

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-73290; File No. SR-CME-2014-31)

October 2, 2014

Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change, as modified by Amendment No. 2, Related to Clearing of Certain iTraxx Europe Index Untranchcd CDS Contracts on Indices Administered by Markit

On August 11, 2014, Chicago Mercantile Exchange Inc. (“CME”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-CME-2014-31 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> The proposed rule change was published for comment in the Federal Register on August 18, 2014.<sup>3</sup> The Commission has not received comments on the proposed rule change. On September 2, 2014, CME filed Amendment No. 2 to the proposed rule change.<sup>4</sup> The Commission is publishing this notice to designate a longer period for Commission action on the proposed rule change, as modified by Amendment No. 2.

Section 19(b)(2) of the Act<sup>5</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its

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

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

<sup>3</sup> Securities Exchange Act Release No. 34-72833 (Aug. 13, 2014), 79 FR 48797 (Aug. 18, 2014) (SR-CME-2014-31).

<sup>4</sup> On August 18, 2014, CME filed Amendment No. 1 to the proposed rule change. CME withdrew Amendment No. 1 on August 29, 2014. CME subsequently filed Amendment No. 2 to the proposed rule change. Amendment No. 2 is currently pending Federal Register publication. See Securities Exchange Act Release No. 34-73275 (Oct. 1, 2014), 79 FR \_\_\_\_\_ (Oct. \_\_, 2014) (SR-CME-2014-31).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45<sup>th</sup> day from the publication of notice of filing of this proposed rule change is October 2, 2014. The Commission is extending this 45-day time period.

CME is proposing to amend its clearing rules to enable CME to offer clearing of certain iTraxx Europe index untrancheted credit default swap (“CDS”) contracts on indices administered by Markit (“iTraxx Contracts”). In addition, CME has submitted to the Commission a proposed rule change to modify its risk model for broad-based index CDS products, including adding a self-referencing risk component, to enable CME to offer, among other things, clearing of additional CDS instruments that entail self-referencing risk, such as the iTraxx Contracts.<sup>6</sup> The clearing of iTraxx Contracts is contingent upon the approval of the proposed rule change with respect to the risk model, including the self-referencing risk component designed for clearing iTraxx Contracts, which is currently pending with the Commission. The Commission therefore finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the complex issues under the proposed rule change.

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<sup>6</sup> See Securities Exchange Act Release No. 34-72834 (Aug. 13, 2014), 79 FR 48805 (Aug. 18, 2014) (SR-CME-2014-28) and Securities Exchange Act Release No. 34-72959 (Sep. 2, 2014), 79 FR 53234 (Sep. 8, 2014) (SR-CME-2014-28).

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> designates November 16, 2014, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-CME-2014-31).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> 17 CFR 200.30-3(a)(31).