

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 22-185 (2 of 5)

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/20/22 Filing Description: Amendments to Various CME, CBOT, and NYMEX/COMEX Rules to Replace the Term "President of the Clearing House" with "Global Head of Clearing & Post-Trade Services"

**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: Various.

**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:

Rule Numbers:

July 20, 2022

**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. Amendments to various CME, CBOT, NYMEX/COMEX Rules to Replace the Term “President of the Clearing House” with “Global Head of Clearing & Post-Trade Services”.  
CME Submission No. 22-185 (2 of 5)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”), in its capacities as both a designated contract market (“DCM”) and a derivatives clearing organization (“DCO” or “CME Clearing”), and The Board of Trade of the City of Chicago, Inc. (“CBOT”), New York Mercantile Exchange, Inc. (“NYMEX”), and Commodity Exchange Inc. (“COMEX”), in their capacities as DCMs, (each an “Exchange” and collectively, the “Exchanges”) hereby certify to the Commission amendments to various CME, CBOT, and NYMEX/COMEX rules to replace the term “President of the Clearing House” with “Global Head of Clearing & Post-Trade Services” effective Monday, August 8, 2022 (collectively, the “Rule Amendments”).

The Board of Directors of CME Group and the Exchanges (the “Board”) approved changes to the CME Group management team structure in early 2022. The Board replaced the “President of the Clearing House” with the “Global Head of Clearing & Post-Trade Services.” Therefore, administrative amendments must be made to multiple Exchange rules based in connection with the replacement of the term “President of the Clearing House.”

The Rule Amendments to the are set forth in Exhibit A, with additions underscoring and deletions ~~overstruck~~.

The Exchanges and CME Clearing reviewed the DCO Core Principles and the DCM Core Principles (collectively, the “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 Core Principles:

**DCO Core Principles**

- **Public Information**: This Core Principle requires CME Clearing to publicly disclose its rules and procedures. The Rule Amendments will be incorporated into the Exchanges’ publicly available rulebooks. A Special Executive Report setting forth the amendments will be issued and posted on the CME Group website.

**DCM Core Principles**

- **Availability of General Information**: The Rule Amendments will be incorporated into the Exchanges’ publicly available rulebooks. A Special Executive Report setting forth the amendments will be issued and posted on the CME Group website.

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

The Exchanges and CME Clearing 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 regarding this submission, please contact the undersigned at 212.299.2200 or via email at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: CME, CBOT, NYMEX/COMEX Rule Amendments (blackline format)

## **EXHIBIT A**

### **CME, CBOT, and NYMEX/COMEX Rulebooks** (additions underscored; deletions ~~overstruck~~)

#### Definitions

#### PRESIDENT OF THE CLEARING HOUSE

~~The President of the Clearing House, or one duly authorized to act in lieu of and with the authority of the President of the Clearing House.~~

### **CME Rulebook** **Chapter 4** **(“Enforcement of Rules”)**

#### **403. CLEARING HOUSE RISK COMMITTEE**

##### **403.A. Jurisdiction and General Provisions**

[Paragraphs 1-3 are unchanged.]

If the CHRC determines that a Clearing Member is in a financial condition which jeopardizes or may jeopardize the integrity of the Exchange, the CHRC may, by majority vote:

Order the Clearing Member or its customers to deposit such additional performance bond with the Clearing House as deemed appropriate to protect the integrity of open contracts;

Prescribe such additional capital or other financial requirements as it deems appropriate;

Impose position limits on Clearing Members based on their regulatory capital and such other criteria as it deems appropriate;

Suspend a Clearing Member, subject to approval of any two of the following individuals: the Chief Executive Officer, the Global Head of Clearing & Post-Trade Services~~President of the Clearing House~~, Chairman of the Board, Chairman of the CHRC, or Chairman of the Clearing House Oversight Committee;

Order the Clearing Member to cease and desist from the conduct found to be contrary to the best interests of the Exchange; and/or

Any other circumstance which may have a severe, adverse effect upon the functioning of the Exchange, except that declarations of Force Majeure and actions taken with respect to such declarations will be governed by the provisions of Rule 701.

[The remainder of the Rule is unchanged.]

### **Chapter 7** **(“Delivery Facilities and Procedures”)**

#### **702. CLEARING MEMBER DUTIES TO THE CLEARING HOUSE**

[Paragraphs 1-3 are unchanged.]

