

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 21-500

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/05/21 Filing Description: Modifications to CME Clearing's Credit Risk Assessment Methodology Policy

**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:**

November 5, 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, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Modifications to CME Clearing's Credit Risk Assessment Methodology Policy. CME Submission No. 21-500**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), Chicago Mercantile Exchange Inc. ("CME Clearing" or "Exchange") certifies to the Commission modifications to the CME Clearing's Credit Risk Assessment Methodology Policy (the "CAM") (collectively, the "Rule Amendments") effective on November 23, 2021.

Specifically, CME Clearing, as a registered derivatives clearing organization, maintains the CAM consistent with CFTC Regulation 39.13(e) which details the processes for the credit risk assessments and the methodology for establishing internal credit ratings to mitigate and manage counterparty credit risk exposure. The CAM is established by CME Clearing and approved by the Clearing House Oversight Committee.

Portions of the Rule Amendments are substantive in nature and required the Committee's approval as part of the annual review. While substantive in nature, the Rule Amendments do not have a significant impact on the risk profile of the Clearing House.

The Rule Amendments provide, as an additional qualitative consideration, a leverage category to the Hedge Fund Rating Considerations and Scorecard. Enhancements are being implemented to the Bank Rating Scorecard. CME Clearing does not believe this enhancement will materially change the rating distribution of bank counterparties. Non-substantive changes are being made to Sections 7.4.1.1 (Operating Environment & Industry Profile), 7.4.1 (Qualitative Considerations), 16.4 (Hedge Fund Scorecard), 7.4.2 (Weights), and 16.10 (C10 Proprietary Trading Firm Scorecard).

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 Rule Amendments may have some bearing on the following principles:

- DCO Core Principle D – Risk Management: The Rule Amendments enhance the metrics and criteria of the CAM in assessing counterparty credit risk exposure to manage the risks associated with discharging the responsibilities of the derivatives clearing organization.

CME has requested confidential treatment with respect to the Rule Amendments, which has been submitted concurrently with this self-certification. CME Clearing certifies that the Rule 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 312-930-2730 or via email at [timothy.maher@cmegroup.com](mailto:timothy.maher@cmegroup.com). Please reference CME Submission No. 21-500 in any related correspondence.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Timothy Maher', with a large, sweeping flourish extending to the left.

/s/Timothy Maher  
Chief Compliance Officer  
CME Clearing

Attachment Exhibit A – Modifications to the CME Clearing Credit Risk Assessment Methodology Policy (attached under separate cover) (blackline format) (confidential treatment requested)