

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-104 (1 of 4)

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 04/17/19 Filing Description: Amendments to CME, CBOT, NYMEX/COMEX Rule 106.K. ("Transfer to a Trust")

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: 106.K.

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 17, 2019

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. Notification Regarding Amendments to CME, CBOT, and NYMEX/COMEX Rule 106.K. ("Transfer to a Trust"). CME Submission No. 19-104 (1 of 4)

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying amendments to CME, CBOT, and NYMEX/COMEX Rule 106.K. ("Transfer to a Trust") (collectively, the "Rule Amendments") to remove certain existing limitations to transfer of memberships into members' estate-planning vehicles, effective Thursday, May 2, 2019.

Rule 106.K. currently allows memberships to be transferred to a trust only where, among other restrictions, the beneficiaries to the trust are limited to "immediate family members" as defined in Rule 106.C and nieces and nephews. The proposed revisions allow for the transfer of a membership into any "Estate Planning Vehicle," which is defined as "a trust created primarily for the benefit of family members, friends, or charitable beneficiaries." The proposed revisions further allow a membership to be transferred from one Estate Planning Vehicle to a second Estate Planning Vehicle once within a year of the member's death. These proposed revisions provide broader estate planning options to our members.

Rule 106.K. also requires certain detailed language to appear in any trust into which a membership is transferred. The revisions clarify that the member-grantor and/or trustee of a trust into which a membership is transferred must complete a trust transfer agreement prior to the transfer. This transfer agreement and certification will require that the grantor and/or trustee agree to the language previously required to appear in the trust itself, which alleviates unnecessary administrative burden for our members. The proposed revisions further clarify the Exchanges' ability to review trust information and the instrument setting forth the terms of the trust into which the membership is to be transferred.

The Rule Amendments are provided in Exhibit A in blackline format.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the amendments to Rule 106.K. may have some bearing on the following Core Principle:

Availability of General Information: As required by this Core Principle, the Exchanges will issue a Special Executive Report ("SER") to the marketplace prior to the Rule Amendments becoming effective. The SER will also be available on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges hereby certify that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact the undersigned at 212-299-2200.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – CME, CBOT, and NYMEX/COMEX Rule 106.K. ("Transfer to a Trust")
(blackline format)

Exhibit A

CME, CBOT, NYMEX/COMEX RULEBOOKS

(additions underlined; deletions ~~struck through~~)

Chapter 1 Membership CME

106.K. Transfer to a Trust

A member may transfer his membership to an Estate Planning Vehicle trust for which the member is the grantor. An Estate Planning Vehicle is a trust established primarily for the benefit of the grantor's family and friends and charitable beneficiaries. A membership properly held within an Estate Planning Vehicle may be transferred to one successor Estate Planning Vehicle for which the member is the grantor within one year of the member's death. The document(s) establishing the trust shall at all times include the restrictions as to permissible beneficiaries and state that (1) the trust takes the membership subject to all of the rules of the Exchange, as may be amended, (2) the interests in the membership that inure to the beneficiaries of the trust shall be subject to all of the rules of the Exchange, as may be amended, (3) the Exchange's rights with respect to the membership are superior to those of the beneficiaries, and (4) the Exchange shall have no liability to the beneficiaries of the trust in the event of the mishandling of the trust assets by the trustee. Permissible beneficiaries are immediate family members as set forth in Rule 106.C as well as nieces and nephews. The grantor (or the grantor's personal representative) and the trustee (and any successor) shall complete the trust transfer agreement and certification each provide in the form provided by the Exchange staff an acknowledgment that the trust takes the membership subject to all of the rules of the Exchange and that the trust is in compliance with the requirements of this Rule. The grantor shall comply with any request to produce the Estate Planning Vehicle or information regarding the Estate Planning Vehicle trust information made by Exchange staff.

If such a transfer is made by a bona fide gift or bequest, it shall also be subject to the requirements of Rule 106.E.

The grantor's liability to the Exchange under Rule 439 shall continue with respect to any claim arising out of an act or omission occurring prior to such transfer, and the membership will continue to be treated as the asset of the grantor for the purposes of Rule 439 and for otherwise meeting any obligations to the Exchange arising out of the grantor's use of the membership prior to the transfer to the trust, including fines imposed with respect to conduct occurring prior to the transfer.

A membership held pursuant to a transfer under this section may be assigned for membership purposes under Rules 106.J. or 902 or reinstated to the transferor pursuant to this section.

The transfer shall be revoked and the membership shall revert to the transferor upon official notice to the Exchange that the trust has been revoked. The membership must be transferred out of the trust within 90 days of the closing of the member's estate.