An Affected Clearing Member seeking financial performance from the Clearing House shall provide prompt notice to the Clearing House of the delivery failure and a good faith estimate of any financial performance being sought no later than 1 hour after the delivery deadline for the respective product, which may be extended upon request by the Affected Clearing Member by the Global Head of Clearing & Post-Trade Services or their ~~the President of the Clearing House or the President’s~~ designee due to extenuating circumstances. As soon as reasonably practicable thereafter, the Affected Clearing Member seeking financial performance shall provide to the Clearing House a detailed statement, with supporting documentation, of all amounts sought.

#### **714. FAILURE TO DELIVER**

[The first paragraph is unchanged.]

Notwithstanding any provision of the rules, the Clearing House has no obligation or liability to any clearing member or any other person relating to a failure to fulfill a delivery obligation unless it is notified by the clearing member that did perform, or was in a position to perform its delivery obligations, that a failure occurred, as soon as possible, but in no event later than 1 hour after the delivery deadline for the

respective product, which may be extended by the [Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ or their ~~the President's~~ designee pursuant to the provisions of Rule 702.

If a clearing member does not fulfill its delivery obligations to another clearing member, it shall be responsible to the Clearing House for any damages incurred by the Clearing House as a result of such delivery obligation failure.

A failure by a clearing member carrying a short futures position to tender a Delivery Notice on or before the time specified by the Clearing House on the last day on which such notice is permitted shall be deemed a violation of this rule, except that [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ may, for good cause, extend the time to present such notice.

[The last paragraph is unchanged.]

### 743. DELIVERY INFRACTIONS

[Section A. is unchanged.]

A clearing member with a CLS or Non-CLS Delivery Commitment who fails to perform all acts required by this chapter, or whose actions or inactions have been deemed a delivery obligation failure shall be liable for any loss sustained, which loss shall be computed, without duplication, as follows:

1. [The Global Head of Clearing & Post-Trade Services](#) or their ~~The President of the Clearing House~~ designee shall determine the change, if any, from the final settlement price on the last day of trading to the spot rate on the first day on which the transaction could be consummated on the spot market at the earliest time it is determined that such a transaction could be completed.
2. The related charges suffered by the other party at any of its designated banks, the related charges suffered by the Clearing House and any financial performance paid by the Clearing House pursuant to Rule 702.
3. A sum not to exceed 1% of the U.S. dollar value of the contract. Such amount shall be set by [the Global Head of Clearing & Post-Trade Services](#) or their ~~the President of the Clearing House~~ or his designee, acting in ~~their~~his sole discretion, and shall be binding upon both parties to the contract, except no such sum shall be assessed where a delivery obligation failure is occasioned by the circumstances delineated in Rule 701.

[The remainder of the Rule is unchanged.]

## Chapter 8 ("Clearing House and Performance Bonds")

### 801. MANAGEMENT

The Board has governance and oversight responsibility of the safety and efficiency of the Clearing House. With respect to the governance and oversight of the Clearing House, the responsibilities of the Board include approving the appointments of ~~the~~ [the Global Head of Clearing & Post-Trade Services](#) ~~President~~ and Chief Risk Officer of the Clearing House. The Board also has created the Clearing House Oversight Committee, which also has governance and oversight responsibility relating to the Clearing House as set forth in its written Charter. [The Global Head of Clearing & Post-Trade Services](#) ~~The President of the Clearing House~~ shall be responsible for the daily operation of the Clearing House and the implementation of the rules applicable to the Clearing House. The Chief Risk Officer shall be responsible for implementing the risk management framework and its procedures, policies and controls and for making appropriate recommendations to the Board, the Clearing House Oversight Committee or relevant risk committees, as applicable, regarding the Clearing House's risk management functions. ~~T~~~~he~~ [Global Head of Clearing & Post-Trade Services](#) ~~The President~~ and the Chief Risk Officer of the Clearing House may also delegate authority for certain aspects of their responsibilities to staff of the Clearing House. Clearing House staff shall adopt, establish, publish and amend from time to time a Clearing House Manual of Operations ("Manual"). This Manual shall contain, among other things, information and directions for preparing trade data, completing prescribed memoranda and meeting other Clearing House requirements. The Manual and amendments thereto shall constitute part of the rules of the Exchange.

