SUBMISSION COVER SHEET

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

Registered Entity Identifier Code (optional): 25-501 (1 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): 11/19/25 Filing Description: Revisions to CME, CBOT, NYMEX/COMEX Rulebook Chapter 9 ("Clearing Members") and Various CME Clearing House Policies for Clearing During Supplemental Trading Hours

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: New Rule 916. and Rule 982.

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

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:

Maureen Guilfoile
Managing Director and Chief Regulatory Counsel
Legal Department

November 19, 2025

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. Revisions to CME, CBOT, NYMEX/COMEX Rulebook Chapter 9 ("Clearing Members") and Various CME Clearing House Policies for Clearing During Supplemental Trading Hours.
CME Submission No. 25-501 (1 of 5)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), Chicago Mercantile Exchange Inc. ("CME" or "Clearing House"), in its capacities as both a derivatives clearing organization ("DCO") ("Clearing House" or "CME Clearing") and designated contract market ("DCM"), 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 certifies to the Commission amendments to CME, CBOT, NYMEX/COMEX Chapter 9 ("Clearing Members") and the Risk Management Framework ("RMF"), Credit Risk Management Assessment Methodology ("CAM"), Counterparty Exposure Methodology ("CEM"), Liquidity Risk Management Framework ("LRMF"), Operational Risk Management Framework ("ORMF"), Credit Policy, Collateral Policy, Investment Policy, and Base Default Management Guidelines ("Guidelines") (collectively, the "Policies")[1] (collectively, "Policy Amendments" and together with the amendments to the Exchanges' Rules, the "Rule Amendments") effective on December 5, 2025 in connection with the clearing of Base products during Supplemental Trading Hours (as described below).[2]

The revisions to the CAM, LRMF, Collateral Policy, and Investment Policy, were approved by CME's Clearing House Oversight Committee ("CHOC")[3] on August 5, 2025. The revisions to the ORMF were approved by Exchanges' Board Risk Committee[4] on August 5, 2025. The Rule Amendments and revisions to the LRMF, Credit Policy, Collateral Policy, and Guidelines were approved by CME's Clearing House Risk Committee ("CHRC")[5] on October 9, 2025. The Rule Amendments and revisions to the RMF, CEM, and Credit Policy were approved by the CHOC on November 3, 2025. No further CME approvals are required to effectuate the Policy Amendments.

[1] The Policies are maintained by CME, in its capacity as a DCO.
[2] Subject to regulatory review, CME plans to initially launch for clearing Event Contract Swaps during Supplementary Trading Hours, with cryptocurrency futures and options on futures anticipated to be available for clearing during Supplementary Trading Hours in early 2026. Expansion of the product scope beyond these products is not currently being contemplated. To the extent that changes, additional CFTC rule filings will be submitted by the Exchanges which detail that expansion.
[3] CME, Clearing House Oversight Committee Charter (Aug. 2025) (noting, the CHOC is a Board-established committee that is composed of Board members), *available at*: https://investor.cmegroup.com/static-files/16d6afbf-c684-41eb-ad3f-2abf91234717.
[4] CME Group Inc./CME/CBOT/NYMEX/COMEX, Risk Committee of the Board of Directors Charter (Feb. 2025) (noting, the Board Risk Committee is a Board-established committee that is composed of Board members), *available at*: https://investor.cmegroup.com/static-files/86ce3be0-764a-4be6-b1b2-841b6a28af86.
[5] CME, Clearing House Risk Committee Charter (Aug. 2024) (noting, the CHRC is a Board-established committee that is composed primarily of market participants), *available at*: https://investor.cmegroup.com/static-files/7445789a-8aaa-46ec-8539-069e8cbf0fab.

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Summary of Rule Amendments

The Exchanges are proposing an amendment to Chapter 9 of the Exchanges' Rules to include proposed new Rule 916. ("Supplemental Trading Hours") to specify additional requirements for Base Clearing Members approved to clear Base products, including Event Contract Swaps and cryptocurrency futures and options, during Supplemental Trading Hours (e.g., hours on Saturday). The Exchanges are also proposing an amendment to Rule 982. ("Risk Management") to clarify that a Clearing Member's risk management policies and procedures must ensure it can perform certain risk and operational functions during Supplemental Trading Hours. Finally, the Policy Amendments also include changes related to the Clearing House's risk management practices during Supplemental Trading Hours as further discussed herein. CME Clearing is also making conforming and clarifying amendments as part of the Policy Amendments unrelated to Supplemental Trading Hours.

