

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 17-122 (3 of 5)

**Organization:** The Board of Trade of the City of Chicago, Inc. ("CBOT")

**Filing as a:** DCM SEF DCO SDR

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 3/30/2017 **Filing Description:** Amendments to Rule 801 (Management)

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:** Rule 801

**New Product**

**Please note only ONE product per Submission.**

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Official Product Name:**

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**

March 30, 2017

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**RE: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to CME/CBOT/NYMEX/COMEX Rule 801. ("Management").  
CBOT Submission No. 17-122 (3 of 5)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), Chicago Mercantile Exchange Inc., in its capacities as both a designated contract market ("DCM") and a designated clearing organization ("DCO") ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX"), each in their capacities as a DCM (collectively, the "Exchanges"), hereby notify the Commission that they are self-certifying amendments to CME/CBOT/NYMEX/COMEX Rule 801. ("Management") (the "Rule Amendments") effective on Friday, April 14, 2017.

The Exchanges are amending Rule 801. in connection with the establishment of the Clearing House Oversight Committee (the "CHOC") as a committee of the Board of Directors of CME (the "Board") tasked with oversight of the risk management activities (excluding operational risk) of the clearing house division of CME ("CME Clearing"), including oversight of management of CME Clearing with respect to the effectiveness of the risk management program. Pursuant to the CHOC's Charter<sup>1</sup>, in fulfilling its responsibilities, the CHOC prioritizes the safety and efficiency of CME Clearing, generally supports the stability of the broader financial system and considers legitimate interests of clearing members and customers of clearing members taking into account prudent risk management standards (including systemic risk mitigation) and best practices in the industry. The Clearing House Risk Committee, as a special committee of the Board with participation from market participants, will continue to assist the Board and the CHOC with regard to oversight responsibilities over the risk management (excluding operational risk), financial surveillance, clearing member admission and investigation functions of CME Clearing, other than those relating to interest rate swaps and credit default swaps, which will be performed by the IRS Risk Committee and CDS Risk Committee, respectively. The Rule Amendments also codify the Board's oversight responsibility of the safety and efficiency of CME Clearing, including its appointments of the President and Chief Risk Officer (the "CRO") of CME Clearing.

Further, the Exchanges are codifying in their respective Rulebooks that the CRO is appointed by the Board and as well as the CRO's responsibilities for implementing the risk management framework and making appropriate recommendations to the Board, the CHOC or relevant risk committees, as applicable, regarding CME Clearing's risk management functions.

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<sup>1</sup> The CHOC's Charter can be found at <http://investor.cmegroup.com/investor-relations/committees.cfm>.

The Exchanges have reviewed the designated contract market (“DCM”) core principles and the designated derivatives clearing organization (“DCO”) core principles (“Core Principles”), respectively, as set forth in the Commodity Exchange Act (“Act”) and identified that the amendments may have some bearing on the following DCM and DCO Core Principles:

#### **DCM Core Principles**

- Availability of General Information. The Exchanges will update the Rulebooks on the effective date of the Rule Amendments.

#### **DCO Core Principles**

- Governance Fitness Standards. The Rule Amendments clarify the roles and responsibilities of the committees of the Board and codifies the appointment of the CRO of the CME Clearing by the Board.
- Public Information. The Rule Amendments will be added to the publicly available CME Rulebook available on the CME Group website.
- Legal Risk. CME Clearing has determined that the Rule Amendments are consistent with the requirement to have a well-founded, transparent and enforceable legal framework for each aspect of the activities of the DCO.

Exhibit A, which is attached hereto, sets forth the Rule Amendments in blackline format.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the Rule Amendments comply with the Act and regulations thereunder. There were no substantive opposing views to this action.

The Exchanges certify that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact me at 212-299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Amendments to CME/CBOT/NYMEX/COMEX Rule 801. (blackline format)

## Exhibit A

### CME Rulebook

#### Chapter 8

#### Clearing House and Performance Bonds

(additions underlined; deletions are ~~overstruck~~)

##### 801. Management

~~The general direction of the Clearing House shall be under the jurisdiction of the Clearing House Risk Committee.~~ The Board has governance and oversight responsibility of the safety and efficiency of the Clearing House. With respect to the governance and oversight of the Clearing House, the responsibilities of the Board include approving the appointments of the President and Chief Risk Officer of the Clearing House. The Board also has created the Clearing House Oversight Committee, which also has governance and oversight responsibility relating to the Clearing House as set forth in its written Charter. The Chief Executive Officer with the approval of the Board shall appoint a ~~The~~ President of the Clearing House, ~~who~~ shall be responsible for the daily operation of the Clearing House and the implementation of the rules applicable to the Clearing House. The Chief Risk Officer shall be responsible for implementing the risk management framework and its procedures, policies and controls and for making appropriate recommendations to the Board, the Clearing House Oversight Committee or relevant risk committees, as applicable, regarding the Clearing House's risk management functions. The President and the Chief Risk Officer of the Clearing House may also delegate authority for certain aspects of their ~~responsibilities~~ daily operation of the Clearing House to staff of the Clearing House. Clearing House staff shall adopt, establish, publish and amend from time to time a Clearing House Manual of Operations ("Manual"). This Manual shall contain, among other things, information and directions for preparing trade data, completing prescribed memoranda and meeting other Clearing House requirements. The Manual and amendments thereto shall constitute part of the rules of the Exchange.

## CBOT/NYMEX/COMEX Rulebook

### Chapter 8

#### Clearing House and Performance Bonds

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##### 801. Management

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