

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-66030; File No. SR-CME-2011-18)

December 22, 2011

Self-Regulatory Organizations; Chicago Mercantile Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish a Fee Schedule Applicable to its OTC Credit Default Swap North American Index Clearing Offering

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 20, 2011, Chicago Mercantile Exchange Inc. (“CME”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II and III below, which items have been prepared primarily by CME. CME filed the proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder.

I. Self-Regulatory Organization’s Statement of Terms of Substance of the Proposed Rule Change

CME is proposing to establish a fee schedule applicable to its OTC Credit Default Swap North American Index clearing offering. The text of the proposed rule change is available at CME’s Web site at <http://www.cmegroup.com>, at the principal office of CME, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

In its filing with the Commission, CME included statements concerning the purpose and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. CME has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

CME currently has in place a temporary fee waiver program that applies to its OTC credit default swap index clearing business (the "Waiver Program").<sup>5</sup> The Waiver Program is a general fee waiver that applies equally to all market participants, including CDS Clearing Members and their customers. The Program is set to expire on December 31, 2011.

The filing proposes to establish two new fee schedules that will apply to CME's OTC Credit Default Swap North American Index clearing fees. North American Index CDS Fee Schedule A is the default fee schedule for all market participants clearing North American CDX Index CDS products at CME Group. Market participants may alternatively elect to participate in North American Index CDS Fee Schedule B (the "Flat Rate Fee Program"). The Flat Rate Fee Program features a single blended flat rate for each transaction cleared and employs a look back period to determine an implied average clearing fee and establish a single blended flat rate in the subsequent period. The look-back period for the Flat Rate Fee Program is semi-annual, based on a calendar year, ending fifteen days prior to the beginning of the next six month period.

The proposed rules changes are related to fees and therefore will become effective

---

<sup>5</sup> The Commission notes that the Waiver Program became effective on October 17, 2011. See Exchange Act Release No. 65634 (October 26, 2011), 76 FR 67517 (November 1, 2011) (SR-CME-2011-11).

immediately.<sup>6</sup> However, the Program will become operative as of January 1, 2012. The text of the proposed rule amendments is available on CME's website, as noted above.

CME has also certified the proposed rule changes that are the subject of this filing to its primary regulator, the Commodity Futures Trading Commission ("CFTC").

B. Self-Regulatory Organization's Statement on Burden on Competition

CME does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

CME has not solicited, and does not intend to solicit, comments regarding this proposed rule change. CME has not received any unsolicited written comments from interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change was filed pursuant to Section 19(b)(3)(A) of the Act and paragraph (f)(2) of Rule 19b-4 and became effective on filing. At any time within sixty days of the filing of such rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

---

<sup>6</sup> The staff notes that pursuant to 15 U.S.C. 78s(b)(3)(A)(ii) rule changes related to fees are effective upon filing.

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-CME-2011-18 on the subject line.
- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C., 20549-1090.

All submissions should refer to File Number SR-CME-2011-18. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of CME. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-CME-2011-18 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Kevin M. O’Neill  
Deputy Secretary

---

<sup>7</sup> 17 CFR 200.30-3(a)(12).