1. Amendments to the Exchanges' Rules

a. Proposed New Rule 916. ("Supplementary Trading Hours")

Proposed new Rule 916.A. ("Approval and Hours") establishes that Supplemental Trading Hours are the hours from 4:00 p.m. Central Time on Friday through 4:59 p.m. Central Time on Sunday ("Weekend Hours") and hours, as the Clearing House determines, on the days that are impacted by amended trading hours for CME Group Exchange Holidays.[6] Proposed new Rule 916.A. also specifies that a Base Clearing Member must be approved to clear transactions in Base products during Supplemental Trading Hours.

Proposed new Rule 916.B. ("Exposure Monitoring") establishes how CME Clearing will monitor Base Clearing Members' exposures related to clearing Base products that are not Event Contract Swaps and those that are Event Contract Swaps during certain hours within the Supplemental Trading Hours (defined as "Advance Funding Hours"). Specifically, pursuant to proposed new Rule 916.B., Advance Funding Hours include, but are not limited to, the Weekend Hours and other hours that are within the Supplemental Trading Hours, as the Clearing House determines. The Clearing House will publish a Clearing House Advisory Notice specifying the Advance Funding Hours for the hours that are not Weekend Hours.

During Advance Funding Hours, proposed new Rule 916.B. provides that for Base products excluding Event Contract Swaps the Clearing House will monitor a Base Clearing Member's: i) performance bond exposure for such products relative to its collateral and performance bond amounts posted to the Clearing House for the relevant account class; and ii) outstanding exposure, as defined in Rule 814., for such products relative to its available sources of liquidity, as the Clearing House determines. For Event Contract Swaps, proposed new Rule 916.B. provides that, during the Advance Funding Hours, the Clearing House will monitor a Base Clearing Member's exposure in Event Contract Swaps relative to its collateral and performance bond amounts posted to the Clearing House for the relevant account class. Proposed new Rule 916.B. also provides that if a Base Clearing Member's exposure[7] during Advance Funding Hours exceeds, as applicable, its collateral and performance bond amounts posted to the Clearing House and/or its available sources of liquidity, the Clearing House may impose additional requirements (e.g., position limitations) on such Base Clearing Member to mitigate the risk prior to the next settlement cycle.

Proposed new Rule 916.C. ("Risk Management Policies and Procedures") establishes that a Base Clearing Member qualified to clear Base products excluding Event Contract Swaps during Supplemental Trading Hours must maintain risk management policies and procedures that are designed to limit instances during Advance Funding Hours where its: i) performance bond exposure in these Base products exceeds its collateral and performance bond amounts posted to the Clearing House for the relevant account class; and ii) outstanding exposure, as defined in Rule 814. (e.g., settlement variation and option premium), in these

[6] CME Clearing will issue a Clearing House Advisory Notice if any hours that are not Weekend Hours are considered Supplemental Trading Hours.

[7] Exposure to the Clearing House includes both exposures in Base products that are not Event Contract Swaps and those that are Event Contract Swaps.

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Base products exceeds its available sources of liquidity. Separately, proposed new Rule 916.C. establishes that a Base Clearing Member qualified to clear Base products that are Event Contract Swaps must maintain risk management policies and procedures that are designed to limit instances during Advance Funding Hours where its exposure in these Base products exceeds its collateral and performance bond amounts posted to the Clearing House for the relevant account class.

b. Amendment to Rule 982. ("Risk Management")

The Exchanges are amending Rule 982. to clarify that a Base Clearing Member that clears Base products during Supplemental Trading Hours must have written risk management policies and procedures that also include the ability to perform basic risk and operational functions during Supplemental Trading Hours.

