July 10th, 2015

The European Banking Authority
The European Insurance and Occupational Pensions Authority
The European Securities and Markets Authority

RE: Draft Regulatory Technical Standards on risk-mitigation techniques for OTC-derivative contracts not cleared by a CCP under Article 11(15) of Regulation (EU) No 648/2012

Dear Sir/Madam:

CME Group Inc. ("CME Group")[1], on behalf of its subsidiaries, Chicago Mercantile Exchange Inc. ("CME") and CME Clearing Europe Limited ("CME Clearing Europe"), would like to express appreciation to the European Banking Authority ("EBA"), the European Insurance and Occupational Pensions Authority ("EIOPA") and the European Securities and Markets Authority ("ESMA"), together the European Supervisory Authorities ("ESAs") for the opportunity to comment on the Second Consultation Paper: Draft Regulatory Technical Standards on risk-mitigation techniques for OTC-derivative contracts not cleared by a CCP under Article 11(15) of Regulation (EU) No 648/2012.

Our responses to the proposed regulatory technical standards most closely align with the following question in the consultation paper; they are below for your consideration.

Question 3. Respondents are invited to provide comments on whether the draft RTS might produce unintended consequences concerning the design or the implementation of initial margin models.

CME Group is largely in support of the international principles outlined by the BCBS & IOSCO for margin requirements for non-centrally cleared derivatives and their implementation in a manner consistent with the G-20 policy goals supporting the use of central clearing to mitigate risk. CME Group believes that most international regulatory authorities are operating under a working assumption that the international principles will lead to initial margin requirements for non-centrally cleared derivatives to be 40-45% higher than the initial margin requirements for similar products at a central counterparty

[1] CME Group is the parent company of four Designated Contract Markets ("DCMs"): the Chicago Mercantile Exchange ("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"). These DCMs 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's clearinghouse division ("CME Clearing") and CME Clearing Europe together offer clearing and settlement services for exchange-traded futures contracts and over-the-counter ("OTC") derivatives. CME Clearing Europe is regulated and supervised by the Bank of England as an authorized central counterparty under the European Market Infrastructure Regulations ("EMIR"). CME Clearing is registered with the CFTC as a derivatives clearing organization ("DCO"), has been deemed a systemically important financial market utility by the Financial Stability Oversight Council and is in the process of becoming recognized under EMIR.

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("CCP"), thereby creating an incentive for swaps participants to clear their swaps at a CCP. This assumption is incorrect due to the different and additional requirements for CCP initial margin methodologies that go above and beyond the requirements in the proposed rules. The international regulatory authorities are operating under this assumption since all things being equal, a 10 day margin period of risk ("MPOR"), as required under the international principles, will lead to a 40-45% higher initial margin requirement than the 5 day MPOR that can be applied for OTC products cleared by CCPs. This assumption fails to account for the less restrictive initial margin model calibration requirements in the international standards as compared to the requirements for initial margin model calibration at CCPs, which are largely based on the Committee on Payments and Market Infrastructures ("CPMI")[2] and the IOSCO Principles for financial market infrastructures ("PFMIs").[3]

We believe it is important to provide an example to dispel the idea that a 40-45% differential between non-cleared and cleared derivatives will exist based on the international standards and the ESAs' proposed regulatory technical standards. The proposed standards require that initial margin models account for a simple *confidence interval* of 99% for initial margin model calibration, while EMIR requires calibration at a 99.5% confidence interval[4] and the US Commodity Futures Trading Commission ("CFTC") require CCPs to maintain a 99% initial margin *coverage* on an ex-post basis[5]. Consequently, CME calibrates its initial margin requirements for its OTC interest rate swaps using a 99.7% confidence level sampling to meet a 99% coverage standard. As demonstrated below, the differences from this seemingly tiny detail are striking, with the initial margin difference between a trade subject to 10 day MPOR plus 99% versus 5 day MPOR plus 99.7% being reduced to a mere **10%**.

