

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66261; File No. SR-CME-2012-02]

### Self-Regulatory Organizations; Chicago Mercantile Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Fees for Its Cleared-only OTC FX Clearing Offering

January 26, 2012.

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 January 24, 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)(2)<sup>4</sup> thereunder.

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

CME is proposing to make certain fee-related changes that would apply to its cleared-only OTC foreign exchange (“FX”) swap clearing offering. The text of the proposed changes<sup>5</sup> is as follows:

##### CME OTC FX Fee Waiver Program

###### Program Purpose

The purpose of this Program is to incentivize market participants to submit transaction in the OTC FX products listed below to the Clearing House for clearing. The resulting increase in volume benefits all participant segments in the market.

###### Product Scope

The following cleared only OTC FX products (“Products”):

1. *CME Cleared OTC FX—Emerging Markets*
  - a. USDBRL, USDCLP, USDCNY, USDCOP, USDIDR, USDINR, USDKRW, USDMYR, USDPEN, USDPHP, USDRUB, USDTWD Non-Deliverable Forwards
  - b. USDCZK, USDHUF, USDHKD, USDILS, USDMXN, USDPLN, USDSGD, USDTHB, USDTRY, USDZAR Cash-Settled Forwards
2. *CME Cleared OTC FX—Majors*
  - a. AUDJPY, AUDUSD, CADJPY, EURAUD, EURCHF, EURGBP, EURJPY, EURUSD, GBPUSD, NZDUSD, USDCAD, USDCHF,

USDDKK, USDJPY, USDNOK, USDSEK Cash-Settled Forwards.

###### Eligible Participants

The temporary reduction in fees will be open to all market participants and will automatically be applied to any transaction in the Products submitted to the Clearing House for clearing.

###### Program Term

Start date is February 1, 2012. End date is June 30, 2012.

###### Hours

The Program will be applicable regardless of the transaction time.

###### Program Incentives

*Fee Waivers.* All market participants that clear the Products will have their clearing fees waived.

\* \* \* \* \*

The text of the proposed changes is also available at the Exchange’s Web site at <http://www.cmegroup.com>, at the principal office of the Exchange, and at the Commission’s Public 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 currently offers clearing for certain cleared-only OTC FX swap products. The filing proposes to implement a fee waiver program that will apply to the following cleared-only OTC FX products (“Products”):

1. *CME Cleared OTC FX—Emerging Markets*
  - a. USDBRL, USDCLP, USDCNY, USDCOP, USDIDR, USDINR, USDKRW, USDMYR, USDPEN, USDPHP, USDRUB, USDTWD Non-Deliverable Forwards
  - b. USDCZK, USDHUF, USDHKD, USDILS, USDMXN, USDPLN, USDSGD, USDTHB, USDTRY, USDZAR Cash-Settled Forwards
2. *CME Cleared OTC FX—Majors*
  - a. AUDJPY, AUDUSD, CADJPY, EURAUD, EURCHF, EURGBP, EURJPY, EURUSD, GBPUSD, NZDUSD, USDCAD, USDCHF, USDDKK, USDJPY, USDNOK, USDSEK Cash-Settled Forwards.

The fee waiver will be open to all market participants and will

automatically be applied to any transaction in the Products submitted to CME’s clearinghouse for clearing. The proposed changes that are the subject of this filing are related to the fees CME charges for clearing and therefore will become effective upon filing. However, the changes will become operative on February 1, 2012.

Pursuant to Commodity Futures Trading Commission (“CFTC”) regulations, the proposed changes are subject to CFTC Regulation 40.6(d), requiring a self-certification filing to the CFTC, although no change to text of the CME rulebook is required. CME notes that it has already certified the proposed changes that are the subject of this filing to its primary regulator, the CFTC. The text of the CME proposed changes is set out in Section I above.

The proposed changes establish or change a member due, fee or other charge imposed by CME under Section 19(b)(3)(A)(ii) of the Securities Exchange Act of 1934 and Rule 19b-4(f)(2) thereunder. CME believes that the proposed changes are consistent with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder and, in particular, to 17A(b)(3)(iv), in that it provides for the equitable allocation of reasonable dues, fees and other charges among participants. CME notes that it operates in a highly competitive market in which market participants can readily direct business to competing venues.

##### 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

<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)(2).

<sup>5</sup> The text of the proposed changes does not appear in CME’s rulebook but is available on CME’s Web site at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-CME-2012-02 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, DC 20549-1090.

All submissions should refer to File Number SR-CME-2012-02. This file number should be included on the subject line if email 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 Web site (<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 Web site 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 a.m. and 3 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-2012-02 and should be submitted on or before February 23, 2012.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66266; File No. SR-OCC-2012-01]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change Relating to Public Directors

January 27, 2012.

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 January 20, 2012, The Options Clearing Corporation ("OCC") 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 OCC. The Commission is publishing this Notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change would modify the corporate governance structure of OCC by (i) increasing the number of public directors on the Board from one to three and (ii) adding a public director to the Nominating Committee.

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

In its filing with the Commission, OCC 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. OCC 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

The purpose of this proposed rule change is to modify the corporate

governance structure of OCC by (i) increasing the number of public directors on the Board from one to three and (ii) adding a public director to the Nominating Committee. OCC believes that the proposed changes will be beneficial as a matter of good corporate governance. In addition, OCC is proposing a nonsubstantive amendment to both the By-Laws and the Certificate of Incorporation to remove obsolete provisions relating to Directors elected prior to 1999 that no longer have any effect.

#### I. Background

The OCC Board currently has 16 members consisting of nine Clearing Member directors ("Member Directors"), five directors nominated by the stockholder exchanges ("Exchange Directors"), one director who is not affiliated with any national securities exchange, national securities association or broker or dealer in securities ("Public Director"), and the Chairman of the Board, who is the Management Director. See Article II, Section 7 of OCC's By-Laws. Member Directors are divided into three equal classes elected for staggered three-year terms and are nominated by the Nominating Committee. Each Exchange Director serves a one-year term and is nominated by one of the five stockholder exchanges although a single Exchange Director may represent more than one exchange. The Public Director serves a three-year term and is nominated by the Chairman with the approval of the Board. The Management Director serves a one-year term. Section 1 and Section 3 of Article III of the By-Laws generally provide that if the combined number of Exchange Directors and the Public Director exceeds eight, the number of Member Directors will be increased to exceed the combined number of Exchange Directors and the Public Director by at least two Member Directors.

The Nominating Committee is composed of six members who are divided into two equal classes elected for staggered two-year terms. Prior to each annual meeting of stockholders, the Nominating Committee nominates a slate of nominees for election to the class of Member Directors and to the class of Nominating Committee members whose terms expire at that meeting. In selecting such nominees, the Nominating Committee seeks to achieve balanced representation among Clearing Members, giving due consideration to the various business activities of different categories of Clearing Members and their geographical distribution.

This governance structure was carefully designed to meet the statutory

<sup>6</sup> 17 CFR 200.30-3(a)(12).

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

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