

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-152

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): April 13, 2020 Filing Description: Harmonization and Clarification Amendments to CME Chapters 8F ("Over the Counter Derivative Clearing"), 8G ("Interest Rate Derivative Clearing") and 900 ("Interest Rate Products")

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: 8F001, 8F002, 8F004, 8F018, 8F025, 8G01, 8G02, 8G03, 8G04, 8G08, 8G09, 8G10, 8G16, 90001, 90005

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:

April 13, 2020

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. Notification Regarding Harmonization and Clarification Amendments to CME Chapters 8F (“Over the Counter Derivative Clearing”), 8G (“Interest Rate Derivative Clearing”) and 900 (“Interest Rate Products”).
CME Submission No. 20-152**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”) hereby certifies to the Commission amendments to certain rules in Chapters 8F (“Over the Counter Derivative Clearing”), 8G (“Interest Rate Derivative Clearing”) and 900 (“Interest Rate Products”) to better align the rules governing OTC Clearing Members in its Base and IRS services, and to clarify the applicability of rules to each service (collectively, the “Rule Amendments”), effective on April 28, 2020.

Revisions to Rules 8F004(6), (11) and (12), 8F018 and 8F025 will harmonize Base OTC Clearing Member rights and obligations with those of IRS Clearing Members and align participation requirements for the Active Base Default Management Committee with those for the IRS Default Management Committee. Aligning the Base OTC default committee rule provisions to those for IRS will foster consistency in default drill design, participation requirements and conduct across the two services.

Additional revisions to Chapter 8F and 8G will more clearly delineate the rules applicable to Base OTC and IRS clearing services, respectively. Chapter 8G is generally regarded as the primary set of rules governing CME’s IRS clearing services; however, numerous Chapter 8F rules that were adopted prior to launch of CME’s IRS clearing service also purport to apply to that service. To eliminate crossover and reduce the potential for inconsistency in the CME Rules, the Rule Amendments will duplicate certain relevant Chapter 8F rules into Chapter 8G, as follows, and expressly disapply Chapter 8F to the IRS clearing service:

- Rule 8F003 (Classification of Positions), which is proposed Rule 8G03;
- Rule 8F004 (OTC Clearing Member Obligations and Qualifications), the relevant sections of which are added as proposed Rules 8G04(9), (10) and (11);
- Rule 8F008 (Lien on Collateral), which is proposed Rule 8G08;
- Rule 8F009 (Customer Registration), which is proposed Rule 8G09;
- Rule 8F010 (Risk Management), which is proposed Rule 8G10; and
- Rule 8F016 (Financial Calculation), which is proposed Rule 8G16.

The inapplicability of Chapter 8F Rules to the IRS clearing service also necessitates changing two references in CME Rule Chapter 900.

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

CME reviewed the derivatives clearing organization (“DCO”) core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). and identified the following Core Principles as potentially being impacted.

- **Default Rules and Procedures:** The Rule Amendments will better align default management participation requirements for Base OTC and IRS Clearing Members and codify the requirement that Base OTC Clearing Members be permitted to outsource default management operations to qualified third-parties. The harmonization of Chapters 8F and 8G will clarify the applicability of CME’s default procedures and rules to Base OTC and IRS Clearing Members, respectively.
- **Public Information:** This Core Principle requires CME to publicly disclose its rules and procedures for defaults. The Rule Amendments clarify participation requirements for CME’s default management process and clarify the applicable rules. The Rule Amendments will be incorporated into CME’s publicly available rulebook. In addition, CME will issue an advisory that will be posted on the CME Group website and outline the Rule Amendments.

CME certifies that the Rule Amendments set forth in Exhibit 1 comply with the CEA and the regulations thereunder. There were no substantive opposing views to the Rule Amendments.

CME certifies that this submission has been concurrently posted on CME’s 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 Chapters 8F, 8G, and 900 (blackline format)

Exhibit 1

CME Rulebook

(additions underlined; deletions ~~overstruck~~)

Chapter 8-F Over-the-Counter Derivative Clearing

8F001. SCOPE OF CHAPTER

This chapter sets forth the rules governing clearing and settlement of all products, instruments, and contracts in Over-The-Counter Derivatives, including, but not limited to, swaps and forward rate agreements, that the Clearing House has designated as eligible for clearing, but excluding interest rate swaps, which, for the avoidance of doubt, are governed by Chapter 8G. OTC Clearing Members are also subject to all applicable Rules in the CME, CBOT, NYMEX and/or COMEX Rulebooks that apply to CME, CBOT, NYMEX or COMEX Clearing Members as applicable, unless an exemption from such rule has been granted by staff or the Clearing House Risk Committee. In the event there is a conflict between a rule in this Chapter 8-F and another rule in the Rulebooks, the Chapter 8-F Rule shall supersede the conflicting rule with respect to OTC Derivatives transactions.