Example - 5 year, receive fixed and pay floating rate interest rate swap	**CME Group Initial Margin**	**Proposed Rules Initial Margin**
Period of Risk	5 Days	10 Days
Initial Margin Model Confidence Interval *	99.7%	99.0%
Resulting Initial Margin as % of Notional	**1.94%**	**2.14%**
Additional Risk Management Techniques Common to CCP's		
Volatility Floor **	0.12%	0.00%
Liquidity Component +	0.41%	0.00%
All-in Initial Margin Requirement	**2.47%**	**2.14%**

* Margin Models at CCP's are calibrated to a higher than 99% confidence interval to ensure 99% coverage on an *Ex-Post basis*
** Volatility floors are used in CCP models to guarantee a minimum volatility is always considered
+ CCP's models apply a form of additional margins on large portfolios of even the most liquid products

If you further add the additional risk management techniques common to CCPs, and required by EMIR and CFTC regulation, such as volatility floors and liquidity add-ons, it is clear that, notwithstanding the 10 day MPOR, the proposed regulations allow for initial margin for non-cleared derivatives at levels lower than those required of clearinghouses in the US and EU subject to 5 day MPOR. CME Group

[2] The Committee on Payment and Settlement Systems ("CPSS") was renamed as CPMI on September 1, 2014.
[3] *See* Comm. Payment and Settlement Systems & Technical Comm. Int'l. Org. Securities Comms.(CPSS-IOSCO), *Principles for financial market infrastructures* 11 (April 2012)
[4] Article 24(1)(a) of Commission Delegated Regulation (EU) No 153/2013
[5] Federal Regulation - Title 17: Commodity and Securities Exchanges, Part 39 – Derivatives Clearing Organizations, Subpart B – Compliance with Core Principles, 39.13 (g) (2) (iii)

implores the ESAs to reconsider their proposed rules that apply a simple 10 day MPOR to non-cleared derivatives, and ask that the ESAs implement a final rule that applies standards that actually result in non-cleared derivatives initial margin being at least 40% higher than that of cleared derivatives initial margin.

Another point of consideration is the proposed €50M initial margin threshold, below which a firm can choose to not collect initial margin. CME Group would like to draw the ESAs' attention to conclusions recently reached by the OTC Derivatives Assessment Team ("OTC DAT"), a team commissioned by the OTC Derivatives Coordination Group comprised of the chairs of the Financial Stability Board ("FSB"), the Committee on the Global Financial System ("CGFS"), BCBS, IOSCO, and the CPMI. In October 2014, the OTC DAT concluded for those firms "exempt from capital requirements on counterparty risk exposures" and also "exempt from bilateral margin requirements":[6]

- *Direct Clearing: Incentives to clear centrally may not be present in view of margin and capital requirements for central clearing.*
- *Indirect Clearing: Incentives depend on cost pass-through from the dealer. Incentives to centrally clear may weaken due to capital requirements for a clearing member's exposure to its clients.*

The OTC DAT conclusions make clear that any client not subject to capital requirements and non-cleared initial margin requirements will have little incentive to centrally clear their derivatives exposures. This may ensure that the majority of non-bank users will continue to focus their activity in the non-cleared derivatives markets to the extent possible, thereby undermining the goals of the G-20 to reduce systemic risk through central clearing. These concerns that some market participants may actively manage their exposures to their counterparties to stay below the threshold appear to be well-founded based on press reports where market participants have noted that they will treat the €50M threshold as a cap on their bilateral exposures to avoid the requirement for the exchange of initial margin. Consequently, we believe that putting in place disclosure standards for the number of counterparties with which a market participant utilizes this initial margin threshold remain of the utmost importance. A consequence of having a large segment of end-users not clearing is the lack of diversification and potential for greater buildup of directional risk at clearing firm entities. While CME Group understands that deviating from international standards may sometimes be difficult, we believe that, at a minimum, the ESAs should institute disclosure requirements for firms utilizing the non-cleared initial margin thresholds.

Finally, CME Group would like to comment on the industry proposal to create a margin sharing system whereby two parties to a non-cleared swap enter into an agreement to setup a custodian account that would pay out upon one of the counterparty's default. This would be done with the aim to charge each side to the trade half of the initial margin requirement. This is a direct contradiction of the international principles and would undermine the safety of the financial markets in times of crisis. As a result, CME Group asks the ESAs to specifically rule out this approach in their final rule.