### 809. TRADE DATA PROCESSING SYSTEM

[Sections A-C are unchanged.]

#### 42B809.D. Reconciliation of Outtrades

It shall be the primary responsibility of the clearing member to see that all trades are cleared prior to the opening of the following day's open outcry market.

Each member, if applicable, and clearing member firm shall designate a person or persons who will be available and responsible for reconciling the member or clearing member firm's outtrades. The person

or persons shall be qualified to resolve outrades as the member or clearing member firm's designated outrade representative. Failure to have a qualified representative available, with all materials necessary to reconcile outrades, at the time specified above shall constitute negligence in the determination of responsibility for any outrades. If one firm cannot locate another firm's broker or representative for clearing purposes during these time periods, it shall report such fact to ~~the Global Head of Clearing & Post-Trade Services, the President of the Clearing House.~~ If ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or ~~their~~his designee cannot find the broker or representative of the firm, fines will be assessed in the amounts of \$1,000, \$2,000 or \$3,000 sequentially, for violations occurring within a 30-day period.

#### **824. ADDITIONAL PERFORMANCE BOND**

Whenever, in the opinion of the Clearing House Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or, in his absence, his delegate, unstable conditions relating to one or more products exist, they may from time to time, call for additional performance bond collateral from clearing members. Such additional performance bond calls may be as much as or more than the original performance bond collateral. The performance bond collateral thus called for may be for one or more contract(s) from one or more clearing member(s) and on long positions, short positions or both.

In the event market conditions and price fluctuations at any time shall cause the Clearing House Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or, in his absence, his delegate, to conclude that additional performance bond collateral is required to maintain an orderly market in contracts traded on the exchange or to preserve fiscal integrity the Clearing House Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or his delegate may call for additional performance bond collateral to be deposited with the Clearing House during the next banking hour after demand therefor, or at such times as may be specified. Such additional performance bond collateral may be called from the longs or the shorts or from both.

When the Clearing House Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or, in his absence, his delegate, shall be of the opinion that any clearing member is carrying commitments or incurring risk in its proprietary, customer and/or cross-margin accounts, that are larger than is justified by the financial condition of that clearing member, then the Clearing House Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or, in his absence, his delegate, may require additional performance bond collateral of such clearing member which shall be deposited with the Clearing House during the next banking hour after demand therefor, or at such time as may be specified, or a portion of the open positions of said clearing member may be required to be transferred to the books of another clearing member.

#### **853. TRANSFERS OF TRADES AND CUSTOMER ACCOUNTS**

##### **853.A. Transfers of Trades**

1. Subject to the limitations of Rule 854, existing trades may be transferred either on the books of a clearing member or from one clearing member to another clearing member provided:

i. The transfer results in the transfer of a trade(s) from one account to another account with identical beneficial ownership; or

ii. An error has been made in the clearing of a trade(s) and the error is corrected via transfer within three Business Days after the date on which the error occurred; or

iii. The transfer trade is made to reconcile an error, omission or outrade in accordance with the requirements of Rule 770. Notwithstanding the foregoing, a transfer may be approved by the ~~Global Head of Clearing & Post-Trade Services~~ ~~President of the Clearing House~~ or the Chief Compliance Officer of the Clearing House, or their respective designees, in circumstances where it is determined that a transfer trade is the most appropriate means to remedy an error that results from the good faith acts or omissions of any party and the clearing member(s) consent to such transfer, provided that such approval does not result in an impermissible transfer for offset pursuant to the provisions of Rule 854.B. Any request for approval pursuant to this paragraph requires the clearing member(s) to fully document the circumstances of the error and provide that documentation to the Clearing House.

2. Subject to the limitations of Rule 854, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, ~~the Global Head of Clearing & Post-Trade Services~~ ~~the President of the Clearing House~~ or ~~their~~his designee also may), upon request by the clearing member(s), approve a transfer of existing trades either on the books of the same clearing member, or from the books of one

clearing member to the books of another clearing member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities.

3. Subject to the limitations of Rule 854, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or ~~their~~his designee also may), upon request by the clearing member(s), approve a transfer of existing trades either on the books of a clearing member or from one clearing member to another member if the transfer involves a partnership, investment fund or commodity pool and the purpose of the transfer is to facilitate a restructuring or consolidation of such partnership, fund or pool, provided that i) the managing partner or pool operator remains the same; ii) the transfer does not result in the liquidation of open positions; and iii) the pro rata allocation of positions to the new account does not result in more than a de minimis change in the value of the interest of any party.

