

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-342 (4 of 5)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/19/22 **Filing Description:** Amendments to CME, CBOT, NYMEX/COMEX Rule 819. ("Lien on Collateral") of Chapter 8 ("Clearing House and Performance Bonds"), CME Clearing Rules 8F008. ("Lien on Collateral") of Chapter 8-F Over-the-Counter Derivative Clearing") and 8G08. ("Lien on Collateral") of Chapter 8-G ("Interest Rate Derivative Clearing")

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: See filing.

New Product

Please note only ONE product per Submission.

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|--------------------------|---------------------------------------|------------|
| <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) |

August 19, 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, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Amendments to CME, CBOT, NYMEX/COMEX Rule 819. (“Lien on Collateral”) of Chapter 8 (“Clearing House and Performance Bonds”), CME Clearing Rules 8F008. (“Lien on Collateral”) of Chapter 8-F Over-the-Counter Derivative Clearing”) and 8G08. (“Lien on Collateral”) of Chapter 8-G (“Interest Rate Derivative Clearing”).
NYMEX Submission No. 22-342 (4 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”), 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 CME, CBOT, NYMEX/COMEX Rule 819. (“Lien on Collateral”) of CME, CBOT, NYMEX/COMEX Chapter 8 (“Clearing House and Performance Bonds”), and CME Clearing Rules 8F008. (“Lien on Collateral”) of Chapter 8 (“Over-the-Counter Derivative Clearing”) and 8G08. (“Lien on Collateral”) of CME Clearing Chapter 8-G (“Interest Rate Derivative Clearing”) (collectively, the “Rule Amendments”) effective on September 6, 2022.

Specifically, CME, CBOT, NYMEX/COMEX Rule 819., and CME Rules 8F008. and 8G08. set forth the terms pursuant to which clearing members grant to CME Clearing a security interest and lien against collateral deposited with CME Clearing. The Rule Amendments are clarifying in nature and are intended to align the language used in Rules 819., 8F008. and 8G08. with the various methods by which collateral is currently, or may prospectively be, transferred to CME Clearing.

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

The DCO reviewed the DCO Core Principles and the Exchanges reviewed the DCM Core Principles (collectively, the “Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or the “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

DCO Core Principles

- DCO Core Principle D – Risk Management: The Rule Amendments are consistent with Core Principle D because they provide greater clarity around CME Clearing’s security interest and lien on collateral, thereby further ensuring that CME Clearing possesses the ability to manage the risks associated with discharging its responsibilities.
- DCO Core Principle F – Treatment of Funds: This Core Principle requires CME Clearing to establish standards and procedures that are designed to protect and ensure the safety of member and participant funds and assets and to hold member and participant funds and

assets in a manner by which to minimize the risk of loss or of delay in the access by CME Clearing to the assets and funds. The Rule Amendments provide additional certainty with respect to CME's rights to access the funds and assets that have been transferred to, pledged to, or deposited with CME by clearing members.

- DCO Core Principle L – Public Information: This Core Principle requires CME Clearing to publicly disclose its rules and procedures. The Rule Amendments will be incorporated into the publicly available rulebook.

DCM Core Principles

- DCM Core Principle 7 - Availability of General Information: The Rule Amendments will be incorporated into the Exchanges' publicly available rulebook.

The Exchanges and CME Clearing certify that proposed changes 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 CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions or require more information concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Amendments to CME, CBOT, NYMEX/COMEX Rulebook Chapters (blackline format)

EXHIBIT A

CME, CBOT, NYMEX/COMEX Rulebooks (additions underscored; deletions ~~struck through~~)

CHAPTER 8 **Clearing House and Performance Bonds**

Rule 819. LIEN ON COLLATERAL

Each Clearing Member hereby grants to the Clearing House to secure obligations of such Clearing Member to the Clearing House a first priority and unencumbered security interest and lien against any property, cash, securities or collateral deposited with, transferred or pledged to, or otherwise where control is given to the Clearing House by such Clearing Member. Clearing Members shall take any action that may be required by the Clearing House to create, preserve, perfect, validate or enforce any such security interest ~~execute any documents required by CME to create and enforce such lien.~~

[End of Rule.]

CME Rulebook **Chapter 8-F** **Over-the-Counter Derivative Clearing**

8F008. LIEN ON COLLATERAL

Each OTC Clearing Member hereby grants to ~~CME~~ the Clearing House to secure obligations of such OTC Clearing Member to the Clearing House a first priority and unencumbered security interest and lien against any property, cash, securities or collateral deposited with, transferred or pledged to, or otherwise where control is given to the Clearing House by the OTC Clearing Member. OTC Clearing Members shall take any action that may be required by the Clearing House to create, preserve, perfect, validate or enforce any such security interest ~~execute any documents required by CME to create and enforce such lien.~~

[End of Rule.]

Chapter 8-G **Interest Rate Derivative Clearing**

8G08. LIEN ON COLLATERAL

Each IRS Clearing Member hereby grants to the ~~Exchange~~ Clearing House 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, transferred or pledged to, or otherwise where control is given to the Clearing House by the IRS Clearing Member. IRS Clearing Members shall take any action that may be required by the Clearing House to create, preserve, perfect, validate or enforce any such security interest ~~execute any documents required by CME to create and enforce such lien.~~

[End of Rule.]