In the following sections we expand on the topics covered in the above paragraphs as follows:

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[6] OTC Derivatives Assessment Team, *Regulatory reform of over-the-counter derivatives: an assessment of incentives to clear centrally* (Oct 2014), available at: http://www.bis.org/publ/othp21.htm

(I) The non-cleared initial margin standards must require an ex-post 99% initial margin coverage, not simply a 99% confidence level sampling, to better reflect the liquidity and risk profile of the non-cleared markets and to retain appropriate incentives to utilize central clearing. The initial margin should also include components to incorporate the cost of liquidating large portfolios during periods of stress, as well as volatility floors to guarantee a minimum volatility is always considered

(II) Increased disclosure requirements regarding aggregate uncollateralized exposures should be included in the final rules

(III) Final Rules should ensure that 100% of gross initial margin will be exchanged by both parties to a transaction to remain consistent with international principles

(I) Initial Margin Model Calibration

In light of the margin requirements applied to CCPs that adhere to the PFMIs, CME Group recommends the following modifications to the margin rules for non-cleared OTC derivatives to align the rules with the risk profile of the non-cleared markets and the G-20 commitments in favor of central clearing:

I. **Modify the quantitative requirements of Section 4 "Article 2 MRM – Confidence interval and risk horizon" to require a margin model calibration based on 99% ex-post coverage, not simply a 99% confidence level sampling**

For background, attached below is the excerpt from the proposed regulations for the initial margin model calibration for these non-cleared OTC derivatives[7]:

> *In order to qualify for the purposes of Article 1 EIM, the assumed variations in the value of the contracts in the netting set for* ***the calculation of initial margins using an initial margin model shall be based on a one-tailed 99 percent confidence interval*** *over a margin period of risk of at least 10 days.* (emphasis added)

In contrast, the article of EMIR that governs the same requirement for centrally cleared OTC derivatives is as follows[8]:

> *1. A CCP shall calculate the initial margins to cover the exposures arising from market movements for each financial instrument that is collateralised on a product basis, over the time period defined in Article 25 and assuming a time horizon for the liquidation of the position as defined in Article 26.* ***For the calculation of initial margins the CCP shall at least respect the following confidence intervals: (a) for OTC derivatives, 99,5 %*** (emphasis added)

Furthermore, the CFTC regulation that governs the same requirement for CCPs is worded as follows:[9]

[7] Proposed Rules, Section 4 - Margin Methods, Article 2 MRM – Confidence Interval and risk horizon
[8] Article 24(1)(a) of Commission Delegated Regulation (EU) No 153/2013
[9] Federal Regulation - Title 17: Commodity and Securities Exchanges, Part 39 – Derivatives Clearing Organizations, Subpart B – Compliance with Core Principles, 39.13 (g) (2) (iii)

> *(iii) **The actual coverage of the initial margin requirements** produced by such models, along with projected measures of the models' performance, **shall meet an established confidence level of at least 99 percent**, based on data from an appropriate historic time period, for:* (emphasis added)

In contrast with EMIR and CFTC regulation, CME Group believes that the proposed rules allow for flexibility in the internal margin model for non-cleared derivatives which could result in potentially insufficient margin coverage and lower, or similar, margin levels for 10 day MPOR calculations compared to 5 day MPOR under EMIR and CFTC regulation. As demonstrated in the introduction, the proposed regulations when viewed from the perspective of actual 99% coverage for 5 day MPOR versus 99% confidence for 10 day MPOR allow for a gap of 10% between 5 day and 10 day, not including other CCP margin add-ons, rather than the 40-45% assumption on which the international regulatory authorities appear to be currently basing their proposals. The ESAs can easily correct for this potential unintended consequence through the inclusion of an explicit additional requirement in Section 4 of the proposed rules that any non-cleared margin model satisfy a 99 percent coverage standard on an *ex-post* basis over a reasonable lookback horizon.

Appropriate calibration and thorough back testing are required to ensure that these initial margin models provide this 99% level of coverage, which can sometimes require calibration at higher confidence intervals of 99.5% or even 99.7%. Initial margin models for non-cleared derivatives provided to the competent authorities should explicitly detail the model parameters used in the calibration stage and evidence coverage on an *ex-post* basis. Any other approach would invite participants in the illiquid, bilateral OTC markets to potentially implement margin levels that are similar, if not lower, than the margin levels required of CCPs offering clearing services in more liquid and fungible OTC contracts. We note that we expressed a similar view on 99% coverage to the United States authorities in response to their proposed regulations,[10] and hope margin coverage levels are aligned internationally.