8F002. DEFINITIONS

BASE OTC CLEARING MEMBER

A Base OTC Clearing Member is an entity that has been approved by CME to clear OTC Derivatives that are Base Guaranty Fund Products.

OTC FX CLEARING MEMBER

An OTC FX Clearing Member is a Clearing Member that has been approved by CME to clear OTC FX Products, as defined in CME Rule 60002. Unless an OTC FX Clearing Member is also approved to clear other Base Guaranty Fund Products, such entity is not required to own, hold or lease any Exchange membership solely as a precondition to OTC FX Clearing Membership. Notwithstanding the foregoing, an OTC FX Clearing Member that does not hold or lease one or more Exchange memberships shall continue to be responsible for violations of Exchange Rules as a Base OTC Clearing Member and agrees to have any disputes that relate to or arise out of any transaction cleared by the Exchange during the time in which the entity is approved as a Base OTC Clearing Member resolved in accordance with Exchange Rules, including but not limited to the arbitration provisions of Chapter 6. For avoidance of doubt, each OTC FX Clearing Member is a 'member' as defined at Rule 601.A.4, a Base OTC Clearing Member and an OTC Clearing Member.

OTC CLEARING MEMBER

An OTC Clearing Member is an entity that has been approved by CME to clear OTC Derivatives. An OTC Clearing Member that is not also a CME, CBOT, NYMEX or COMEX Clearing Member may not clear CME, CBOT, NYMEX or COMEX transactions, as applicable, other than OTC Derivatives.

Subject to approval by CME Clearing or the Clearing House Risk Committee, CME, CBOT, NYMEX and COMEX Clearing Members may be afforded full rights and privileges to trade and clear OTC Derivatives that are listed for clearing by CME, CBOT, NYMEX or COMEX, as applicable. Such CME, CBOT, NYMEX and COMEX Clearing Members shall then be considered "OTC Clearing Members," as applicable, for purposes of the Rules. This chapter shall be applicable to entities that are approved as "OTC Clearing Members" and CME, CBOT, NYMEX and COMEX Clearing Members approved to clear OTC Derivatives.

OTC DERIVATIVES

Agreements, contracts or transactions that the Clearing House clears as 'swaps', as that term is defined under the Commodity Exchange Act. For purposes of this Chapter 8-F, the term 'OTC Derivatives' does not include interest rate swaps cleared by the Clearing House.

OTC DERIVATIVE PRODUCT CATEGORY

Each category and sub-category of OTC Derivatives as determined by the Clearing House for default management purposes.

CLOSE-OUT AMOUNT

The amount of losses and costs of the CME that are or would be incurred by the CME, net of any gains incurred in replacing, or in providing the CME the economic equivalent of the material terms of the terminated OTC Derivatives, net of any gains incurred (if such net amount is positive), including (a) the payments and deliveries that would, absent termination, have been required after the termination date, (b) any option rights in respect of the terminated transactions, (c) all unpaid amounts due to the CME under the terminated transaction with the relevant Clearing Member less all unpaid amounts due to such Clearing Member under the terminated transactions and (d) all related fees, costs and expenses incurred by the CME.

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8F004. OTC CLEARING MEMBER OBLIGATIONS AND QUALIFICATIONS

OTC Clearing Members are subject to all relevant CME, CBOT, NYMEX and COMEX Rules and the Clearing House Manual unless an exemption has been granted by staff or the Clearing House Risk Committee. OTC Clearing Members must execute all agreements and documents required by the Clearing House. The qualifications and requirements to become an OTC Clearing Member are set forth below.

An OTC Clearing Member clearing OTC Derivatives must satisfy the requirements set forth below.

1. An OTC Clearing Member must be in "good standing" under each applicable regulatory regime to which it is subject at the time it applies for OTC clearing membership and it must maintain its good standing status while it is an OTC Clearing Member.

