

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-65612; File No. SR-CME-2011-13)

October 24, 2011

Self-Regulatory Organizations; Chicago Mercantile Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rules to Reflect the Change in Regulatory Status of Eris Exchange, LLC from an EBOT to a DCM

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 October 18, 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)(4)(ii)<sup>4</sup> thereunder.

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

CME proposes to adopt revisions to certain CME rules in connection with its clearing of contracts listed by the Eris Exchange, LLC (“Eris”) to reflect the pending change in regulatory status of Eris from an “EBOT” to a designated contract market. CME is also at the same time amending its Manual of Operations to reflect the proposed rule changes related to Eris. The text of the proposed rule change in the CME rulebook is available at the CME’s Web site at

<http://www.cmegroup.com>, at the principal office of CME, and at the Commission’s Public

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

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

Reference Room.

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

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 proposes to adopt revisions to CME Rules 8F001 (Scope of Chapter) and 8F004 (OTC Clearing Member Obligations and Qualifications) and to the CME Clearing House Manual of Operations in connection with its clearing of contracts listed by Eris Exchange, LLC ("Eris"). CME began acting as the clearing house for Eris in 2010, at which time Eris became an exempt board of trade ("EBOT"). Initially, with respect to customer positions, Eris contracts were cleared in the Regulation 30.7/secured origin, and since October 2010, they have been cleared in the Cleared OTC Derivatives Account Class/sequestered origin. Because of its status as an EBOT, Eris has been referenced in Chapter 8-F (Over-the-Counter Derivative Clearing) of CME's rule book.

After passage of the Dodd-Frank Act, Eris applied for registration with the Commodity Futures Trading Commission as a designated contract market ("DCM"). CME understands that Eris expects to begin operating as a DCM in or around mid October, 2011. To reflect Eris's change in regulatory status from an EBOT to a DCM, and the related requirement that customer positions and collateral be maintained in the futures account class/segregated origin, CME

proposes to remove references to Eris from Chapter 8-F of CME's rule book. CME also proposes to make related revisions to the section on Eris in CME's Clearing House Manual of Operations.

All proposed revisions will become effective immediately but will not become operational earlier than the date on which the Commodity Futures Trading Commission grants Eris's DCM application. CME notes that it has also certified the proposed rule changes that are the subject of this filing to its primary regulator, the Commodity Futures Trading Commission ("CFTC").

The proposed CME rule amendments are intended to facilitate CME's activities as a derivatives clearing organization clearing the futures transactions of a DCM. As such, the proposed CME rule amendments do not significantly affect the security-based swap clearing operations of CME or any related rights or obligations of CME security-based swap clearing participants. The proposed rule change is therefore properly filed under Section 19(b)(3)(A) and Rule 19b-4(f)(4)(ii) thereunder because it effects a change in an existing service of a registered clearing agency that primarily affects the futures clearing operations of the clearing agency with respect to futures that are not security futures and does not significantly affect any securities clearing operations of the clearing agency or any related rights or obligations of the clearing agency or persons using such service.

**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:

- 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-2011-13 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-2011-13. 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-2011-13 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>5</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>5</sup> 17 CFR 200.30-3(a)(12).