4. Notwithstanding the foregoing, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or ~~their~~his designee also may), with the consent of the clearing member(s) involved, permit the transfer and/or offset of existing trades if, in his designee's opinion, the situation so requires and such transfer is in the best interests of the Exchange, which may include, but is not limited to, the remedying of an error resulting from the good faith acts or omissions by a party as a means of avoiding a market disruption. The foregoing does not relieve a clearing member of its responsibility under the Rules for circumstances leading to such transfer and/or offset, and the clearing member may be responsible for demonstrated claims of realized losses incurred by other parties as a result of such errors or omissions in accordance with the provisions of Chapter 6. Additionally, notwithstanding permission for the transfer being granted by the Chief Regulatory Officer or his designee, parties involved in the transfer remain responsible for any violation of Exchange rules resulting from the transfer and may either be summarily sanctioned in accordance with the provisions of Rule 512 or the matter may be referred to the Chief Regulatory Officer for the consideration of charges.

[Sections 5-6 are unchanged.]

7. Any authority granted to ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or the Chief Compliance Officer of the Clearing House, or their respective designees, set forth in Section A. will not extend to security-based swap products cleared by the Clearing House.  
[The remainder of the Rule is unchanged.]

## **Chapter 8G ("Interest Rate Derivative Clearing")**

### **8G27. IRS RISK COMMITTEE**

There shall be an IRS Risk Committee which shall serve to provide guidance to the Clearing House on general matters relating to IRS Products including risk management policies and practices. In addition to the responsibilities set forth in these Rules, the IRS Risk Committee shall have the composition, responsibilities and other characteristics as set forth in its Charter.

The IRS Risk Committee may conduct investigations, issue charges and consider offers of settlement with respect to violations of these Rules as relate to IRS Clearing on its own initiative or by referral from Clearing House staff.

If the IRS Risk Committee determines that a IRS Clearing Member fails to meet the requirements for being a IRS Clearing Member or is in a financial or operational condition which jeopardizes or may jeopardize the integrity of the Clearing House, the IRS Risk Committee may, by majority vote:

1. Order the IRS Clearing Member or its customers to deposit such additional performance bond with the Clearing House as deemed appropriate to protect the integrity of open contracts;
2. Prescribe such additional capital or other financial requirements as it deems appropriate;
3. Impose position limits on IRS Clearing Members based on their regulatory capital and such other criteria as it deems appropriate;
4. Suspend a IRS Clearing Member, subject to approval of any two of the following individuals: the Chief Executive Officer, ~~Global Head of Clearing & Post-Trade Services~~~~President of the Clearing House~~, Chairman of the Board, Chairman of the IRS Risk Committee or Chairman of the Clearing House Oversight Committee;

[The remainder of the Rule is unchanged.]

#### 8G824. ADDITIONAL IRS PERFORMANCE BOND

Whenever, in the opinion of the IRS Risk Committee, the President of Global Operations, Technology & Risk, ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or, in ~~their~~~~his~~ absence, ~~their~~~~his~~ delegate, unstable conditions relating to one or more products exist, they may from time to time, call for additional performance bond collateral from IRS Clearing Members. Such additional performance bond calls may be as much as or more than the original performance bond collateral. The performance bond collateral thus called for may be for one or more contract(s) from one or more IRS Clearing Member(s) and on long positions, short positions or both.

In the event market conditions and price fluctuations at any time shall cause the IRS Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or, in his absence, his delegate, to conclude that additional performance bond collateral is required to maintain an orderly market or to preserve fiscal integrity the IRS Risk Committee or the ~~Global Head of Clearing & Post-Trade Services~~~~President of the Clearing House~~ or ~~their~~~~his~~ delegate may call for additional performance bond collateral to be deposited with the Clearing House during the next banking hour after demand therefor, or at such times as may be specified. Such additional performance bond collateral may be called from the longs or the shorts or from both.