2. An OTC Clearing Member must be in compliance with all applicable regulatory capital requirements and an OTC Clearing Member must maintain minimum capital of:

- i. \$5 million if it clears only agricultural OTC Derivatives; and
- ii. \$50 million if it clears other OTC Derivatives, excluding interest rate swaps.

3. [Reserved]

4. [Reserved]

5. [Reserved]

~~6. An OTC Clearing Member and an OTC Clearing Member applicant shall be engaged in or demonstrate immediate capacity to engage in the conduct of the business of an OTC Clearing Member.~~ An OTC Clearing Member and an OTC Clearing Member applicant shall be engaged in or demonstrate immediate capacity to engage in the conduct of the business of an OTC Clearing Member and to perform all other obligations of an OTC Clearing Member as described or referenced in these Rules, including the ability to properly risk manage OTC Derivatives, monitor OTC Derivatives exposures and comply with default management obligations. In the event that an OTC Clearing Member does not have the capabilities to perform such responsibilities or obligations, such OTC Clearing Member may contract with a third-party (including an Affiliate) to fulfill certain operational or risk requirements; provided that all agreements relating to such service shall be subject to the prior review and approval by the Clearing House staff and consultation with the Clearing House Risk Committee, as appropriate. The Clearing House may impose limitations on OTC Clearing Member utilization of service providers, including limitations on the number of OTC Clearing Members to which a service provider may provide services. Notwithstanding the above, each OTC Clearing member remains liable to the Clearing House for failure to comply with the obligations of an OTC Clearing Member.

7. [Reserved]

8. An OTC Clearing Member must comply with the financial requirements set forth in CME Rule 970. However, if the OTC Clearing Member is regulated by another regulatory authority, then it shall submit to CME annual audited financial statements as well as all unaudited financial statements provided to its primary regulator within five days after such statements are provided to its regulator. All financial statements shall be in the English language.

9. The books and records of an OTC Clearing Member regarding OTC Derivatives cleared by the Clearing House shall be made promptly available for inspection upon request by CME and such books and records shall be subject to reasonable standards of confidentiality.

10. Each OTC Clearing Member that is a Futures Commission Merchant shall keep the types of information and records that are described in Section 4g of the Commodity Exchange Act and CFTC regulations thereunder including, but not limited to, Regulation 1.35, with respect to all OTC Derivatives

submitted for clearing.

11. Each Base OTC Clearing Member shall make at least two traders (one primary and one backup) per OTC Derivative Product Category available to the Clearing House to participate in the Active Base OTC Default Management Committee immediately upon notice from the Clearing House that it is convening the Active Base OTC Default Management Committee for (i) a potential or actual default of a Base OTC Clearing Member and (ii) for OTC Derivative default drill exercises.

Upon acceptance as a Base OTC Clearing Member and upon any update request by Clearing House, each Base OTC Clearing Member shall provide a list of traders that the Base OTC Clearing Member nominates for the Active Base OTC Default Management Committee. Any such trader shall have a title at the level of Vice President (or equivalent title) and/or shall have the minimum level of experience the Clearing House deems necessary for the relevant OTC Derivatives. Each Base OTC Clearing Member shall make at least one trader per each OTC Derivative Product Category available to the Clearing House to participate in the Active Base OTC Default Management Committee immediately upon notice from the Clearing House that it is convening the Active Base OTC Default Management Committee for (i) a potential or actual default of an OTC Clearing Member or (ii) for OTC default drill exercises. Base OTC Clearing Members shall make traders available for each OTC Derivative Product Category as requested by the Clearing House until the later of (i) the end of the relevant default management process or drill. Any such trader shall have a title at the level of Vice President (or equivalent title) and shall have the minimum level of experience prescribed by the Clearing House from time to time in the relevant OTC Derivatives or (ii) the end of such traders' rotation.

12. Each OTC Clearing Member or a third-party approved to act on its behalf shall participate in OTC Derivative default drill exercises as prescribed by the Clearing House.

