

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 15-329 (5 of 5)

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 09/17/2015 Filing Description: Revisions to CME/CBOT/NYMEX/COMEX Rule 973 - Customer Accounts with the Clearing House

**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: 973

**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:

September 17, 2015

**VIA ELECTRONIC PORTAL**

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. Revisions to Rule 973 - Customer Accounts with the Clearing House  
CME/CBOT/NYMEX/COMEX Submission No. 15-329 (5 of 5)**

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”) (each an “Exchange” and collectively, the “Exchanges”), pursuant to Commodity Futures Trading Commission (“CFTC” or the “Commission”) Regulation 40.6(a), hereby self-certify amendments to Rule 973 to expressly incorporate the application of CFTC Regulations 1.20 and 22.5 for depositories holding customer segregated, secured 30.7 and cleared swaps customer assets into the Exchange rules. The proposed amendments will be effective on October 2, 2015.

CFTC regulations for depositories holding customer segregated, secured 30.7 and cleared swaps customer assets—including derivatives clearing organizations (“DCOs”) such as CME—require FCMs to obtain from each depository holding such customer accounts a written acknowledgment that the depository complies with enumerated requirements. The Exchanges propose to amend Rule 973 to provide that an [FCM] clearing member fully authorizes the CME DCO to comply with all requirements of CFTC Regulation 1.20 with regards to its customer accounts, including allowing the account to be examined by the CFTC, providing the CFTC with read-only electronic access to the account and providing confirmation of account balances to the CFTC. Under Exchange Rule 973, the CME DCO has adopted rules that provide for the segregation of customer funds in accordance with the relevant provisions of the Commodity Exchange Act (“CEA” or “Act”) and relevant CFTC regulations and orders thereunder. As such, FCMs should not require an acknowledgment letter from the CME DCO, pursuant to the exception provided in CFTC Regulation 1.20(d). Proposed amendments to CME/CBOT/NYMEX/COMEX Rule 973 are set forth in Exhibit A.

The Exchanges reviewed the derivatives clearing organization core principles (“DCO Core Principles”) and the designated contract market core principles (“DCM Core Principles”) as set forth in the CEA. During the review, the Exchanges identified that the revisions may have some bearing on the following principles:

- DCM Core Principle 7 – Availability of general information: The revised rules will continue to be posted publicly on the CME Group website in satisfaction of this core principle.
- DCO Core Principle A – Compliance with core principles: The amendments to Exchange Rule 973 will better permit the DCO and FCM clearing members to comply with Commission rules and regulations.
- DCO Core Principle F – Treatment of funds: The proposed rule amendment specifies that CME will continue to hold funds and assets belonging to clearing members and their customers in a manner which minimizes the risk of loss or of delay in the access by the DCO. View-only access established

in the CFTC regulations and applicable to clearing members by operation of revised Rule 973 decreases risk of loss by enhancing DCO and CFTC visibility into a clearing member's treatment of segregated funds.

- DCO Core Principle L – Public information: The revised rules will continue to be posted publicly on the CME Group website in satisfaction of this core principle.

No substantive opposing views regarding these proposed rule revisions were expressed to the Exchanges. The Exchanges certify that this submission has been concurrently posted on CME Group's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

The Exchanges further certify that these rule amendments comply with the CEA and regulations promulgated thereunder.

If you require any additional information regarding this submission, please contact me at [Jason.Silverstein@cmegroup.com](mailto:Jason.Silverstein@cmegroup.com) or 212-299-2228. Alternatively, you may contact Ms. Cathleen Downs at [Cathleen.Downs@cmegroup.com](mailto:Cathleen.Downs@cmegroup.com) or 312-648-3802.

