

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 20-428 (2 of 2)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/22/20 Filing Description: Amendments to CBOT Rule 900.  
("Categories of Clearing Members")

**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: 900

**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:



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

October 22, 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 Rule Amendments to CBOT Rule 900. ("Categories of Clearing Members").  
CBOT Submission No. 20-428 (2 of 2)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), Chicago Mercantile Exchange Inc., in its capacity as a derivatives clearing organization ("DCO") ("CME ") and The Board of Trade of the City of Chicago, Inc., a designated contract market ("DCM") ("CBOT") (collectively, the "Exchanges") hereby certify to the Commission amendments to CBOT Rule 900. ("Categories of Clearing Members") to remove sole proprietors as an eligible category of CBOT clearing member (the "Rule Amendments") effective on November 6, 2020.

CBOT permitted sole proprietorships as an eligible category of clearing member prior to its 2007 merger with Chicago Mercantile Exchange Inc. ("CME"), which did not accept sole proprietor clearing members. Upon the merger, sole proprietors were grandfathered as an eligible CBOT clearing member type. Since that time no new sole proprietors have been added as CBOT clearing members, and the last remaining sole proprietor CBOT clearing member recently withdrew its clearing membership. To better align CBOT categories of eligible clearing members with those of the other CME Group DCMs, and consistent with the evolution of clearing membership practices at CME and other central counterparties ("CCPs"), the Rule Amendments will remove sole proprietors from the list of eligible CBOT Clearing Member types in CBOT Rule 900.

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

The Exchanges reviewed the DCO 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**

- **DCO Core Principle B – Participant and Product Eligibility:** This Core Principle requires DCOs to establish participation requirements that permit fair and open access for its clearing members. CBOT is the only CME Group DCM whose rules permit sole proprietors to act as Clearing Members. CBOT has not accepted any new sole proprietors as clearing members since its 2007 merger with CME and has no such clearing members today. The Rule Amendments will remove sole proprietors as eligible CBOT clearing members, which will align its standards with those for the other CME Group DCMs and consistent with evolving CCP membership practices.

- DCO Core Principle L - Public Information: The Rule Amendments will be incorporated into the Exchanges' publicly available rulebook. In addition, a CME Clearing advisory will be released and posted publicly on the CME Group website.

#### **DCM Core Principles**

- DCM Core Principle 7 - Availability of General Information: The Rule Amendments will be incorporated into the Exchanges' publicly available rulebook. In addition, a Market Regulation Special Executive Report ("SER") will be released and posted publicly on the CME Group website.

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

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 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 1 – Amendments to CBOT Rule 900.

**EXHIBIT 1**  
**CBOT Rulebook**

**Chapter 9**  
**Clearing Members**  
(additions underlined; deletions ~~overstruck~~)

**900. CATEGORIES OF CLEARING MEMBERS**

The Exchange may establish different clearing member categories, including but not limited to OTC Clearing Member categories, and alter the rights and responsibilities of such categories.

The term “clearing member” as used in the Rules, shall include all clearing member categories established by the Exchange, including Clearing FCMs, grandfathered Clearing Closely Held Corporate Members<sup>1</sup>, Clearing Corporate Members and, ~~Financial Instrument Clearing Members and Sole Proprietor Clearing Members~~, unless otherwise specified. Clearing members that qualified as Clearing Closely Held Corporate Members prior to June 30, 2010 are grandfathered as Clearing Closely Held Corporate Members.

CBOT Clearing Members shall have all applicable rights, responsibilities and privileges attendant thereto, subject to the provisions of these rules and shall be qualified to clear transactions for all CBOT products and all Expanded-Access Products listed for trading by CME after July 12, 2007.

CBOT Clearing Members receive fees in conjunction with CBOT Rule 106.H. Trading Member Firms. CBOT Clearing Members with shares are those clearing members that maintain CME Group Class A shares in accordance with CBOT Rule 106.J. Equity Member Firm requirements in order to receive equity member rates.

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<sup>1</sup> Clearing Closely Held Corporate Members must be wholly owned by members or by members and employees of the firm.