

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-66601; File No. SR-CME-2012-07)

March 15, 2012

Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Add Additional Series of Credit Default Index Swaps Available for Clearing

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 March 9, 2012, 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)(i)<sup>4</sup> thereunder.

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

The text of the proposed rule change is below. Underscored text indicates additions; bracketed text indicates deletions.

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CHICAGO MERCANTILE EXCHANGE INC. RULEBOOK

Rule 100 – 80203 – No Change.

CME Chapter 802 Rules: Appendix 1

APPENDIX 1

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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)(i).

## CDX Indices

| <b>CDX Index</b>                                   | <b>Series</b> | <b>Termination Date<br/>(Scheduled Termination)</b>      |
|--|---------------|--|
| CDX North American Investment Grade<br>(CDX.NA.IG) | 9             | 20 Dec 2012<br>20 Dec 2014<br>20 Dec 2017                |
| CDX North American Investment Grade<br>(CDX.NA.IG) | 10            | 20 Jun 2013<br>20 Jun 2015<br>20 Jun 2018                |
| CDX North American Investment Grade<br>(CDX.NA.IG) | 11            | 20 Dec 2011<br>20 Dec 2013<br>20 Dec 2015<br>20 Dec 2018 |
| CDX North American Investment Grade<br>(CDX.NA.IG) | 12            | 20 Jun 2012<br>20 Jun 2014<br>20 Jun 2016<br>20 Jun 2019 |
| CDX North American Investment Grade<br>(CDX.NA.IG) | 13            | 20 Dec 2012<br>20 Dec 2014<br>20 Dec 2016<br>20 Dec 2019 |

|  |           |  |
|--|-----------|--|
| CDX North American Investment Grade<br>(CDX.NA.IG)               | 14        | 20 Jun 2013<br>20 Jun 2015<br>20 Jun 2017<br>20 Jun 2020                             |
| CDX North American Investment Grade<br>(CDX.NA.IG)               | 15        | 20 Dec 2013<br>20 Dec 2015<br>20 Dec 2017<br>20 Dec 2020                             |
| CDX North American Investment Grade<br>(CDX.NA.IG)               | 16        | 20 Jun 2014<br>20 Jun 2016<br>20 Jun 2018<br>20 Jun 2021                             |
| CDX North American Investment Grade<br>(CDX.NA.IG)               | 17        | 20 Dec 2014<br>20 Dec 2016<br>20 Dec 2018<br>20 Dec 2021                             |
| <u>CDX North American Investment Grade</u><br><u>(CDX.NA.IG)</u> | <u>18</u> | <u>20 Dec 2014</u><br><u>20 Dec 2016</u><br><u>20 Dec 2018</u><br><u>20 Dec 2021</u> |

|  |           |                    |
|--|-----------|--------------------|
| CDX North American High Yield<br>(CDX.NA.HY)         | 11        | 20 Dec 2013        |
| CDX North American High Yield<br>(CDX.NA.HY)         | 12        | 20 Jun 2014        |
| CDX North American High Yield<br>(CDX.NA.HY)         | 13        | 20 Dec 2014        |
| CDX North American High Yield<br>(CDX.NA.HY)         | 14        | 20 Jun 2015        |
| CDX North American High Yield<br>(CDX.NA.HY)         | 15        | 20 Dec 2015        |
| CDX North American High Yield<br>(CDX.NA.HY)         | 16        | 20 Jun 2016        |
| CDX North American High Yield<br>(CDX.NA.HY)         | 17        | 20 Dec 2016        |
| <u>CDX North American High Yield<br/>(CDX.NA.HY)</u> | <u>18</u> | <u>20 Jun 2017</u> |

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Rule 80301 – End – No change

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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 offers clearing services for certain credit default swap index products. Currently, CME offers clearing of the Markit CDX North American Investment Grade Series 9, 10, 11, 12, 13, 14, 15, 16 and 17 and also offers clearing of the Markit CDX North American High Yield Series 11, 12, 13, 14, 15, 16 and 17.

The proposed rule changes that are the subject of this filing are intended to expand CME's Markit CDX North American Investment Grade and Markit CDX North American High Yield product offerings by incorporating the upcoming Series 18 for both sets of index products.

The proposed rule changes that are the subject of this filing became immediately effective upon filing this proposed rule change with the Commission. CME notes that it has also certified the proposed rule changes that are the subject of this filing to its primary regulator for swaps, the Commodity Futures Trading Commission ("CFTC"). The text of the CME proposed rule change is included above, with additions underlined and deletions in brackets.

The proposed CME rule change merely incorporates one additional series to CME's existing offering of broad-based Markit CDX North American Investment Grade and CDX North American High Yield credit default swaps. As such, the proposed amendments simply effect changes to an existing service of a registered clearing agency that (1) do not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and (2) do not significantly affect the respective rights or obligations of the clearing agency or persons using its clearing agency services. Therefore, the proposed rule change is therefore properly filed under Section 19(b)(3)(A) and Rule 19b-4(f)(4)(i) thereunder.

**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)(4)(i) of Rule 19b-4 thereunder and therefore 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-2012-07 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-2012-07. 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 and on CME's website at [http://www.cmegroup.com/market-regulation/files/SEC\\_19b-4\\_x12-07x.pdf](http://www.cmegroup.com/market-regulation/files/SEC_19b-4_x12-07x.pdf). 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-2012-07 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).