2. Amendments to CME Clearing's Policies

a. Risk Management Framework

i. Onboarding and Risk Monitoring

The amended RMF clarifies that the Risk Management team[8] includes CME Clearing staff responsible for conducting risk monitoring on each business day during overnight hours (i.e., hours after U.S. regular trading hours) and on days that are not business days. The amended RMF provides that the Clearing House will be staffed 24-hours a day, seven days a week, subject to adjustments for Exchange holidays. The amended RMF also establishes that the Credit & Liquidity Committee can review and approve existing Base Clearing Members to clear Base products during Supplemental Trading Hours. All new applications for Base Clearing Members must also be brought to the CHRC for risk-based feedback and the CHOC for approval.[9]

Consistent with CME Clearing's current practice of conducting risk reviews in accordance with CFTC Regulation 39.13(h)(5)(ii),[10] the amended RMF also establishes how CME Clearing will perform initial and regularly conducted risk reviews of Base Clearing Members to clear Base products during Supplemental Trading Hours. The amended RMF provides that CME Clearing will conduct an initial *ad hoc* risk review of an existing Base Clearing Member requesting to clear products during Supplemental Trading Hours prior to Credit & Liquidity Committee review and approval. The amended RMF outlines that the risk review will include the completion of a questionnaire specific to managing risk during Supplemental Trading Hours. As described in the amended RMF, CME Clearing will review a Base Clearing Member's policies, procedures, and practices for managing risk during Supplemental Trading Hours, including regarding proposed new Rule 916.C. and Rules 982. and 983.

ii. Margin Methodology for Event Products

The amended RMF specifies that event products include Event Contracts that are cash-settled, European-style, premium-style, options on futures that expire on specified dates as determined by the relevant Exchange, and Event Contract Swaps that are cash-settled, European-style, premium-style, binary options whose moneyness depends on the occurrence or non-occurrence of an event on specified dates as determined by the relevant Exchange. The amended RMF clarifies that the collateral requirement for an event product is the full notional value of the product. Specifically, the seller of an event product is required to post the full notional value of the product to the Clearing House and the buyer of an event product is required to pay the option premium to the Clearing House, which is collected by the seller of such event product. The amended RMF clarifies that in a situation where a portfolio contains short trades based on

[8] The Risk Management team includes staff- and management-level employees of the Clearing Risk Management function (as defined in the RMF).
[9] This is in accordance with Rules 403. and 912.
[10] 17 CFR 39.13(h)(5)(ii).

each outcome of a single event, the collateral requirement is equal to the maximum loss that could be incurred for that event.

iii. Monitoring of Clearing Member Tolerance Thresholds

The amended RMF clarifies that CME Clearing uses tolerance thresholds to monitor Clearing Members' risk exposures (e.g., performance bond change and settlement variation), by origin (i.e., account class), throughout the day. The amended RMF aligns with proposed new Rule 916.B. by providing additional detail regarding how specific tolerance thresholds are monitored during Advance Funding Hours for each Base Clearing Member's Base products cleared during these hours. Specifically, for Base Products excluding Event Contract Swaps, during Advance Funding Hours, CME Clearing will monitor tolerance thresholds, per origin (e.g., house and customer segregated), related to a Base Clearing Member's: i) change in performance bond required (i.e., performance bond exposure under proposed new Rule 916.B.) relative to its collateral and performance bond amounts posted to the Clearing House for clearing during these hours; and ii) settlement variation and option premium (i.e., outstanding exposure under Rule 814.) relative to its available sources of liquidity. Consistent with proposed new Rule 916., the Clearing House may adjust the value of the available sources of liquidity reported by Base Clearing Members for the purposes of such rule, including, but not limited to, based on the prevailing liquidity profile of the sources of liquidity and the timeline in which liquidity could be available.