CME Group recommends that the ESAs add language to the initial margin model standards that specifically requires initial margin models ensure 99% coverage over a period of at least 10 days as evidenced by *ex-post* testing over a reasonable lookback horizon.

II. The ESAs should incorporate a liquidation add-on component into their requirements for the calibration of initial margin models

CME Group believes that Section 4 “Article 2 MRM – Confidence interval and risk horizon” of the proposed regulations should include additional language around the liquidity components of the non-cleared derivative initial margin models. Liquidity of products and the size of relative portfolios are important considerations in determining the overall initial margin requirements, and these are considerations that are typically outside the realm of requirements on MPOR.

Typical value-at-risk (“VaR”) models scale linearly with portfolio size, however, it is well-known that the cost of liquidation increases super-linearly with size. CCPs’ models, therefore, are required to apply a form of additional margins on large portfolios of even the most liquid products, and also during times of market crisis which would require significantly higher collateral. It is imperative that initial margins for non-cleared derivatives include provisions for these additional costs beyond the costs computed by the base initial margin models.

[10] CME Group Comment Letter available at: http://www.federalreserve.gov/SECRS/2015/February/20150226/R-1415/R-1415_112414_129790_278797406064_1.pdf

As evidenced in the financial crisis that began in 2007, non-cleared derivative transactions can take months or even years for a firm to liquidate or appropriately hedge with counterparties. The 10 day MPOR under the current proposed regulations would be wholly inadequate by itself to account for the risk of these transactions, and a liquidity component to the initial margin model is where this could be accounted for. CME Group urges the ESAs to consider adding a liquidity component into their final rules.

III. ESAs should align their requirements for procyclicality in the text of Section 4 "Article 3 MRM – Calibration of the model" with those of the EMIR definition[11]

Section 4 "Article 3 MRM – Calibration of the model," of the proposed regulations requires initial margin models to contain a minimum of 25% of data from a period of significant financial stress. CME Group interprets this requirement as an attempt to accommodate for the procyclicality of margins. In the recent technical publications by EMIR, there has been a very strong focus on having margin levels that combat procyclicality for cleared products. CCPs implement such anti-cyclical standards using one or more methods (volatility floors, longer historical lookback periods, stressed Value-at-Risk ("VaR"), etc.) and it is of the utmost importance for non-cleared initial margin methodologies to follow similar a-cyclical requirements. Key Principle 3[12] of the final international standards call for initial margin to "limit the extent to which the margin can be procyclical"; the ESAs should acknowledge the work done under EMIR in this regard and align their procyclicality standards with EMIR to prevent pushing small and medium sized firms back into the riskier non-cleared derivatives markets.

CME Group believes it is vital for regulators to apply consistent risk management standards in their respective jurisdictions for OTC markets and market participants. Taking a different approach and potentially providing unwarranted relief from risk management standards to the non-cleared derivatives markets directly contradicts the G-20 commitment.

IV. Ultimately, the ESAs should add a floor to the calibration of the initial margin model for non-cleared derivatives that ensures the initial margin calculated for a non-cleared derivative is 40.8% higher than that of a cleared derivative with similar risk characteristics when available at a Qualifying Central Counterparty ("QCCP")[13]

CME Group believes the initial margin requirements for non-cleared derivatives should be higher than that of a similar cleared product to align with the G-20 commitments for central clearing and to reflect the risk management benefits of central clearing and the fact that clearinghouse margin levels are set without commercial differentiation between counterparties. The PFMIs and regulations for clearinghouses eliminate any potential race to the bottom for CCPs' initial margin levels and we believe it important to adopt similar techniques considering the bespoke products and relative opacity in the bilateral market.

