.S. Dollar ("EUR/USD") Realized Variance Futures

261J.01. CONTRACT SPECIFICATIONS

The Floating Index Price or Realized Variance shall be calculated as the annualized variance of the continuously compounded percentage returns from one observation point to the next over the life of the contract. The Realized Variance will be calculated by formula. The formula shall be

$$\frac{252}{n} \cdot \sum_{i=1}^{n}\left[\left(\ln\left(\frac{S_i}{S_{i-1}}\right)\right)^2 * 10{,}000\right]$$

Rounded to the nearest .01 index point.

Where

n Number of observations taken in the life of the contract

i The period being observed

S_i The 4:00 p.m. fixing price of the Spot Euro/U.S. Dollar as reported by Bloomberg. Daily observation points shall be included in the calculation of the Floating Index Price or Realized Variance when provided by Bloomberg, with the noted exceptions being when a holiday in the United States, the United Kingdom, and Germany coincide.