

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-517

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/22/21 Filing Description: Modifications to CME Clearing's Investment 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 22, 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 Investment Policy.
CME Submission No. 21-517**

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 Investment Policy (the "Policy") (collectively, the "Rule Amendments") effective on December 8, 2021.

Specifically, CME Clearing, as a registered derivatives clearing organization, maintains the Policy consistent with CFTC Regulation 39.15(a), (c), (e) and 39.36(f) which requires standards and procedures designed to protect and ensure the safety of funds of funds and assets belonging to clearing members and their customers, the holding of funds and assets of clearing members and their customers in a manner that minimizes the risk of loss or delay in access to such funds and assets, and investments of such funds in instruments with minimal, credit, market and liquidity risks. The Policy is established by CME Clearing and approved by the CME Clearing House Risk Committee and the Clearing House Oversight Committee ("CHOC").

While the changes to the Policy are largely non-substantive in nature, primarily made to clarify current practices, there is proposed language to allow CME Clearing to engage in guaranteed reverse repurchase agreements and language that demonstrates the way CME Clearing will consider explicit guarantees under these agreements, from an internal credit ratings perspective. This language is summarized below.

Substantive Language:

- Section 3.2: Language was added to Table 1 to allow CME Clearing to enter into guaranteed reverse repurchase agreements with approved counterparties. Footnote 4 in Table 1 summarizes that these transactions will be facilitated by a third-party and that the third-party will act as guarantor to CME Clearing's reverse repurchase agreement counterparties. The reverse repurchase agreement counterparties will be selected by CME Clearing and are subject to CME Clearing's due diligence and approval process as new investment counterparties, which includes approval by Credit Committee and CHOC.
- Section 3.4.3: Language was added to demonstrate that in instances where CME Clearing is entering into a relationship with an investment counterparty and there is an explicit guarantee provided on behalf of that investment counterparty, CME Clearing will look to the guarantor's creditworthiness and require the guarantor to have an appropriate internal credit rating.

CME Clearing Staff ("Staff") has also taken the opportunity to improve the clarity of language and structure

to align the Policy with other risk policies and charters within CME Clearing, without changing substance, where appropriate.

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 F – Treatment of Funds: The Rule Amendments specify that permissible investments include guaranteed reverse repurchase agreements with approved counterparties.

As described herein, the modifications consist of changes to the CME Investment Policy. CME has requested confidential treatment with respect to the revised policy, 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.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Timothy Maher', with a stylized flourish at the end.

/s/Timothy Maher
Chief Compliance Officer
CME Clearing

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