

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 21-081

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 02/05/21 Filing Description: Modifications to CME's Operational Risk Management Framework

**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:**

February 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's  
Operational Risk Management Framework  
CME Submission No. 21-081**

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 modifications to the CME's Operational Risk Management Framework effective on February 23, 2021.

Specifically, CME, as a registered derivatives clearing organization, maintains an Operational Risk Management Framework ("ORMF") consistent with CFTC Regulation 39.18(b) that establishes internal guidelines to measure, monitor, manage, and report on key risks, as identified in the framework, which could arise from clearing and settlement arrangements, operating structures and procedures, human errors and the use of technology related to our core clearing processes. The ORMF is established by CME and approved by the its Board of Directors. Modifications to the ORMF include:

- Addition of language in Section 1.5 summarizing the framework for the Risk and Control Self-Assessment developed to identify and map all key mitigating controls to identified risks, and to identify the controls testing performed on them;
- Amendments clarifying differences between identified key risks and associated "Key Risk Indicators";
- Updates to the frequency of the Operational Risk Management Team ("ORMT") meetings from monthly to quarterly;
- Updates to department and division names, as appropriate; and
- Updates to referenced systems.

In addition, non-substantive modifications were made to the formatting of the ORMF and improve the clarity of language of the ORMF.

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

- DCO Core Principle A – Compliance: The proposed modifications to key mitigating controls will be tested annually by Clearing Compliance.

- DCO Core Principle D – Risk Management: The proposed modifications enhance the ability of CME to manage the risks associated with discharging the responsibilities of the derivatives clearing organization.
- DCO Core Principle I – System Safeguards: The proposed modifications reflect changes to the program of risk analysis and oversight with respect to clearing operations and minimize sources of clearing operational risk.

As described herein, the amendments consist of changes to the CME Operational Risk Management Framework. CME has requested confidential treatment with respect to the revised framework, which has been submitted concurrently with this self-certification. CME certifies that proposed changes 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. 21-081 in any related correspondence.

Sincerely,

A handwritten signature in blue ink, appearing to read "Timothy Maher", with a stylized flourish extending to the left.

/s/Tim Maher  
Chief Compliance Officer  
CME Clearing

Attachments: Exhibit A - Modified CME Operational Risk Management Framework (attached under separate cover) (confidential treatment requested)