

January 13, 2015

Mr. Christopher J. Kirkpatrick
Secretary
Commodity Futures Trading Commission
1155 21st Street NW
Washington DC 20581

**Re: Residual Interest Deadline for Futures Commission Merchants
79 Fed.Reg. 68148 (November 14, 2014)**

Dear Mr. Kirkpatrick:

CME Group Inc. ("CME Group"), on behalf of its clearinghouse and four designated contract markets ("Exchanges" or "DCMs"), appreciates the opportunity to provide the Commodity Futures Trading Commission ("CFTC" or "Commission") with its comments on the Residual Interest Deadline for Futures Commission Merchants, 79 Fed.Reg. 68148 (the "Rulemaking").

CME Group, the world's largest and most diverse derivatives marketplace, consists of four separate U.S. based Exchanges: the 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"). These 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.¹

CME Group applauds the Commission for issuing the Rulemaking to amend the process by which it establishes a residual interest deadline² for futures commission merchants ("FCM") under Regulation 1.22. As noted in its previous comments on this topic³, CME Group was, and remains, concerned that a residual interest deadline take into account the operational issues (differences in time zones, currency conversions, ACH settlements) appurtenant to the transfer of cash between FCMs and their customers.

1 CME Group's 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.

CME also 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.

² The deadline after which an FCM must deposit its own capital in customers' undermargined accounts.

³ Letter from Kim Taylor, President, CME Clearing, to Melissa D. Jurgens, Secretary to the Commission, dated February 15, 2013.

The Commission's decision to revise Regulation 1.22 to restrict the CFTC's ability to move the residual interest deadline except through a rulemaking and to establish that the residual interest deadline will remain at 6:00 PM (Eastern) on the Settlement Date (T+1) wisely accounts for the operational challenges of cash transfer.

In addition to mitigating the operational issues mentioned above, this decision allows impacted market participants, including customers and FCMs, to both participate in the Commission study on the deadline and subsequently provide feedback on any proposed rule changes resulting from this study. We believe the opportunity for comment prior to rulemaking is critical to ensure that any subsequent Commission action comports with the goals of the Administrative Procedure Act. CME Group further believes that the proposed study will provide additional data points that will be critical in determining a residual interest deadline that strikes the appropriate balance between enhancing customer protection and the costs and operational burdens, and impact on market structure of an accelerated residual interest deadline. We anticipate working with the industry to establish appropriate parameters for the study and reaching a resolution that will appropriately protect a well-functioning futures market.

We thank the Commission for the opportunity to comment on the proposed amendments to Regulation 1.22 and look forward to continued dialogue on this topic.

Sincerely,



Sunil Cutinho

Senior Managing Director and President CME Clearing

cc: Division of Swap Dealer and Intermediary Oversight
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