CBOT

106.K. Transfer to a Trust

A member may transfer his membership to an Estate Planning Vehicle trust for which the member is the grantor. An Estate Planning Vehicle is a trust established primarily for the benefit of the grantor's family and friends and charitable beneficiaries. A membership properly held within an Estate Planning Vehicle may be transferred to one successor Estate Planning Vehicle for which the member is the grantor within one year of the member's death. The document(s) establishing the trust shall at all times include the restrictions as to permissible beneficiaries and state that (1) the trust takes the membership subject to all of the rules of the Exchange, as may be amended, (2) the interests in the membership that inure to the beneficiaries of the trust shall be subject to all of the rules of the Exchange, as may be amended, (3) the Exchange's rights with respect to the membership are superior to those of the beneficiaries, and (4) the Exchange shall have no liability to the beneficiaries of the trust in the event of the mishandling of the trust assets by the trustee. Permissible beneficiaries are immediate family members as set forth in Rule 106.C as well as nieces and nephews. The grantor (or the grantor's personal representative) and the trustee (and any successor) shall complete the trust transfer agreement and certification each provide in the form provided by the Exchange staff an acknowledgment that the trust takes the membership subject to all of the rules of the Exchange and that the trust is in

~~compliance with the requirements of this Rule. The grantor shall comply with any request to produce the Estate Planning Vehicle or information regarding the Estate Planning Vehicle trust information made by Exchange staff.~~

The transfer of a Series B-3 (GIM) membership to a trust wherein the member/grantor is the trustee shall not count toward the two consecutive assignments specified in Rule 106.T.

If such a transfer is made by a bona fide gift or bequest, it shall also be subject to the requirements of Rule 106.E.

The grantor's liability to the Exchange under Rule 439 shall continue with respect to any claim arising out of an act or omission occurring prior to such transfer, and the membership will continue to be treated as the asset of the grantor for the purposes of Rule 439 and for otherwise meeting any obligations to the Exchange arising out of the grantor's use of the membership prior to the transfer to the trust, including fines imposed with respect to conduct occurring prior to the transfer.

A membership held pursuant to a transfer under this section may be assigned for membership privileges under Rules 106.H., 106.I., 106.J., 106.R., 106.S. and 902 or reinstated to the transferor pursuant to this section.

The transfer shall be revoked and the membership shall revert to the transferor upon official notice to the Exchange that the trust has been revoked. The membership must be transferred out of the trust within 90 days of the closing of the member's estate.

NYMEX/COMEX

106.K. Transfer to a Trust

~~A member may transfer his membership to an Estate Planning Vehicle trust for which the member is the grantor. An Estate Planning Vehicle is a trust established primarily for the benefit of the grantor's family and friends and charitable beneficiaries. A membership properly held in an Estate Planning Vehicle may be transferred to one successor Estate Planning Vehicle for which the member is the grantor within one year of the member's death. The document(s) establishing the trust shall at all times include the restrictions as to permissible beneficiaries and state that (1) the trust takes the membership subject to all of the rules of the Exchange, as may be amended, (2) the interests in the membership that inure to the beneficiaries of the trust shall be subject to all of the rules of the Exchange, as may be amended, (3) the Exchange's rights with respect to the membership are superior to those of the beneficiaries, and (4) the Exchange shall have no liability to the beneficiaries of the trust in the event of the mishandling of the trust assets by the trustee. Permissible beneficiaries are immediate family members as set forth in Rule 106.C as well as nieces and nephews. The grantor (or the grantor's personal representative) and the trustee (and any successor) shall complete the trust transfer agreement and certification each provide in the form provided by the Exchange staff an acknowledgment that the trust takes the membership subject to all of the rules of the Exchange and that the trust is in compliance with the requirements of this Rule. The grantor shall comply with any request to produce the Estate Planning Vehicle or information regarding the Estate Planning Vehicle trust information made by Exchange staff.~~

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The grantor's liability to the Exchange under Rule 439 shall continue with respect to any claim arising out of an act or omission occurring prior to such transfer, and the membership will continue to be treated as the asset of the grantor for the purposes of Rule 439 and for otherwise meeting any obligations to the Exchange arising out of the grantor's use of the membership prior to the transfer to the trust, including fines imposed with respect to conduct occurring prior to the transfer. A membership held pursuant to a transfer under this section may be assigned for membership privileges under Rules 106.J. or 902 or reinstated to the transferor pursuant to this section. The transfer shall be revoked and the membership shall revert to the transferor upon official notice to the Exchange that the trust has been revoked. The membership must be transferred out of the trust within 90 days of the closing of the member's estate.