Under the amended RMF, for Base products that are Event Contract Swaps, during Advance Funding Hours, CME Clearing will monitor tolerance thresholds, per origin (e.g., house and cleared swaps customer), related to a Base Clearing Member's change in Event Contract Swaps' exposure relative to its collateral and performance bond amounts posted to the Clearing House for clearing during these hours. Specifically, Event Contract Swaps' exposure is either the: i) collateral required that is equal to the full notional value of the swaps[11] less any option premium due to be collected; or ii) the option premium due to be paid. The amended RMF also specifies that the calculation of exposure is adjusted for the outcomes of Event Contract Swaps as they occur during Advance Funding Hours if the settlement value for the next business day is known.[12]

The amended RMF also aligns with proposed new Rule 916.B. pertaining to the Clearing House's authority to mitigate the risk prior to the next settlement cycle for Base products excluding Event Contract Swaps and those that are Event Contract Swaps, including by implementing position limitations on Base Clearing Members.

b. Counterparty Exposure Methodology

The amended CEM aligns with proposed new Rule 916.B. and the amended RMF. The amended CEM outlines the risk measures (e.g., performance bond total change and settlement variation and option premium) CME Clearing will monitor against percentages of tolerance levels in real-time during Advance Funding Hours for Base products excluding Event Contract Swaps and those that are Event Contract Swaps. The amended CEM describes that these risk measures will generally be calculated in the same manner as they are currently but with some modifications to recognize the specific considerations for Advance Funding Hours. Specifically, during Advance Funding Hours, should a Base Clearing Member's performance bond total change or settlement variation and option premium for a given origin for Base products excluding Event Contract Swaps exceed the specified tolerance levels, as determined by such Clearing Member's collateral and performance bond amounts posted to the Clearing House, or available sources of liquidity, respectively, an alert will be triggered. Similarly, during Advance Funding Hours, should

[11] Note, the collateral requirement for a portfolio that contains short trades based on each outcome of a single event is equal to the maximum loss that could be incurred for that event.

[12] Specifically, if the settlement value due to be received the next business day by a Base Clearing Member is a positive non-zero-dollar value for the given Event Contract Swap, the value offsets the option premium due to be paid. Conversely, if the settlement value is a zero-dollar value, the collateral requirement for a Base Clearing Member is zero for the given Event Contract Swap.

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a Base Clearing Member's total change in collateral requirement[13] less any option premium due to be collected or option premium due to be paid for a given origin for Event Contract Swaps exceed the specified tolerance levels, as determined by such Clearing Member's collateral and performance bond amounts posted to the Clearing House, an alert will be triggered.[14] Consistent with the amended RMF, the amended CEM also describes that the alerts generated for Event Contract Swaps account for the outcomes of the Event Contract Swaps as they occur during Advance Funding Hours if the settlement value for the next business day is known.[15] The amended CEM describes that the alerts for both performance bond total change (i.e., for Base products excluding Event Contract Swaps) and total change in collateral requirement (i.e., for Event Contract Swaps) capture the change as of the most recent business day (e.g., Friday for Weekend Hours). The amended CEM also clarifies, consistent with current practices, that in addition to calculating the tolerance thresholds for each Clearing Member based on historical data, such thresholds are also considerate of any minimums for a given risk measure (e.g., if insufficient historical data is available), and that the risk measures monitored for a given Clearing Member are dependent on the composition of its portfolio (e.g., clears options).

c. Credit Policy

The amended Credit Policy details that the Clearing House will collect a weekly report from Clearing Members that participate in Supplemental Trading Hours on their available sources of liquidity, which will primarily be used to monitor such liquidity relative to their outstanding exposure, as defined under Rule 814., during Advance Funding Hours. The amended Credit Policy also codifies, consistent with current practices, the Clearing House collects monthly reports from Clearing Members reflecting liquidity information that is not readily available in existing reports already provided to the Clearing House.[16]

d. Conforming and Clarifying Amendments to CME Clearing's Policies

CME Clearing is making additional conforming and clarifying amendments to its Policies. Specifically, where applicable, the Policy Amendments clarify that references to "day" or "daily" refer to "business day" or "calendar day." For example, in the case of the Collateral Policy, CME Clearing is clarifying that with respect to standby and pass-through letters of credit, a change in the legal name of an issuing bank will require that CME must receive an amended letter of credit reflecting the new legal name within 30 **calendar** days [emphasis **added**]. In addition, the ORMF was amended, consistent with the amended RMF, to state that CME Clearing will operate 24-hours a day, seven days a week and utilize continuous monitoring to prevent operational interruptions as part of its broader operational risk management responsibilities.[17] CME Clearing made other clarifying and conforming amendments to its Policies, including with respect to the RMF, CEM and Credit Policy.

