

January 18, 2011

VIA E-MAIL AND ON-LINE SUBMISSION

Ms. Elizabeth M. Murphy
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
rule-comments@sec.gov

Re: Regulation SBSR – Reporting and Dissemination of Security-Based Swap Information, SEC Release No. 34-63346 (File No. S7-34-10)(RIN 3235-AK80)

Dear Ms. Murphy:

CME Group Inc. (“CME Group”) appreciates the opportunity to comment on the Securities and Exchange Commission’s Notice of Proposed Rulemaking (“Release”) that was published in the Federal Register on December 2, 2010. In the Release, the Commission seeks comment on proposed rules that would implement the statutory framework for the reporting and dissemination of security-based swap information.

CME Group is the world’s largest and most diverse derivatives marketplace. CME Group includes four separate Exchanges, including Chicago Mercantile Exchange Inc. (“CME”), the Board of Trade of the City of Chicago, Inc. (“CBOT”), the New York Mercantile Exchange, Inc. (“NYMEX”) and the Commodity Exchange, Inc. (“COMEX”). The CME Group Exchanges offer the widest range of benchmark products available across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, metals, agricultural commodities, and alternative investment products.

CME includes CME Clearing, one of the largest central counterparty clearing services in the world, which provides clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through CME ClearPort®.

The CME Group Exchanges serve the hedging, risk management and trading needs of our global customer base by facilitating transactions through the CME Globex® electronic trading platform, our open outcry trading facilities in New York and Chicago, as well as through privately negotiated transactions.

Final Reporting Rules Should Be Coordinated with CFTC to the Maximum Extent Possible

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“DFA”) sets out the statutory framework to establish a comprehensive new regulatory regime applicable to the swaps and security-based swaps markets. The DFA, among other things, directed both the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”) (collectively, the “Agencies”) to develop rules for the reporting and recording of swap transactions.

Ms. Elizabeth M. Murphy
January 18, 2011
Page 2

Each agency has proposed detailed sets of rules to implement the DFA's transparency directives. The SEC's rules apply to reporting and dissemination of security-based swaps and the CFTC's corresponding rules apply to all remaining swaps transactions. Collectively, the Agencies' proposed rulemakings include several hundred pages of materials. While the two sets of rules are separate, they generally address the same general topics. However, the two sets of rules are not entirely conformed and deviate in certain respects.

We do not believe there are substantive differences in the characteristics of security-based swaps under the supervision of the SEC and swaps under the jurisdiction of the CFTC that justify disparate regulatory treatment from a transaction reporting perspective. We strongly believe the Agencies should make every effort to ensure the final rules that are adopted are conformed to the maximum extent possible.

The need for conformity and consistency is critical given the considerable effort that will be required for the industry to prepare for swap data reporting implementation. To the extent final rules of the Agencies differ in significant ways, the industry, which includes many market participants that handle both swaps and security-based swaps, would be required to address such differences when building out technology systems to handle reporting requirements. Any requirements that would force development of two separate sets of systems would lead to increased and unnecessary costs. This is important because the industry is already stretched to its resource limits due to the implementation of many other aspects of DFA.

Compliance Dates Must Provide Sufficient Time for Implementation

The Agencies must both set final compliance dates that take into account the scope of the projects that will be involved in implementing the new swap data reporting requirements. It is certainly true that enhancing transparency in the swap markets is a primary goal of the DFA. However, it is equally true that successfully implementing a comprehensive set of systems to accomplish this goal is a process that is certain to take several years to complete entirely in order to implement effectively the goals of the DFA.

* * * *

CME Group thanks the Commission for the opportunity to comment on this matter. We plan to make detailed comments regarding the CFTC's swap data reporting proposed rules. We will provide you with a copy of those comments and we would be happy to discuss any of these or related issues with SEC staff. If you have any questions, please feel free to contact me at (312) 930-8275 or via email at Craig.Donohue@cmegroup.com, or Tim Elliott, Director and Associate General Counsel, at (312) 466-7478 or Tim.Elliott@cmegroup.com.

Sincerely



Craig S. Donohue

Ms. Elizabeth M. Murphy

January 18, 2011

Page 3

cc: Chairman Mary Schapiro
Commissioner Kathleen Casey
Commissioner Elisse Walter
Commissioner Luis Aguilar
Commissioner Troy Paredes