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[11] Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012, Article 28; http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R0153&rid=1

[12] BCBS 261; page 11

[13] Basel Committee on Banking Supervision, Capital Requirements for bank exposures to central counterparties – final standard, April 2014, available at http://www.bis.org/publ/bcbs282.htm; "A **qualifying central counterparty** (QCCP) is an entity that is licensed to operate as a CCP (including a license granted by way of confirming an exemption), and is permitted by the appropriate regulator/overseer to operate as such with respect to the products offered. This is subject to the provision that the CCP is based and prudentially supervised in a jurisdiction where the relevant regulator/overseer has established, and publicly indicated that it applies to the CCP on an ongoing basis, domestic rules and regulations that are consistent with the CPSS-IOSCO Principles for Financial Market Infrastructures. "

Today, international regulatory standard setters are operating under an assumption that the international standards will align to a 40-45% difference in initial margin requirements between cleared and non-cleared OTC derivatives. As demonstrated in the example in the introduction, this is simply not the case based on the proposed rules as written, and CME Group believes the only way to actually ensure a 40-45% difference would be to specifically require this differential in the final rules.

An additional 40.8% requirement would follow the scaling factors recommended in the EU capital requirements regime[14], where firms are allowed to scale their derivative exposures based on MPOR of the product, with products under a 10 day MPOR scaled 40.8% higher than products under a 5 day MPOR. This scaling and subsequent higher margin requirement would accommodate the additional risk management requirements applied to QCCPs that do not exist in the non-cleared derivatives marketplace. These additive requirements stem from efforts of a QCCP to maintain robust risk management standards and resources, such as contributions to a QCCP's guaranty fund. This explicit floor and additional 40.8% requirement would help incent firms to centrally clear their derivatives and provide clarity into the calibration of initial margin models.

(II) Adequate Disclosures

> **Firms should disclose the aggregate uncollateralized exposures created by their use of the €50M initial margin threshold, across how many counterparties it is dispersed, and how many of those counterparties are inter-related (i.e. legally separate investment funds backed by the same investment advisory group)**

The opacity and lack of risk management in the non-cleared derivatives markets acted to exacerbate the financial crisis that began in 2007 and led the G-20 to commit in 2009 to reform this marketplace. Initial margin requirements for non-centrally cleared derivatives are a key component of this reform program, and CME Group is largely in support of the international standards published by the BCBS and IOSCO and how they addressed the impacts of these regulations on small and medium sized firms.

An important component of the international principles was the establishment of the €50M initial margin threshold, below which two counterparties to a transaction could agree to not exchange initial margin. This threshold was determined to mitigate some of the effects that the new collateral requirements would have on the OTC marketplace, and how these requirements could inhibit certain counterparties' access to the risk management benefits that OTC derivatives can provide. CME Group believes that in the spirit of the G-20 mandate, a firm should disclose the aggregate amount of uncollateralized initial margin exposure they have, across the number of counterparties, and how many of those counterparties are inter-related on a quarterly basis along with the firm's financial statements.

Adequate disclosure around the €50M initial margin threshold is the only way for an investor, credit provider, or even a CCP to tell how a particular firm is applying this threshold across its business and how much exposure a firm has in this regard. The €50M threshold introduces the potential for loopholes and will incent firms to proactively manage their thresholds across their dealer counterparties. Disclosure would help to negate some of these incentives and will provide transparency across the dealer community and to counterparties in the OTC derivatives markets. Small portfolios

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[14] REGULATION (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013;
Article 304 calls for 10 Day MPOR products scaled at 1; 5 Day MPOR products scaled at 0.71; 40.8% represents (1 / 0.71 = 40.8%, our recommend additional amount; http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:176:0001:0337:EN:PDF

with uncollateralized initial margin can result in very significant exposures, potentially up to €1 trillion according to the BCBS[15], and adequate disclosure is the best and most transparent way to combat this.

This disclosure would result in no additive cost because firms are required under the proposed rules to monitor at the consolidated level how the threshold is applied. Reporting this figure would be consistent with the G-20 reforms to bring new clarity to the OTC derivatives marketplace, and a sample disclosure from a firm could be as simple as follows:

> As of July 2015, Firm A has calculated an aggregated initial margin requirement of €500M at the firm level for its non-centrally cleared OTC derivatives, of which €400M has been collected for all of its non-centrally cleared OTC derivatives across X amount of counterparties, with X amount of those counterparties actually sponsored by Y parent counterparties.