3. Risk Assessment of the Rule Amendments

For the reasons described herein, the Clearing House does not believe the Rule Amendments, including the related risk management practices and operations, will materially affect the nature or level of risks

[13] Consistent with the amended RMF, for Event Contract Swaps, the collateral requirement is equal to the full notional value of the swaps, while also accounting for the maximum loss that could be incurred by a portfolio that contains short trades on each outcome of a single event.

[14] The calculation of the total change in collateral requirement for event products during hours outside of Advance Funding Hours is also codified in the amended CEM. As noted in reference to the amended RMF, event products include Event Contracts and Event Contract Swaps

[15] Specifically, if the settlement value for an Event Contract Swap is known during Advance Funding Hours and the settlement price at the expiration time and in accordance with the contract specifications, results in a settlement value that is a positive non-zero value that is due to be received on the next business day by a Base Clearing Member with long positions, per origin, such Clearing Member receives the benefit. Conversely, if the settlement value is zero on the next business day for a Base Clearing Member with short positions, per origin, such Clearing Member receives the benefit (i.e., the projected collateral requirement for the given Event Contract Swap is zero).

[16] The amended Credit Policy also removes references to CME's clearing of FEX Global ("FEX") products, since CME ceased to provide clearing for FEX products as of June 10, 2025 (*see* CME Submission No. 25-255, *available here*: https://www.cmegroup.com/content/dam/cmegroup/market-regulation/rule-filings/2025/7/25-255.pdf).

[17] The amended ORMF also clarifies that CME Clearing is staffed 24-hours a day, seven days a week to assist Clearing Members with operational issues. This is in addition to monitoring to prevent operational interruptions.

presented to CME. CME Clearing will maintain the same approach to monitoring Base Clearing Members' exposures on business days and non-business days. Consistent with CME Clearing's current practice of confirming that Clearing Members can manage the risks of the products they clear, Base Clearing Members will not be permitted to clear transactions during Supplemental Trading Hours unless approved in accordance with the Rules.[18] This approval considers factors, including, but not limited to, a Base Clearing Member's ability to manage risk during Supplemental Trading Hours, as demonstrated, in part, by the requirement of Base Clearing Members to have policies and procedures documenting such risk management practices.[19]

Consistent with current practices, CME Clearing will also perform real-time monitoring of clearing activity during Supplementary Trading Hours, including by employing tolerance thresholds. Base Clearing Members will be required to limit exposures during Advance Funding Hours relative to their collateral and performance bond amounts posted to the Clearing House for the relevant account class and/or available sources of liquidity.[20] Specifically, regarding both performance bond exposure (i.e., for Base products excluding Event Contract Swaps) and Event Contract Swaps' exposure, a Base Clearing Member would be expected to post to the relevant account class sufficient collateral and/or performance bond amounts to cover anticipated increases in exposure during Advance Funding Hours (e.g., if trades during Supplemental Trading Hours are risk additive to their portfolio). The posting of these amounts results in collateral on deposit that will generally exceed the collateralization requirements during business days. Additionally, regarding outstanding exposure (i.e., for Base products excluding Event Contract Swaps), a Base Clearing Member would be expected to have sufficient available sources of liquidity to cover anticipated increases in exposure during Advance Funding Hours (e.g., if trades during Supplemental Trading Hours are subject to potential mark-to-market losses). As such, these Base Clearing Members will report available sources of liquidity to the Clearing House each week and such liquidity will be subject to adjustments by CME Clearing to account for the need for a Base Clearing Member to meeting obligations for outstanding exposure at the next settlement cycle following the conclusion of the Supplemental Trading Hours (e.g., the intraday clearing cycle on Monday after Weekend Hours). Exposure will be monitored at the Clearing Member-level for each origin. As is current practice, CME Clearing may take action to mitigate risk arising from any one Base Clearing Member, including by establishing position limitations or through other means as authorized in its Rules.[21]

Consistent with the existing Event Contracts that were launched for trading and clearing in September 2022, at the given clearing cycle, the seller of an Event Contract Swap posts the full notional value of the swap and receives the option premium that is paid by the buyer of the Event Contract Swap. The maximum potential loss of the seller is required as collateral by CME and the loss of the buyer is limited to such premium paid.