8F018. OTC FX OPTIONS INFORMATION SUBMISSIONS

1. Each OTC FX Options Clearing Member or a third-party approved to act on its behalf shall submit the OTC FX Options Information Submission File on each Business Day at the time specified by the Clearing House for all FX Options required by the Clearing House. The information submitted by an OTC FX Clearing Member in the OTC FX Options Information Submission File shall be consistent with the information used by the OTC FX Options Clearing Member for its internal valuation of OTC FX Options.
2. During a calendar month that is not during a Base Cooling Off Period, an OTC FX Options Clearing Member will be assessed a penalty per Failed OTC FX Options Submission based on the following table:

# of Failed OTC FX Options Submissions for that month	Penalty per Failed OTC FX Options Submission
1	0
2	\$5,000
3	\$25,000
4+	\$50,000

During a Base Cooling Off Period, an OTC FX Options Clearing Member will be assessed a penalty per Failed OTC FX Options Submission based on the following table:

# of Failed OTC FX Options Submissions for that month	Penalty per Failed OTC FX Options Submission
1	0
2	\$15,000
3	\$75,000
4+	\$150,000

Penalties shall be assessed monthly and payable with the Base Guaranty Fund payment cycle. In addition, the OTC FX Options Clearing Member may be referred to the Clearing House Risk Committee for further discipline

1. As used herein:

“Failed OTC FX Options Submission” means a failure to submit (i) all or a portion of an OTC FX Options Information Submission File at or prior to the time designated by the Clearing House or (ii) the OTC FX Options Information Submission File in the proper format.

“OTC FX Options Clearing Member” means an OTC FX Clearing Member clearing OTC FX Options.

“OTC FX Options Information Submission File” means the file containing the requested market data, internal price levels and such other information as specified by the Clearing House for each moneyness/expiry/currency pair combination.

8F025. ACTIVE BASE OTC DEFAULT MANAGEMENT COMMITTEE

The Active Base OTC Default Management Committee shall be established to provide the Clearing House with advice regarding the potential or actual default of a Base OTC Clearing Member and the management of the liquidation and/or transfer of such Base OTC Clearing Member’s portfolio of OTC Derivatives, including advice relating to the hedging of risk associated with such Base OTC Clearing Member’s portfolio, the structuring of such Base OTC Clearing Member’s portfolio for liquidation or transfer, and the administration of the related default auction process. The Active Base OTC Default Management Committee shall also participate in OTC Derivative default drill exercises.

The Active Base OTC Default Management Committee will be comprised of traders (on a rotating basis determined by the Clearing House) that are ~~employees or directors of Base OTC Clearing Members (or their affiliates) that are~~ nominated by Base OTC Clearing Members in accordance with Rule 8F004 and approved by the Clearing House.

In the event of a potential or actual default of a Base OTC Clearing Member, the Active Base OTC Default Management Committee shall be convened and the Clearing House will undertake a series of processes to protect itself and its counterparties (such processes, as amended from time to time in consultation with the Clearing House Risk Committee, the “Base OTC Default Management Plan”).

Chapter 8-G Interest Rate Derivative Clearing

8G01. SCOPE OF CHAPTER

This chapter sets forth the rules governing clearing and settlement of all IRS Products. In the event there is a conflict between a rule in this Chapter 8G and another rule in the Rulebooks, the Rule in this Chapter 8G shall supersede the conflicting rule with respect to IRS Contracts. ~~Rules 8F02, 8F05, 8F06, 8F07, 8F14, 8F25, Rulebook Chapter 8-F and Rules~~ 802, 813, 816, 913, 930 and 975 shall not apply to IRS Contracts, except for Rule 818 which shall supersede the rules in this chapter 8G. Chapter 6 shall be modified for IRS Contracts as set forth below.

8G02. DEFINITIONS

AFFILIATE

With respect to an IRS Clearing Member, any person or entity is an Affiliate of such IRS Clearing Member if such person or entity directly or indirectly, through one or more intermediaries, controls, owns, is controlled by or is under common control with such IRS Clearing Member.

IRS ADVISORY COMMITTEE

The IRS Advisory Committee shall be a committee having the powers set forth in Rule 8G26.

IRS DEFAULT MANAGEMENT COMMITTEE

The Default Management Committee shall be a committee having the powers set forth in Rule 8G25.

IRS PRODUCT CATEGORY

Each category and sub-category of IRS as determined by the Clearing House for default management purposes.

IRS RISK COMMITTEE

The IRS Risk Committee shall be a committee having the powers set forth in Rule 8G27.

