

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 17-154 (1 of 5)

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

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

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

**Filing Date (mm/dd/yy):** 5/2/2017 **Filing Description:** Amendments to CME/CBOT/NYMEX/COMEX Rule 901.Q.

**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 901.Q

**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:**

May 2, 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 901.Q.  
CME Submission No. 17-154 (1 of 5)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (the designated contract market (“DCM”) and the 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”) (collectively, the “Exchanges”) hereby notify the Commission that they are self-certifying amendments to CME/CBOT/NYMEX/COMEX Rule 901.Q. (the “Rule Amendments”) effective on May 17, 2017.

Rule 901.Q. requires each clearing member that is a U.S. Government Securities Broker-Dealer (as defined in the Exchanges’ Rules) or has a U.S. Government Securities Broker-Dealer to enter into (or arrange for such affiliate to enter into) a master repurchase agreement (“MRAs”) with CME on terms substantially similar to those set out by CME’s clearing house. These MRAs enhance CME’s liquidity risk management by ensuring the reliability of repurchase transactions through a diverse group of counterparties available to CME in times of market stress.

The Rule Amendments will (1) add a clearing member’s affiliated bank as an acceptable repo counterparty under Rule 901.Q. and (2) require the clearing member to, or cause its affiliate to, engage in periodic testing when requested by the clearing house. As some clearing member organizations primarily book repurchase agreements through their bank affiliate, the addition of banks as an eligible repo counterparty will allow a clearing member to meet the MRA requirement under Rule 901.Q. through its affiliate that regularly engages in repurchase transactions. The periodic testing requirement will provide the Exchanges with ability to require its MRA counterparties to engage in test repurchase transactions when requested by the Exchanges as part of its liquidity risk management drills.

**Core Principle Review**

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 Principle**

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

## DCO Core Principles

- DCO Core Principle B – Financial Resources. The Rule Amendments assist CME's compliance with CFTC Regulation 39.33(c) by including bank affiliates as additional potential repo counterparties and codifying a testing requirement to enhance reliability in times of market stress consistent with CFTC Regulation 39.33(d)(4).
- DCO Core Principle L – Public Information. The Rule Amendments will be added to the publicly available CME Rulebook available on the CME Group website. In addition, CME will release a notice to the marketplace regarding the amendments in advance of the effective date.
- DCO Core Principle R – Legal Risk. CME 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.

The Exchanges certify that proposed changes 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 – Rule Amendments to CME/CBOT/NYMEX/COMEX Rule 901.Q.  
(blackline format)

## **Exhibit A**

### **CME/CBOT/NYMEX/COMEX Rulebook**

#### **Chapter 9 Clearing Members**

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

#### 901. GENERAL REQUIREMENTS AND OBLIGATIONS

...Q. Requirement to Establish Uncommitted Repo. Each clearing member that is a U.S. Government Securities Broker-Dealer or has a U.S. Government Securities Broker-Dealer affiliate shall enter into (or arrange for such affiliate, or an affiliate that is a bank, to enter into) a master repurchase agreement with CME on terms substantially similar to those set out by the Clearing House. Each clearing member that has entered into such master repurchase agreement shall (or shall cause its affiliate that has entered into such master repurchase agreement to) periodically test repurchase transactions with the Clearing House when requested by the Clearing House.