

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-245

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 05/29/20 Filing Description: Modifications to CME Risk Management Framework

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:

May 29, 2020

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 Risk Management Framework
CME Submission No. 20-245**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME Clearing” or “Exchange”) hereby notifies the Commission that it is self-certifying modifications to the CME Risk Management Framework effective on June 15, 2020.

Specifically, CME Clearing maintains a Risk Management Framework (“RMF”) pursuant to CFTC Regulation 39.13(b) that encompasses risk management practices, procedures and methodologies. The RMF is published by CME Clearing and approved by its Board of Directors. Modifications to the RMF are being provided as the result of a Title VIII examination remediation at the request of the Commission. The primary changes to the RMF reflect:

- Language to further describe CME Clearing’s management of legal risk;
- Clarifications to more clearly articulate the governance arrangements of CME Clearing, including governance for “major decisions” consistent with discussion with the CFTC during a Title VIII Exam of CME Clearing;
- Revisions to more clearly define the critical functions of CME Clearing;
- Language to clarify the different asset classes for CME Clearing’s risk management practices, in relation to the CFTC Title VIII Exam of CME Clearing;
- Language revising the description of the Base products’ concentration margin program;
- Revisions to describe the enhancements made to the IRS products’ margin model, which were implemented in the end of 2019; and
- The incorporation of language, consistent with CME Group Exchange Rule 8G802, to address the addition of the end-of-waterfall rules for IRS products.

CME Clearing 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 proposed modifications enhance the ability of CME to manage the risks associated with discharging the responsibilities of the derivatives clearing organization.

As described herein, the amendments consist of changes to the CME Risk Management Framework. CME Clearing has requested confidential treatment with respect to the revised framework, which has been submitted concurrently with this self-certification. CME Clearing 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. 20-245 in any related correspondence.

Sincerely,

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

Attachment: Exhibit A - Modified CME Risk Management Framework (attached under separate cover)
(confidential treatment requested)