When the IRS Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or, in ~~their~~~~his~~ absence, ~~their~~~~his~~ delegate, shall be of the opinion that any IRS Clearing Member is carrying commitments or incurring risk in its proprietary, customer and/or cross-margin accounts, that are larger than is justified by the financial condition of that IRS Clearing Member, then the IRS Risk Committee, the President of Global Operations, Technology & Risk or ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or, in ~~their~~~~his~~ absence, ~~their~~~~his~~ delegate, may require additional performance bond collateral of such IRS Clearing Member which shall be deposited with the Clearing House during the next banking hour after demand therefor, or at such time as may be specified, or a portion of the open positions of such IRS Clearing Member may be required to be transferred to the books of another IRS Clearing Member.

#### 8G975. IRS EMERGENCY FINANCIAL CONDITIONS

If ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ determines that the financial or operational condition of an IRS Clearing Member or one of its Affiliates is such that to allow that IRS Clearing Member to continue its operation would jeopardize the integrity of the Exchange, or negatively impacts the financial markets by introducing an unacceptable level of uncertainty, volatility or risk, whether or not the IRS Clearing Member continues to meet the required minimum financial requirements, he may empanel the Chief Executive Officer, Chairman of the Board, Chairman of the IRS Risk Committee, and ~~Global Head of Clearing & Post-Trade Services~~~~President of the Clearing House~~ (the "IRS Emergency Financial Committee"). Such committee shall be duly authorized and, upon a unanimous vote of the panel, be empowered to order (a) an immediate position limitation, (b) an immediate suspension of the IRS Clearing Member, (c) that all open trades of said clearing member be for liquidation only, (d) the liquidation or transfer of all or a portion of the open positions of the clearing member, (e) additional performance bond to be deposited with the Clearing House and/or (f) any other action necessary to protect the financial integrity of the Clearing House. The IRS Clearing Member affected by action taken shall be notified and may request a hearing before the Board as provided in Rule 412. In the event of suspension, the Chief Executive Officer shall, promptly after a suspension, set the matter for hearing before the Board for final determination. To the extent that the IRS Emergency Financial Committee orders that all open trades of a clearing member be for liquidation only, or the panel orders the liquidation or transfer of all of the open positions of an IRS Clearing Member, Rule 8G913.B. shall apply and the clearing member shall be treated as a withdrawing clearing member

### Chapter 9 ("Clearing Members")

#### 974. SUSPENSION OF MEMBER FIRM PRIVILEGES

[Section A is unchanged ]

B. If any Rule 106.H., I., J., N., R., or S. member firm:

has notified the Exchange or the Exchange otherwise becomes aware of a significant event as defined in Rule 442; or

that is an FCM fails to meet CFTC minimum financial requirements in the opinion of the Financial and Regulatory Surveillance Department; or

neglects to promptly furnish a statement upon request,

the membership privileges of the member firm may be suspended, subject to approval of any two of the



following individuals: the Chief Executive Officer, ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~, or the Chairman of the Board. Any two of these individuals may reinstate the membership privileges of such a suspended member firm, in their discretion, if the suspended member firm provides evidence satisfactory to the Financial and Regulatory Surveillance Department of its financial responsibility or that it meets CFTC minimum financial requirements.

#### **975. EMERGENCY FINANCIAL CONDITIONS**

If ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ determines that the financial or operational condition of a clearing member or one of its affiliates is such that to allow that clearing member to continue its operation would jeopardize the integrity of the Exchange, or negatively impacts the financial markets by introducing an unacceptable level of uncertainty, volatility or risk, whether or not the clearing member continues to meet the required minimum financial requirements, he may empanel the Chief Executive Officer, Chairman of the Board, Chairman of the Clearing House Risk Committee, and ~~the Global Head of Clearing & Post-Trade Services~~~~President of the Clearing House~~. ("Emergency Financial Committee") Such panel shall be duly authorized and, upon a unanimous vote of the panel, be empowered to order (a) an immediate position limitation, (b) an immediate suspension of the clearing member, (c) that all open trades of said clearing member be for liquidation only, (d) the liquidation or transfer of all or a portion of the open positions of the clearing member, (e) additional performance bond to be deposited with the Clearing House and/or (f) any other action necessary to protect the financial integrity of the Clearing House. The clearing member affected by action taken shall be notified and may request a hearing before the Board pursuant to the procedures set forth in Rule 412. In the event of suspension, the Chief Executive Officer shall, promptly after a suspension, set the matter for hearing before the Board for final determination. To the extent that the panel orders that all open trades of a clearing member be for liquidation only, or the panel orders the liquidation or transfer of all of the open positions of a clearing member, Rule 913.B. shall apply and the clearing member shall be treated as a withdrawing clearing member.

