

19 March 2014

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
E-mail: comments@osc.gov.on.ca

Dear Secretary,

CME Group Inc. ("CME Group"), on behalf of Chicago Mercantile Exchange Inc.'s Clearing Division ("CME Clearing") and CME Clearing Europe Limited ("CME Clearing Europe"), would like to express our appreciation to the Ontario Securities Commission ("OSC") for the opportunity to comment on OSC rule 24-503: *Clearing Agency Requirements and Related Companion Policy* (the "Ontario Clearing Agency Requirements"). CME Group is the parent of five designated contract markets ("DCMs"): CME, the Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), the Board of Trade of Kansas City Missouri, Inc. ("KCBT") and Commodity Exchange, Inc. ("COMEX"). These DCMs collectively 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 clearing house division ("CME Clearing") and CME Clearing Europe together offer clearing and settlement services for exchange-traded futures contracts, as well as over-the-counter ("OTC") derivatives transactions. CME is registered with the CFTC as a derivatives clearing organization ("DCO") and is one of the largest central counterparty ("CCP") clearing services in the world. CME Clearing Europe is regulated and supervised by the Bank of England as a recognized clearing house ("RCH") in the United Kingdom and is in the process of becoming reauthorized under the European Market Infrastructure Regulations ("EMIR"). We further note that CME and CMECE have both been exempted from the requirement to become recognized as a clearing agency under subsection 21.2(0.1) of the Securities Act, R.S.O. 1990, Chapter S. 5.

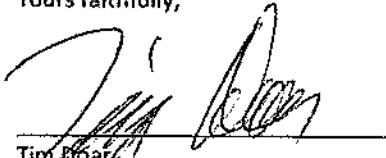
CME Group has long been a strong supporter of a global regulatory framework whereby jurisdictions have the authority to grant access to third-country markets under the concepts of equivalence and mutual recognition. Mutual recognition facilitates cross-border transactions in our global marketplace by reducing the need to harmonize multiple, and sometimes conflicting, regulatory regimes and the duplicative procedural burdens that are the likely result of concurrent application of these regimes. Many jurisdictions have made significant progress in implementing the G20 mandates for derivatives regulatory reform, including moving towards the implementation of the Principles for Financial Market Infrastructures ("PFMI") published by the joint work of the Committee on Payment and Settlement Systems ("CPSS") and the Technical Committee of the International Organization of Securities Commissions. Any jurisdiction's equivalence test should be based on transparent, proportionate, fair and objective grounds. It must also recognize that other jurisdictions have different legal and regulatory structures, that market structures may be subject to different transparency standards and may also develop different liquidity dynamics, and that equivalence should be judged on an outcome-determinative basis. A line-by-line comparison of regulatory requirements in different jurisdictions will inevitably produce variances, but regulators should focus on whether the overall outcome of financial and risk safeguards meets the relevant international standards such as the PFMI—which have been driven by the world's most developed market regulators.

We applaud the steps being taken by the OSC to implement the PFMI in Ontario and reiterate our strong support for using them as important guideposts for the provision of exemptive relief to third country CCPs. We trust that the OSC plans to rely on the substantially similar implementation of the PFMI standards that has already occurred in the United States and Europe for ongoing exemptive relief and does not plan to directly apply OSC CCP regulations to exempted third country CCPs (or future applicants for exemption).

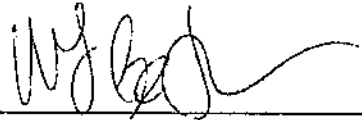
Please note that after reviewing the Ontario Clearing Agency Requirements that we do have a specific comment in relation to proposed OSC Rule 2.4 (Filing of Initial Audited Financial Statements). CMECE currently prepares its accounts in accordance with U.K. GAAP, which is recognised internationally as a reliable and 'equivalent' accounting standard. While we assume that the OSC plans to rely on the home regulatory regime for preparation of accounts in the UK, US and elsewhere, we wanted to point out the distinction between the standards in Ontario and the UK to ensure that CMECE is not negatively impacted by the implementation of OSC Rule 2.4. Please note that CMECE has plans to move to the use of IFRS at some time in the future, at this point thought to be within two years. We therefore seek confirmation from the OSC that exempted CCPs will continue to be afforded with the flexibility to conform with their local regulatory obligations, to the extent their home jurisdiction has adopted by PFMI, rather than meet any specific standards enumerated in the OSC Clearing Agency Rules.

We would be happy to discuss any of the points made above with the OSC.

Yours faithfully,



Tim Boat
Managing Director & Chief Risk Officer
CME Clearing



Lee Betsill
Chief Executive Officer
CME Clearing Europe

cc Anita Collett