8G03. ~~[RESERVED]~~ CLASSIFICATION OF POSITIONS

IRS Contracts submitted for clearing by an IRS Clearing Member for its proprietary account shall be assigned to and held in a proprietary account of such IRS Clearing Member. All collateral deposited as performance bond to support positions in the proprietary account of an IRS Clearing Member shall be deemed the property of the IRS Clearing Member and shall be subject to the Exchange's lien and security rights as described in Rule 8G08.

IRS Contracts submitted for clearing for the account of an IRS Clearing Member's Cleared Swaps Customers shall be assigned and held in a Cleared Swaps Customer Account of such IRS Clearing Member. All IRS Clearing Members must comply with the requirements set forth in CME Rule 971 for such Cleared Swaps Customer Accounts.

Notwithstanding the foregoing, if the CFTC issues an order permitting IRS Clearing Members to commingle customer funds used to margin particular IRS Contracts that are cleared by the Clearing House with other funds held in CEA Section 4d(a)(2) customer segregated accounts, such positions may be held in the customer segregated accounts of an IRS Clearing Member and, if so held, all collateral deposited as performance bond to support such positions and all settlement variation payments made to such accounts shall be commingled with similar property of regulated customers. All IRS Clearing Members must comply with the requirements set forth in CME Rule 971 for such customer segregated accounts.

8G04. IRS CLEARING MEMBER OBLIGATIONS AND QUALIFICATIONS

IRS Clearing Members shall be subject to the requirements for IRS Clearing Members set forth in Chapter 8G ~~and Rule 8F04~~, all CME Rules applicable to IRS Products, and the Clearing House Manual of Operations unless an exemption has been granted by the Clearing House Risk Committee or the IRS Risk Committee, as applicable. In addition, IRS Clearing Members are subject to all CME, CBOT and NYMEX Rules, as applicable, when clearing products traded on, or subject to the rules of, CME, CBOT or NYMEX. IRS Clearing Members must execute all agreements and documents required by the Clearing House.

An IRS Clearing Member must satisfy the requirements set forth below:

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9. An IRS Clearing Member must comply with the financial requirements set forth in CME Rule 970. However, if the IRS Clearing Member is regulated by another regulatory authority, then it shall submit to CME annual audited financial statements as well as all unaudited financial statements provided to its primary regulator within five days after such statements are provided to its regulator. All financial statements shall be in the English language.

10. The books and records of an IRS Clearing Member regarding IRS Contracts cleared by the Clearing House shall be made promptly available for inspection upon request by CME and such books and records shall be subject to reasonable standards of confidentiality.

11. Each IRS Clearing Member that is a Futures Commission Merchant shall keep the types of information and records that are described in Section 4g of the Commodity Exchange Act and CFTC regulations thereunder including, but not limited to, Regulation 1.35, with respect to all IRS Contracts submitted for clearing.

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8G08. LIEN ON COLLATERAL

Each IRS Clearing Member hereby grants to the Exchange to secure obligations of such IRS Clearing Member to the Clearing House a first priority and unencumbered security interest and lien against any property, cash, securities or collateral deposited with the Clearing House by the IRS Clearing Member. IRS Clearing Members shall execute any documents required by CME to create and enforce such lien.

8G09. CUSTOMER REGISTRATION

All IRS Contracts including, but not limited to, give-ups or transfers that are cleared at CME shall be identified with an account number which identifies the originator of that transaction, specifying whether the transaction was executed as a proprietary transaction of the IRS Clearing Member or arises from a transaction by a customer. IRS Clearing Members shall register, on CME-approved forms, all of the "ultimate" (or end) customer.

8G10 RISK MANAGEMENT

IRS Clearing Members will be subject to risk management and monitoring practices by CME relating to transactions submitted to the Clearing House. IRS Clearing Members shall promptly provide all information requested by Clearing House staff, including, without limitation, information respecting risk, settlement, liquidity, and operational issues. IRS Clearing Members shall make information and documents regarding their risk management policies, procedures and practices available to the CFTC upon the CFTC's request.

In limited circumstances, the Clearing House may decline to accept certain IRS Product trades or migration positions if the Clearing House determines in good faith that, based on the exercise of prudent risk management standards, the Clearing House should not accept the IRS Product trades or migration positions. In the event that the Clearing House declines to accept certain IRS Product trades or migration positions, it shall incur no liability with respect to the trades and positions that are not accepted. It shall be the sole responsibility of the IRS Clearing Members who are parties to such trades or positions to take action as they deem necessary or proper for their own protection.