DCO Core Principle Analysis

CME, as a 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 (the "Act") and identified that the Rule Amendments may impact the following Core Principles:

DCO Core Principles:

- **DCO Core Principle B – Financial Resources**: The Rule Amendments are consistent with DCO Core Principle B, which requires a DCO to have adequate financial resources to discharge each responsibility of the DCO. The Rule Amendments will not impact CME Clearing's ability to meet its financial obligations to its clearing members. A Base Clearing Member will be expected to post to the relevant account class sufficient collateral and/or performance bond amounts to cover anticipated increases in exposure during Advance

[18] *See* proposed new Rule 916.A.
[19] *See* proposed new Rule 916.C. and amended Rule 982.
[20] *See* proposed new Rule 916.B. (noting, at a minimum, Advance Funding Hours will include Weekend Hours).
[21] *See* Chapters 4, 8, and 9 of the Exchanges' Rules.

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Funding Hours. The Rule Amendments also provide that for Base products excluding Event Contract Swaps, a Base Clearing Member would be required to manage its outstanding exposure by having sufficient available sources of liquidity to cover anticipated increases in exposure during Advance Funding Hours. CME Clearing therefore believes the Rule Amendments are consistent with DCO Core Principle B and CFTC Regulations 39.11 and 39.33.

- **DCO Core Principle C – Participant and Product Eligibility**: The Rule Amendments are consistent with DCO Core Principle C, which requires that a DCO establish appropriate admission and continuing eligibility standards for its members, and membership requirements be objective, publicly disclosed, and permit fair and open access. The Rule Amendments provide that CME Clearing's Credit & Liquidity Committee will review and approve existing Base Clearing Members requesting to clear products during Supplemental Trading Hours, and new applications for Base Clearing Members will continue to be brought to the CHRC for risk-based feedback and the CHOC for approval. The Rule Amendments also state that existing Base Clearing Members requesting to clear products during Supplemental Trading Hours will be subject to an initial *ad hoc* risk review and will be required to complete a questionnaire specific to managing risk during Supplemental Trading Hours. Consistent with CME Clearing's existing requirements for Clearing Members, Base Clearing Members are required to have policies, procedures, and practices for managing risk, including during Supplemental Trading Hours. CME Clearing therefore believes the Rule Amendments are consistent with DCO Core Principle C and CFTC Regulation 39.12.

- **DCO Core Principle D – Risk Management**: The Rule Amendments are consistent with DCO Core Principle D, which requires that a DCO possesses the ability to manage the risks associated with discharging its responsibilities through the use of appropriate tools and procedures, and limit its exposure to potential losses from defaults by members and participants. The Rule Amendments provide that Base Clearing Members will not be permitted to clear transactions during Supplemental Trading Hours unless approved in accordance with the Rules. As part of this process, CME Clearing will assess a Base Clearing Member's ability to manage risk during Supplemental Trading Hours, including via the risk review process. CME Clearing will also perform real-time monitoring of clearing activity during Supplementary Trading Hours and employ tolerance thresholds. The Rule Amendments further provide that Clearing Members will be required to limit exposures during Advance Funding Hours relative to their collateral and performance bond amounts posted to the Clearing House for the relevant account class and/or available sources of liquidity. Notwithstanding the foregoing, the Rule Amendments clarify that CME Clearing may take action to mitigate risk arising from any one Base Clearing Member, including by establishing position limitations or through other means as authorized in its Rules. CME Clearing therefore believes the Rule Amendments are consistent with DCO Core Principle D and CFTC Regulation 39.13.

- **DCO Core Principle L – Public Information**: The Rule Amendments are consistent with DCO Core Principle L, which requires that a DCO provide to market participants sufficient information to enable the market participants to identify and evaluate accurately the risks and costs associated with using the DCO's services. The Rule Amendments will be incorporated in the Clearing House's publicly available Rulebook. In addition, CME will release a notice to the marketplace regarding the Rule Amendments in advance of the effective date. CME Clearing therefore believes the Rule Amendments are consistent with DCO Core Principle L and CFTC Regulation 39.21.

