

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-317

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): September 11, 2017 **Filing Description:** Amendments to CME Rule 822.A.1 ("Liquidity Rules")

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:

Rule Numbers:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

September 11, 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. Amendments to CME Rule 822.A.1
("Liquidity Rules")
CME Submission No. 17-317**

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 revisions to CME Rule 822.A.1, effective on September 26, 2017.

In 2015, CME implemented Rule 822 to enhance the liquidity management tools available to the CME and, therefore, reduce systemic risk in the market by decreasing the likelihood that CME will fail to meet its payment obligations. Specifically, Rule 822.A.1 allows CME to substitute cash deposited in the Guaranty Fund at the time of a Liquidity Event with U.S. Treasuries and allows CME to direct clearing members that are U.S. Government Securities Broker-Dealers (or that are affiliated with such broker-dealers) to replace non-cash guaranty fund assets with cash within 60 minutes. CME is proposing to amend Rule 822.A.1 to clarify that such directions will be given only during the hours in which the Federal Reserve's securities wire transfer system is in operation. CME is also proposing to make minor, non-substantive changes to the text of Rule.

CME reviewed the derivatives clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA") and identified the following Core Principle as potentially being impacted:

DCO Core Principle B – Financial Resources: The proposed revisions clarify the manner in which CME Clearing maintains sufficient liquid resources.

The amendments to CME Rule 817 are reflected in Exhibit A, which sets forth the proposed amendments in blackline format.

CME certifies that proposed changes comply with the Act and regulations thereunder. There were no substantive opposing views to this action.

CME certifies 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 e-mail CMEGSubmissionInquiry@cmegroup.com or contact Timothy J. Maher at 312-930-2730 or via email at timothy.maher@cmegroup.com. Please reference CME Submission No. 17-317 in any related correspondence.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A –CME Rule 822.A.1 (blackline format)

Exhibit A

CME Rulebook Chapter 8

Clearing House and Performance Bond

(additions underlined, deletions ~~struckthrough~~)

822.A. Liquidity Rules

In the event the Clearing House needs liquidity for non-cash collateral of a clearing member or its customers for same day settlement, the Clearing House will first attempt to obtain liquidity for such collateral through asset sale, any uncommitted funding arrangements, its committed lines of credit and any committed repurchase agreements. In the event the Clearing House is unable to obtain same day settlement through such means, the Clearing House may declare the occurrence of a Liquidity Event and in its sole discretion may take the following actions in the following order to secure same day liquidity for such assets as follows:

1. Substitution of Guaranty Fund Cash

a. The Clearing House may substitute any cash deposited by clearing members in a guaranty fund with U.S. Treasuries deposited as performance bond or guaranty fund by a clearing member that is the subject of such Liquidity Event. The amount of cash substituted hereunder shall be equal to the amount that participates in such guaranty fund in an amount of assets with haircutted market value (determined by the Clearing House as of the prior day's close of business utilizing a recognized third party pricing source) of the U.S. Treasuries that are substituted for such cash. equal to the amount of cash substituted. Any assets transferred by this rule shall be applied as guaranty fund deposit(s) of any such clearing member whose cash was substituted and will be allocated pro rata among any clearing members with cash deposits. The substitution of U.S. Treasuries for the clearing member's guaranty fund deposit(s) will be limited to the size of the clearing member's guaranty fund deposit(s) at the time of the Liquidity Event. For any substitution of U.S. Treasuries for cash in a guaranty fund, the impacted clearing member may, within 24 hours of substitution, request that the Clearing House replace the cash for the substituted U.S. Treasuries, to the extent still on deposit, within 29 days of the date of substitution. Any clearing member requesting cash replacement will receive the exact value in cash received by the Clearing House upon liquidation the U.S. Treasuries.

~~b. In order to ensure the Clearing House can obtain sufficient cash from a guaranty fund pursuant 1.a. above,~~ The Clearing House may direct notify any clearing member that is a U.S. Government Securities Broker-Dealer or has a U.S. Government Securities Broker-Dealer affiliate to substitute ~~replace~~ its non-cash guaranty fund assets with cash within 60 minutes from the time of notification. Such directions will be made during the hours in which the Federal Reserve's securities wire transfer system is in operation, provided, however that is such directions are given within 60 minutes prior to the close of the Federal Reserve's securities wire, the substitution required hereunder shall be made within 60 minutes after the Federal Reserve's securities wire next opens. To the extent that a clearing member(s) fails to provide cash within the deadlines specified above ~~60 minutes or the request occurs after 3 PM Central time,~~ the Clearing House may debit cash from that clearing member's settlement bank account in the amount of the clearing member's non-cash guaranty fund assets.