In addition, if the Clearing House determines in good faith that, based on the exercise of prudent risk management standards, that an IRS Clearing Member poses undue risk to the Clearing House based on its IRS Product portfolio, the Clearing House may take any or all of the following actions with respect to such IRS Clearing Member: 1) impose an additional performance bond requirement; 2) prohibit the addition of any new IRS Contract positions, or 3) require the reduction or unwinding of IRS Contract positions.

IRS Clearing Members shall permit on-site risk reviews in accordance with CME Rules and subject to reasonable standards of confidentiality. IRS Clearing Members will also be subject to on-going oversight by the IRS Risk Committee regarding their IRS activities related to the CME Clearing House. All such inquiries shall be conducted in a manner consistent with oversight of IRS Clearing Members and in accordance with reasonable standards of confidentiality.

8G11-13. [RESERVED]

8G14. MITIGATION OF IRS LOSS

In the event of a default by an IRS Clearing Member, all IRS Clearing Members shall work cooperatively with their customers, other IRS Clearing Members and the Clearing House to administer the mitigation of any losses that may occur as a result of such default and shall ensure that resources required to be provided by IRS Clearing Members to the IRS Default Management Committee are promptly made available.

IRS Clearing Members shall work cooperatively with the Clearing House, the IRS Risk Committee and the IRS Default Management Committee to (i) mitigate any losses that may occur as a result of a default, (ii) liquidate the defaulted IRS Clearing Member's IRS Contracts, (iii) bid in each Default Management Auction as required by the Clearing House and (iv) take any other action reasonably requested by the IRS Risk Committee.

8G15-16. [RESERVED]

8G16. FINANCIAL CALCULATIONS

Financial calculations required for IRS Contracts will be performed by CME Clearing on the date such IRS Contracts are cleared in the Clearing House in accordance with CME Clearing's procedures. Financial calculations for IRS Contracts that are received and processed after the daily clearing cycle will be performed on the next Business Day.

Chapter 900 Interest Rate Products

90001. SCOPE OF CHAPTER

The scope of this Chapter is limited in application to IRS Products. The procedures for trading IRS Products and for clearing and settling IRS Contracts and any other matters not specifically covered herein shall be governed by the other Chapters of these Rules, including Chapter ~~8F (Over-the-Counter Derivatives Clearing)~~ and Chapter 8G (Interest Rate Derivative Clearing), to the extent applicable.

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in the other Chapters of the Rules. Capitalized terms in this Chapter that are not otherwise defined in either this Chapter or the other Chapters of the Rules shall have the meanings set forth in the ISDA Definitions.

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90005. REGISTRATION

90005.A. IRS Clearing Members

An IRS Clearing Member must register with CME in order to clear IRS Contracts through the Clearing House. IRS Clearing Members and IRS Participants must complete all applicable on-boarding agreements required by the Clearing House to satisfy the registration process.

90005.B. IRS Participants

In order for an IRS Participant to participate in the clearing of IRS Contracts through the Clearing House, such IRS Participant's IRS Clearing Member must register the account of such IRS Participant with CME prior to submitting IRS Products on behalf of such Participant for clearing by the Clearing House and shall comply with any requirements of ~~Rule 8F.09~~Rule 8G09.

90005.C Eligible Contract Participant

In order to transact in IRS Contracts, an IRS Participant must be an "eligible contract participant" pursuant to at least one of the applicable limbs of the definition provided in Section 1a(18) of the Commodity Exchange Act ("ECP"). An IRS Clearing Member that clears IRS Contracts must obtain a representation from each IRS Participant for which it provides clearing services that such IRS Participant is, and will be, an ECP at all times clearing services are provided for such IRS Participant. If an IRS Clearing Member becomes aware that an IRS Participant for which it provides clearing services no longer qualifies as an ECP, such IRS Clearing Member must notify the Clearing House and work with such IRS Participant to close out such IRS Participant's open IRS Contracts as soon as possible. Violations of this Rule may subject the relevant IRS Clearing Member to fines and other disciplinary action.

90005.D. Identification of IRS Contracts

Each IRS Contract shall be identified with an account number which identifies the originator of such IRS, and which specifies whether such IRS Contract is (i) a proprietary transaction of an IRS Clearing Member duly registered with the Clearing House or (ii) a transaction by an IRS Participant duly registered with the Clearing House.