

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-408

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 09/22/22 **Filing Description:** Modifications to CME Clearing's Risk Management Framework and Manual of Operations

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:

September 22, 2022

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's Risk Management Framework and Manual of
Operations.
CME Submission No. 22-408**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), Chicago Mercantile Exchange Inc. ("CME" or "Clearing House"), as a derivatives clearing organization ("DCO"), certifies to the Commission modifications to CME's Risk Management Framework ("RMF") and Clearing House Manual of Operations ("MOP") (collectively, the "Policies") effective on October 7, 2022 (collectively, the "Amendments").

The RMF, maintained in accordance with CFTC Regulation 39.13(b), is approved by CME's Board of Directors ("Board") and the Clearing House Oversight Committee ("CHOC") (i.e., committee established by the Board), as applicable, pursuant to the governance arrangements established under the RMF. The Amendments to the RMF were approved by CHOC. The MOP is maintained in accordance with CME Rule 801 and non-substantive changes may be approved by the Chief Compliance Officer ("CCO") of the Clearing House. The Amendments to the MOP were approved by the CCO of the Clearing House.¹

Specifically, the Amendments to the RMF codify and enhance the Clearing House's long-standing practice of seeking risk-based feedback from market participants when launching new products. In particular, these Amendments provide that public advisory notices in connection with the launch of new products shall include an express request that risk-specific feedback be provided to the Clearing House. Moreover, to the extent any substantive negative risk-based feedback is received pursuant to the issuance of such advisory notices or otherwise, the Clearing House will review and document such feedback.

In addition, the Amendments to the Policies include the replacement of the term "President of the Clearing House" with "Global Head of Clearing & Post-Trade Services" and are consistent with CME Submission No. 22-185.²

DCO Core Principle Review

CME reviewed the DCO core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the Amendments may have some bearing on the following principles:

¹ Note, the title of current CCO of the Clearing House is the Clearing Chief Compliance Officer & Head of Policy.

² See https://www.cmegroup.com/content/dam/cmegroup/market-regulation/rule-filings/2022/7/22-185_1.pdf

- **DCO Core Principle A – Compliance**: The Amendments to replace the term “President of the Clearing House” are in line with the Clearing House’s obligation to ensure that its rules are accurate.
- **DCO Core Principle O – Governance Fitness Standards**: The Amendments enhance the Clearing House’s governance arrangements to further promote public interest considerations.

CME has requested confidential treatment with respect to revisions to the Policies, which has been submitted concurrently with this submission. CME certifies that the Amendments 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 312-930-8167 or via email at sean.downey@cmegroup.com.

Sincerely,

/s/Sean Downey
Clearing Chief Compliance Officer & Head of Policy
CME Clearing

Attachments: Exhibit A – Modified Risk Management Framework (attached under separate cover) (confidential treatment requested)
Exhibit B – Modified Clearing House Manual of Operations (attached under separate cover) (confidential treatment requested)