

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-166

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 04/09/21 Filing Description: Modifications to CME Clearing Credit Policy

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: See filing.

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:



Timothy J. Maher
Chief Compliance Officer
CME Clearing

April 9, 2021

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. Modifications to CME
Clearing Credit Policy
CME Submission No. 21-166**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission that it is self-certifying modifications to the CME Clearing Credit Policy (“Credit Policy”) effective on April 26, 2021.

Specifically, CME, a registered derivatives clearing organization, maintains a Credit Policy for measuring, monitoring, and managing its credit risk to counterparties, including the payment, clearing, and settlement process. The Credit Policy is established by the CME Clearing Credit & Liquidity Committee and approved annually by the CME Clearing House Risk Committee. Modifications to the Credit Policy have been made to clarify current practices. The modifications are non-substantive in nature in that they clarify current practices or align the Credit Policy with other risk policies and charters within CME Clearing. For instance, the naming of the CME Clearing Credit Committee has been changed to the CME Clearing Credit & Liquidity Committee, consistent with the updated CME Clearing Credit & Liquidity Committee Charter. Similarly, language was added and updated to align the Policy with the CME Clearing Credit & Liquidity Committee Charter and the CME Group Commitment & Signing Authority. Also, language has been added to address Clearing Member Firms that want to clear FEX Global products.

CME reviewed the derivatives clearing organization core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the proposed modifications may have some bearing on the following principles:

- DCO Core Principle D – Risk Management: The Credit Policy reflects CME’s assessment of the credit profile of its counterparties, including clearing member firms (“CMFs”), and its daily credit monitoring, ongoing reviews, and establishment of limits.
- DCO Core Principle E – Settlement Procedures Default Rules and Procedures: The Credit Policy describes the manner in which CME Clearing measures and monitors credit risk in the settlement process.

As described herein, the modifications consist of changes to the Credit Policy. CME has requested confidential treatment with respect to the revised policy, which has been submitted concurrently with this self-certification. CME certifies that proposed changes comply with the Act and regulations thereunder. There were no substantive opposing views to this action.

If you require any additional information regarding this submission, please contact me at 312-930-2730 or via email at timothy.maher@cmegroup.com. Please reference CME Submission No. 21-166 in any related correspondence.

Sincerely,

/s/Timothy J. Maher
Chief Compliance Officer
CME Clearing

Attachments: Exhibit A - Modified CME Clearing Credit Policy. (attached under separate cover.) (confidential treatment requested)