DCM Core Principles:

- **DCM Core Principle 7 - Availability of General Information**: The Rule Amendments are consistent with DCM Core Principle 7, which requires that a DCM make available accurate information concerning the rules, regulations, and mechanisms for executing transactions on or through the facilities of the DCM. The Rule Amendments will be incorporated into the

Exchanges' publicly available Rulebooks. The Exchanges therefore believe the Rule Amendments are consistent with DCM Core Principle 7 and CFTC Regulation 38.401(d).

Pursuant to Section 5(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the Rule Amendments comply with the Act and regulations thereunder.

There were no substantive opposing views to the proposal that were not incorporated into the Rule Amendments. CME continues to work with the marketplace to address feedback received on risk management tools and controls and vendor readiness for the expansion to Supplemental Trading Hours. For example, the Exchanges' have enhanced their pre-trade risk management tools and controls that can be used to restrict customers from entering trades for clearing during Weekend Hours, as well as built upon the current tools and controls with regard to product restrictions.

The Clearing House certifies 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 concerning the above, please contact the undersigned at 312-930-8141 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Maureen Guilfoile
Managing Director and Chief Regulatory Counsel

Attachments:	Exhibit A:	Amendments to CME, CBOT, NYMEX/COMEX Chapter 9 ("Clearing Members") - Proposed New Rule 916. ("Supplemental Trading Hours") and Amendments to Rule 982. ("Risk Management") (blackline format)
	Exhibit B:	Amendments to Risk Management Framework (blackline format) (confidential treatment requested)
	Exhibit C:	Amendments to Credit Risk Management Assessment Methodology (blackline format) (confidential treatment requested)
	Exhibit D:	Amendments to Counterparty Exposure Methodology (blackline format) (confidential treatment requested)
	Exhibit E:	Amendments to Liquidity Risk Management Framework (blackline format) (confidential treatment requested)
	Exhibit F:	Amendments to Operational Risk Management Framework (blackline format) (confidential treatment requested)
	Exhibit G:	Amendments to Credit Policy (blackline format) (confidential treatment requested)
	Exhibit H:	Amendments to Collateral Policy (blackline format) (confidential treatment requested)
	Exhibit I:	Amendments to Investment Policy (blackline format) (confidential treatment requested)
	Exhibit J:	Amendments to Base Default Management Guidelines (blackline format) (confidential treatment requested)

Exhibit A

CME, CBOT, NYMEX/COMEX Rulebooks

(additions are underscored; deletions ~~struck through~~)

Chapter 9

CLEARING MEMBERS

916. SUPPLEMENTAL TRADING HOURS

916.A. Approval and Hours

Subject to the approval by CME Clearing, Base Clearing Members shall be qualified to clear transactions for Base Contracts that clear on the next Business Day on such days and during such hours, as the Clearing House determines, for the purposes of this Rule 916, entitled, "Supplemental Trading Hours." Supplemental Trading Hours shall include, but are not limited to, the hours from 4:00 p.m. central time on Friday through 4:59 p.m. central time on Sunday, entitled, "Weekend Hours," and the hours, as the Clearing House determines for the purposes of this Rule 916, on the days that are impacted by amended trading hours for Exchange Holidays. Trades that are matched during Supplemental Trading Hours are novated to the Clearing House pursuant to Rule 804. The Clearing House will publish Supplemental Trading Hours for the days that are impacted by amended trading hours for Exchange Holidays.

916.B. Exposure Monitoring

The Clearing House will monitor each Base Clearing Member's exposure to the Clearing House during Supplemental Trading Hours. During certain hours within the Supplemental Trading Hours, entitled, "Advance Funding Hours," the Clearing House will monitor if a Base Clearing Member's exposure, as defined in Rules 916.B.1. and 916.B.2., exceeds, as applicable, its collateral and performance bond amounts posted to the Clearing House for the relevant account class and/or its available sources of liquidity, as the Clearing House determines. Advance Funding Hours shall include, but are not limited to, Weekend Hours and other hours that are within the Supplemental Trading Hours, as the Clearing House determines, for the purposes of this Rule 916. The Clearing House will publish the Advance Funding Hours for the hours that are not Weekend Hours.