#### **976. SUSPENSION OF CLEARING MEMBERS**

If a clearing member becomes insolvent, the clearing member must immediately notify the Exchange of such insolvency. The insolvency shall be announced by ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ and thereupon such clearing member shall be deemed automatically suspended. If a member of the Clearing House becomes insolvent, or for other reasons is suspended from the Clearing House, the officers, owners or partners who are members of the Exchange may also be suspended from the Exchange.

[The remainder of the Rule is unchanged.]

#### **978. OPEN TRADES OF SUSPENDED CLEARING MEMBERS**

[The first paragraph is unchanged.]

When a clearing member that has open positions, defaults to the Clearing House in the deposit of performance bonds or settlements, or is suspended for insolvency, ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ or ~~their~~~~his~~ delegate may appoint a clearing member to which all such open positions shall be transferred for liquidation, or may appoint a clearing member to liquidate such positions on behalf of such defaulted or suspended clearing member. If open positions are transferred, all supporting performance bond associated with the positions and any settlement payments due or collected must be delivered to the Clearing House, to be entrusted to the clearing member designated to liquidate the positions. The clearing member appointed to liquidate the positions shall have the right, under the direction of ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~, to buy or sell for the account of the suspended clearing member such contracts as may be necessary to clear the suspended clearing member's contracts with the Clearing House; the clearing member shall also have the right under the direction of ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~ to make or take delivery.

#### **979. SUSPENDED OR EXPELLED CLEARING MEMBERS**

In the event a clearing member has been suspended or expelled, the clearing member shall comply with all orders of the Board, the Clearing House Risk Committee, or ~~the Global Head of Clearing & Post-Trade Services~~~~the President of the Clearing House~~.

[The remainder of the Rule is unchanged.]

**CBOT Rulebook**  
**Chapter 8**  
**("Clearing House and Performance Bonds")**

**800.MANAGEMENT**

The Board of Directors of CME has governance and oversight responsibility of the safety and efficiency of the Clearing House. With respect to the governance and oversight of the Clearing House, the responsibilities of the Board of Directors of CME include approving the appointments of [the Global Head of Clearing & Post-Trade Services](#) ~~the President~~ and ~~the~~ Chief Risk Officer of the Clearing House. The Board of Directors of CME also has created the Clearing House Oversight Committee, which also has governance and oversight responsibility relating to the Clearing House as set forth in its written Charter. [The Global Head of Clearing & Post-Trade Services](#) ~~The President of the Clearing House~~ shall be responsible for the daily operation of the Clearing House and the implementation of the rules applicable to the Clearing House. The Chief Risk Officer shall be responsible for implementing the risk management framework and its procedures, policies and controls and for making appropriate recommendations to the Board of Directors of CME of Directors of CME, the Clearing House Oversight Committee or relevant risk committees, as applicable, regarding the Clearing House's risk management functions. ~~The Global Head of Clearing & Post-Trade Services~~ ~~The President~~ and the Chief Risk Officer of the Clearing House may also delegate authority for certain aspects of their responsibilities to staff of the Clearing House. Clearing House staff shall adopt, establish, publish and amend from time to time a Clearing House Manual of Operations ("Manual"). This Manual shall contain, among other things, information and directions for preparing trade data, completing prescribed memoranda and meeting other Clearing House requirements. The Manual and amendments thereto shall constitute part of the rules of the Exchange.

**850. TRANSFERS OF TRADES AND CUSTOMER ACCOUNTS**

**850.A. Transfers of Trades**

1. Subject to the limitations of Rule 854, existing trades may be transferred either on the books of a clearing member or from one clearing member to another clearing member provided:

The transfer results in the transfer of a trade(s) from one account to another account with identical beneficial ownership; or

An error has been made in the clearing of a trade(s) and the error is corrected via transfer within three Business Days after the date on which the error occurred; or

The transfer trade is made to reconcile an error, omission or outrade in accordance with the requirements of Rule 770.

Notwithstanding the foregoing, a transfer may be approved by [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ or the Chief Compliance Officer of the Clearing House, or their respective designees, in circumstances where it is determined that a transfer trade is the most appropriate means to remedy an error that results from the good faith acts or omissions of any party and the clearing member(s) consent to such transfer, provided that such approval does not result in an impermissible transfer for offset pursuant to the provisions of Rule 854.B. Any request for approval pursuant to this paragraph requires the clearing member(s) to fully document the circumstances of the error and provide that documentation to the Clearing House.