The ESAs have an important opportunity in these proposals to add new clarity to the OTC derivatives marketplace and CME Group asks them to consider requiring this single disclosure point in their final rules.

(III) Ensure 100% exchange of margin

> **100% of gross initial margin should be exchanged by both parties to a transaction to remain consistent with the International Principles (Key Principle 5)[16]**

Initial margin is a vital risk mitigation technique for derivatives trading, both under a centrally cleared and non-centrally cleared environment. The final international principles from the BCBS and IOSCO recognized this and stated as follows under Key Principle 5:

> *Because the exchange of initial margin on a net basis may be insufficient to protect two market participants with large gross derivatives exposures to each other in the case of one firm's failure, the gross initial margin between such firms should be exchanged.*

CME Group is aware of some proposals[17] that advocate a "margin sharing" model, whereby each party to a bilateral derivatives transaction posts half of the aggregate initial margin requirement into a separate custodian account that becomes property of the non-defaulting party if the other side defaults. CME's understanding of this model is that it creates a "half-defaulter-pay" model, where only half of the originally calculated initial margin requirement for a non-centrally cleared derivative is available upon a market participant default. This directly contradicts the international principles of incentivizing central clearing and risks pushing small and medium sized firms to trade products into the riskier non-cleared derivatives markets. Initial margin requirements should be calculated on an individual market participant basis, meaning two requirements for each bilateral transaction, and each market participant

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[15] BCBS 242; Page 26; available at http://www.bis.org/publ/bcbs242.pdf
"The near-final proposal requires two-way initial margin requirements with a universal threshold of €50 million. The initial margin that would result from applying the near-final proposal to the derivative portfolios that are expected to remain uncleared at the QIS respondent firms is roughly €558 billion. Extrapolating from the QIS respondents to the entire global derivatives market would raise the estimate to roughly €0.7 trillion. Margin requirements using a zero threshold rather than a threshold of €50 million, as proposed in the July 2012 consultative paper, would result in roughly €1.3 trillion of initial margin at QIS respondents or roughly €1.7 trillion for the entire global market. Since the near-final proposal would only apply the requirements to new transactions, the margin would be posted gradually over time as new transactions replace old ones."

[16] BCBS 261; page 19

[17] http://www.risk.net/risk-magazine/feature/2335760/dealers-push-margin-sharing-as-answer-to-collateral-crunch

should be responsible for 100% of their margin requirements. CME Group asks that the ESAs be explicit in their final rules to prevent this potentially significant area of regulatory arbitrage.

A Note on the Treatment of OTC derivative contracts in the context of a CCP's position management upon the insolvency of a clearing member

CME Group supports the exemption from posting margin proposed for CCPs hedging their risks in the non-cleared markets during a default management situation. Considering the limited timeframe of such hedges and the systemic importance of ensuring a CCP can quickly and efficiently manage risk during a default, allowing such relief to CCPs in these limited situations supports overall financial stability and reduces systemic risk in the market. CME Group commends the ESAs for their thought leadership in suggesting such relief for CCPs conducting default management.

Conclusion

CME Group reiterates that we remain largely in support of the international principles outlined by the BCBS and IOSCO for margin requirements for non-centrally cleared derivatives and their implementation in a manner consistent with the G-20 policy goals supporting the use of central clearing to mitigate risk. However, as outlined above in our responses, we have identified several key aspects in the definitions of the initial margin model calibrations that could lead to incentives for market participants to remain in the riskier non-cleared derivatives markets. We believe that due to the policy goals of the G-20 and the inherent riskiness of the bespoke, non-cleared market that these derivatives should be subject to enhanced margin standards. These standards should include, at a minimum, initial margin calibration for non-cleared derivatives with similar standards, outside of 5 versus 10 day MPOR, to those that are utilized in the centrally cleared marketplace. We ask the ESAs to more closely align their calibrations with the requirements for CCPs to prevent regulatory arbitrage and incentivize market participants to utilize the risk management benefits of central clearing where available.

We would be happy to further discuss and clarify any of the above issues with the ESAs. If you have any comments or questions regarding this submission, please feel free to contact Sunil Cutinho, President, CME Clearing at +1 312 634-1592 and sunil.cutinho@cmegroup.com.

Sincerely,

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