Sincerely,

/s/ Jason Silverstein  
Executive Director & Associate General Counsel

Attachment: Exhibit A – Revisions to CME/CBOT/NYMEX/COMEX Rule 973

## **Exhibit A**

### Revisions to CME/CBOT/NYMEX/COMEX Rule 973

(additions underscored)

#### **CME Rule 973**

##### 973. CUSTOMER ACCOUNTS WITH THE CLEARING HOUSE

All customer funds deposited with the Clearing House on behalf of customers protected by CFTC Regulation 1.20 shall be held in accordance with the Commodity Exchange Act and CFTC Regulation 1.20 in an account identified as Customer Segregated. Such customer funds shall be segregated by the Clearing House and treated as belonging to the customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the segregation acknowledgement letter requirement of CME Rule 971.A.3., the Commodity Exchange Act, and CFTC Regulation 1.20 for customer deposits held at the Clearing House. A clearing member fully authorizes the Clearing House to comply with all requirements of CFTC Regulation 1.20 with regards to its Customer Segregated account.

All Cleared Swaps Customer Collateral deposited with the Clearing House on behalf of Cleared Swaps Customers shall be held in accordance with Part 22 of the CFTC Regulations in an account identified as a Cleared Swaps Customer Account. Such Cleared Swaps Customer Collateral shall be segregated by the Clearing House and treated as belonging to such customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the Cleared Swaps Customer Account acknowledgement letter requirement of CME Rule 971.A.3, the Commodity Exchange Act, and CFTC Regulation 22.5 for customer deposits held at the Clearing House. A clearing member fully authorizes the Clearing House to comply with all requirements of CFTC Regulation 22.5 with regards to its Cleared Swaps Customer account.

#### **CBOT Rule 973**

##### 973. CUSTOMER ACCOUNTS WITH THE CLEARING HOUSE

All customer funds deposited with the Clearing House on behalf of customers protected by CFTC Regulation 1.20 shall be held in accordance with the Commodity Exchange Act and CFTC Regulation 1.20 in an account identified as Customer Segregated. Such customer funds shall be segregated by the Clearing House and treated as belonging to the customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the segregation acknowledgement letter requirement of CME Rule 971.A.3., the Commodity Exchange Act, and CFTC Regulation 1.20 for customer deposits held at the Clearing House. A clearing member fully authorizes the Clearing House to comply with all requirements of CFTC Regulation 1.20 with regards to its Customer Segregated account.

All Cleared Swaps Customer Collateral deposited with the Clearing House on behalf of Cleared Swaps Customers shall be held in accordance with Part 22 of the CFTC Regulations in an account identified as a Cleared Swaps Customer Account. Such Cleared Swaps Customer Collateral shall be segregated by the Clearing House and treated as belonging to such customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the Cleared Swaps Customer Account acknowledgement letter requirement of CME Rule 971.A.3, the Commodity Exchange Act, and CFTC Regulation 22.5 for customer deposits held at the Clearing House. A clearing member

fully authorizes the Clearing House to comply with all requirements of CFTC Regulation 22.5 with regards to its Cleared Swaps Customer account.

### **NYMEX/COMEX Rule 973**

#### **CUSTOMER ACCOUNTS WITH THE CLEARING HOUSE**

All customer funds deposited with the Clearing House on behalf of customers protected by CFTC Regulation 1.20 shall be held in accordance with the Commodity Exchange Act and CFTC Regulation 1.20 in an account identified as Customer Segregated. Such customer funds shall be segregated by the Clearing House and treated as belonging to the customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the segregation acknowledgement letter requirement of CME Rule 971.A.3., the Commodity Exchange Act, and CFTC Regulation 1.20 for customer deposits held at the Clearing House. A clearing member fully authorizes the Clearing House to comply with all requirements of CFTC Regulation 1.20 with regards to its Customer Segregated account.

All Cleared Swaps Customer Collateral deposited with the Clearing House on behalf of Cleared Swaps Customers shall be held in accordance with Part 22 of the CFTC Regulations in an account identified as a Cleared Swaps Customer Account. Such Cleared Swaps Customer Collateral shall be segregated by the Clearing House and treated as belonging to such customers of the clearing member. Pursuant to this rule, a clearing member shall satisfy the Cleared Swaps Customer Account acknowledgement letter requirement of CME Rule 971.A.3, the Commodity Exchange Act, and CFTC Regulation 22.5 for customer deposits held at the Clearing House. A clearing member fully authorizes the Clearing House to comply with all requirements of CFTC Regulation 22.5 with regards to its Cleared Swaps Customer account.