2. Subject to the limitations of Rule 854, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ or ~~their~~ ~~his~~ designee also may), upon request by the clearing member(s), approve a transfer of existing trades either on the books of the same clearing member, or from the books of one clearing member to the books of another clearing member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non- recurring transaction between two or more entities.

3. Subject to the limitations of Rule 854, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ or ~~their~~ ~~his~~ designee also may), upon request by the clearing member(s), approve a transfer of existing trades either on the books of a clearing member or from one clearing member to another member if the transfer involves a partnership, investment fund or commodity pool and the purpose of the transfer is to facilitate a restructuring or consolidation of such partnership, fund or pool, provided that i) the managing partner or pool operator remains the same;

ii) the transfer does not result in the liquidation of open positions; and iii) the pro rata allocation of positions to the new account does not result in more than a de minimis change in the value of the interest of any party.

4. Notwithstanding the foregoing, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing~~

House or ~~their~~his designee also may), with the consent of the clearing member(s) involved, permit the transfer and/or offset of existing trades if, in his designee's opinion, the situation so requires and such transfer is in the best interests of the Exchange, which may include, but is not limited to, the remedying of an error resulting from the good faith acts or omissions by a party as a means of avoiding a market disruption. The foregoing does not relieve a clearing member of its responsibility under the Rules for circumstances leading to such transfer and/or offset, and the clearing member may be responsible for demonstrated claims of realized losses incurred by other parties as a result of such errors or omissions in accordance with the provisions of Chapter 6. Additionally, notwithstanding permission for the transfer being granted by the Chief Regulatory Officer or his designee, parties involved in the transfer remain responsible for any violation of Exchange rules resulting from the transfer and may either be summarily sanctioned in accordance with the provisions of Rule 512 or the matter may be referred to the Chief Regulatory Officer for the consideration of charges.

[Paragraphs 5-6 are unchanged]

7. Any authority granted to ~~the Global Head of Clearing & Post-Trade Services~~the President of the Clearing House or the Chief Compliance Officer of the Clearing House, or their respective designees, set forth in Section A. will not extend to security-based swap products cleared by the Clearing House.

### **Chapter 9** **("Clearing Members")**

#### **974. SUSPENSION OF MEMBER FIRM PRIVILEGES**

[Section A is unchanged ]

B. If any Rule 106.H., I., J., R., or S. member firm:

- has notified the Exchange or the Exchange otherwise becomes aware of a significant event as defined in Rule 442; or
- that is an FCM fails to meet CFTC minimum financial requirements in the opinion of the Financial and Regulatory Surveillance Department; or
- neglects to promptly furnish a statement upon request,

the membership privileges of the member firm may be suspended, subject to approval of any two of the following individuals: the Chief Executive Officer, ~~the Global Head of Clearing & Post-Trade Services~~the President of the Clearing House, or the Chairman of the Board. Any two of these individuals may reinstate the membership privileges of such a suspended member firm, in their discretion, if the suspended member firm provides evidence satisfactory to the Financial and Regulatory Surveillance Department of its financial responsibility or that it meets CFTC minimum financial requirements.

#### **976.SUSPENSION OF CLEARING MEMBERS**

If a clearing member becomes insolvent, the clearing member must immediately notify the Exchange of such insolvency. The insolvency shall be announced by ~~the Global Head of Clearing & Post-Trade Services~~the President of the Clearing House and thereupon such clearing member shall be deemed automatically suspended. If a member of the Clearing House becomes insolvent, or for other reasons is suspended from the Clearing House, the officers, owners or partners who are members of the Exchange may also be suspended from the Exchange.

[The remainder of the Rule is unchanged.]

#### **979.SUSPENDED OR EXPELLED CLEARING MEMBERS**

In the event a clearing member has been suspended or expelled, the clearing member shall comply with all orders of the Board, the Clearing House Risk Committee, or ~~the Global Head of Clearing & Post-Trade Services~~the President of the Clearing House.

[The remainder of the Rule is unchanged.]

