

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-391 (4 of 5)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 09/21/21 **Filing Description:** Administrative Amendments to CME, CBOT, NYMEX/COMEX Rule 816. ("Guaranty Fund Deposit")

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: 816.

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

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

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

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

Rule Numbers:

September 21, 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, D.C. 20581

Re: CFTC Regulation 40.6(a) Certification. Administrative Amendments to CME, CBOT, NYMEX/COMEX Rule 816. ("Guaranty Fund Deposit"). NYMEX Submission No. 21-391 (4 of 5)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), Chicago Mercantile Exchange Inc. ("CME"), in its capacities as both a designated contract market ("DCM") and a derivatives clearing organization ("DCO" or "CME Clearing"), and The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX"), in their capacities as DCMs, (each an "Exchange" and collectively, the "Exchanges") hereby certify to the Commission administrative amendments to the Exchanges' Rule 816. ("Guaranty Fund Deposit") to include the existing minimum requirements for Base Guaranty Fund in the text of the Rule 816. (collectively, the "Rule Amendments") effective on October 6, 2021.

Rule 816. sets forth the guaranty fund deposit requirement for all Base (non-IRS) clearing members. In connection with the Exchanges' annual review of the Clearing Membership Handbook (the "Handbook") it was noted that while specific minimum guaranty fund amounts are set forth in the Handbook, such amounts do not appear in the Exchanges' rulebooks. The minimum dollar requirements have remained unchanged for a significant time period. The Rule Amendments are intended to align the information in Rule 816. with that of the Handbook. It is important to note that the Rule Amendments are administrative in nature and will not impact the size or coverage of the guaranty fund.

The Rule Amendments are provided in Exhibit 1 below in blackline format.

The DCO reviewed the DCO Core Principles and the Exchanges reviewed the DCM Core Principles (collectively, the "Core Principles") as set forth in the Commodity Exchange Act ("CEA") and identified that the Rule Amendments may have some bearing on the following Core Principles.

DCO Core Principles

- **DCO Core Principle B - Financial Resources**: This Core Principle requires CME Clearing to have adequate financial resources to discharge its responsibilities as a DCO. The Rule Amendments are administrative in nature and do not impact the size or coverage of the guaranty fund.
- **DCO Core Principle C – Participant and Product Eligibility**: This Core Principle and related Regulation §39.12 requires CME Clearing to publicly disclose its admission and continuing participation requirements. The Rule Amendments add clarity to the minimum Base Guaranty Fund requirements in the Rule and serve as an additional publicly available location of such requirements
- **DCO Core Principle L - Public Information**: This Core Principle requires CME Clearing to publicly disclose its rules and procedures. The Rule Amendments will be incorporated into the Exchanges' publicly available rulebook and will allow current and potential clearing members to locate the minimum requirements easily within the Rulebooks.

DCM Core Principles

- **DCM Core Principle 7 - Availability of General Information**: The Rule Amendments will be incorporated into the Exchanges' publicly available rulebook.

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

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

If you require any additional information regarding this submission, please contact the undersigned at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1 – Amendments to CME, CBOT, NYMEX/COMEX Rule 816. (“Guaranty Fund Deposit”) (blackline format)

EXHIBIT 1

CME, CBOT, NYMEX/COMEX Rulebooks

(additions underscored; deletions ~~struck through~~)

Chapter 8

("Clearing House and Performance Bonds")

816. GUARANTY FUND DEPOSIT

Each clearing member shall make a Base Guaranty Fund deposit with the Exchange as security for its obligations to the Clearing House. The minimum Base Guaranty Fund deposit of a clearing member shall equal the greater of (a) ~~a minimum amount specified by the Clearing House Risk Committee~~ \$500,000 if clearing CME, CBOT, NYMEX or COMEX futures and options on futures only, (b) \$2,500,000 if clearing OTC spot, forward or swaps contracts or (c) the clearing member's proportionate share of the "Aggregate Guaranty Fund Deposit." This requirement is separate and distinct from the guaranty fund deposit requirement for IRS Products as set forth in Chapter 8G of the CME Rulebook. The Aggregate Guaranty Fund Deposit shall be an amount determined by the Clearing House.

[Remainder of the Rule is unchanged.]