### **NYMEX/COMEX Rulebook** **Chapter 8** **("Clearing House and Performance Bonds")**

#### **853.TRANSFERS OF TRADES AND CUSTOMER ACCOUNTS**

##### **853.A. Transfers of Trades**

1. Subject to the limitations of Rule 854, existing trades may be transferred either on the books of a clearing member or from one clearing member to another clearing member provided:
  - i. The transfer results in the transfer of a trade(s) from one account to another account with identical beneficial ownership; or
  - ii. An error has been made in the clearing of a trade(s) and the error is corrected via transfer within

three Business Days after the date on which the error occurred; or

iii. The transfer trade is made to reconcile an error, omission or outtrade in accordance with the requirements of Rule 770.

Notwithstanding the foregoing, a transfer may be approved by [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ or the Chief Compliance Officer of the Clearing House, or their respective designees, in circumstances where it is determined that a transfer trade is the most appropriate means to remedy an error that results from the good faith acts or omissions of any party and the clearing member(s) consent to such transfer, provided that such approval does not result in an impermissible transfer for offset pursuant to the requirements of Rule 854.B. Any request for approval pursuant to this paragraph requires the clearing member(s) to fully document the circumstances of the error and provide that documentation to the Clearing House.

2. Subject to the limitations of Rule 854, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, [the Global Head of Clearing & Post-Trade Services](#) ~~or their the President of the Clearing House or his~~ designee also may), upon request by the clearing member(s), approve a transfer of existing trades either on the books of the same clearing member, or from the books of one clearing member to the books of another clearing member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities.

3. Subject to the limitations of Rule 854, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, [the Global Head of Clearing & Post-Trade Services](#) ~~or their the President of the Clearing House or his~~ designee also may), upon request by the clearing member(s), approve a transfer of existing trades either on the books of a clearing member or from one clearing member to another member if the transfer involves a partnership, investment fund or commodity pool and the purpose of the transfer is to facilitate a restructuring or consolidation of such partnership, fund or pool, provided that i) the managing partner or pool operator remains the same; ii) the transfer does not result in the liquidation of open positions; and iii) the pro rata allocation of positions to the new account does not result in more than a de minimis change in the value of the interest of any party.

4. Notwithstanding the foregoing, the Chief Regulatory Officer or his designee may, (and, with respect to cleared-only products, [the Global Head of Clearing & Post-Trade Services](#) ~~or their the President of the Clearing House or his~~ designee also may), with the consent of the clearing member(s) involved, permit the transfer and/or offset of existing trades if, in his designees opinion, the situation so requires and such transfer is in the best interests of the Exchange, which may include, but is not limited to, the remedying of an error resulting from the good faith acts or omissions by a party as a means of avoiding a market disruption. The foregoing does not relieve a clearing member of its responsibility under the Rules for circumstances leading to such transfer and/or offset, and the clearing member may be responsible for demonstrated claims of realized losses incurred by other parties as a result of such errors or omissions in accordance with the provisions of Chapter 6. Additionally, notwithstanding permission for the transfer being granted by the Chief Regulatory Officer or his designee, parties involved in the transfer remain responsible for any violation of Exchange rules resulting from the transfer and may either be summarily sanctioned in accordance with the provisions of Rule 512 or the matter may be referred to the Chief Regulatory Officer for the consideration of charges.

[Paragraphs 5-6 are unchanged.]

7. Any authority granted to [the Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~ or the Chief Compliance Officer of the Clearing House, or their respective designees, set forth in Section A. will not extend to security-based swap products cleared by the Clearing House.

[The remainder of the Rule is unchanged.]

#### **974.SUSPENSION OF MEMBER FIRM PRIVILEGES**

[Section A is unchanged]

B. If any Rule 106.J. Member Firm:

has notified the Exchange or the Exchange otherwise becomes aware of a significant event as defined in Rule 442; or

that is an FCM fails to meet CFTC minimum financial requirements in the opinion of the Financial and Regulatory Surveillance Department; or

neglects to promptly furnish a statement upon request,

the membership privileges of the member firm may be suspended, subject to approval of any two of the following individuals: the Chief Executive Officer, ~~the~~ [Global Head of Clearing & Post-Trade Services](#) ~~the President of the Clearing House~~, or the Chairman of the Board. Any two of these individuals may reinstate the membership privileges of such a suspended member firm, in their discretion, if the suspended member

firm provides evidence satisfactory to the Financial and Regulatory Surveillance Department of its financial responsibility or that it meets CFTC minimum financial requirements.