1. Base Contracts that are Not Event Contract Swaps

During Advance Funding Hours, the Clearing House will monitor if a Base Clearing Member's: i) performance bond exposure, as the Clearing House determines, in Base Contracts excluding Event Contract Swaps exceeds its collateral and performance bond amounts posted to the Clearing House for the relevant account class; and ii) outstanding exposure, as defined in Rule 814, in Base Contracts excluding Event Contract Swaps exceeds its available sources of liquidity, as the Clearing House determines. If either exposure exceeds, as applicable, the Base Clearing Member's collateral and performance bond amounts posted to the Clearing House for the relevant account class or available sources of liquidity, as the Clearing House determines, the Clearing House may impose additional requirements on such Base Clearing Member to mitigate the risk prior to the next settlement cycle, including, but not limited to, position limitations.

2. Base Contracts that are Event Contract Swaps

During Advance Funding Hours, the Clearing House will monitor if a Base Clearing Member's exposure, as the Clearing House determines, in Base Contracts that are Event Contract Swaps exceeds its collateral and performance bond amounts posted to the Clearing House for the relevant account class. If such exposure exceeds the Base Clearing Member's collateral and performance bond amounts posted to the Clearing House for the relevant account class, the Clearing House may impose additional requirements on such Base Clearing Member to mitigate the risk prior to the next settlement cycle, including, but not limited to, position limitations.

916.C. Risk Management Policies & Procedures

1. Base Contracts that are Not Event Contract Swaps

In addition to its other obligations under the Rules, a Base Clearing Member qualified to clear Base Contracts excluding Event Contract Swaps during Supplemental Trading Hours must have risk management policies and procedures designed to limit instances during Advance Funding Hours where its: i) performance bond exposure in these Base Contracts exceeds its collateral and performance bond amounts posted to the Clearing House for the relevant account class; and ii) outstanding exposure, as defined in Rule 814, in these Base Contracts exceeds its available sources of liquidity, as the Clearing House determines.

2. Base Contracts that are Event Contract Swaps

In addition to its other obligations under the Rules, a Base Clearing Member qualified to clear Base Contracts that are Event Contract Swaps during Supplemental Trading Hours must have risk management policies and procedures designed to limit instances during Advance Funding Hours where its exposure in these Base Contracts exceeds its collateral and performance bond amounts posted to the Clearing House for the relevant account class.

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982. RISK MANAGEMENT

All clearing members must have written risk management policies and procedures in place to ensure they are able to perform certain basic risk and operational functions at all times, including during Supplemental Trading Hours. At a minimum, the following areas must be considered in the firm's policies and procedures, depending on the firm's size and its business and product mix:

A. Trade Submission and Account Monitoring. Clearing members must have procedures in place to demonstrate compliance in the following areas for trades executed through both electronic platforms and open outcry:

1. Monitoring the credit risks of accepting trades, including give-up trades, of specific customers.
2. Monitoring the risks associated with proprietary trading.
3. Limiting the impact of significant market moves through the use of tools such as stress testing or position limits.
4. Maintaining the ability to monitor account activity on an intraday basis, including overnight.
5. Ensuring order entry systems include the ability to set automated credit controls or position limits or requiring a firm employee to enter orders.
6. Defining sources of liquidity for increased settlement obligations.
7. Determining a risk profile for each account it carries, including whether such account presents a heightened risk profile.

B. Additional and/or Alternative Requirements. Exchange or Clearing House staff may prescribe additional and/or alternative requirements in order for clearing members to comply with this Rule.

C. Each clearing member shall promptly provide to Clearing House staff, upon request, information and documents regarding its risk management policies, procedures and practices, including, without limitation, information and documents relating to the liquidity of its financial resources, settlement procedures and operational issues.

D. Each clearing member shall make information and documents regarding its risk management policies, procedures and practices available to the CFTC upon the CFTC's request.

In addition, all FCM clearing members must comply with the risk management requirements set forth in CFTC Regulation 1.11: Risk Management Program for futures commission merchants.

Exhibit B, C, D, E, F, G, H, I, and J

CONFIDENTIAL TREATMENT REQUESTED

(ATTACHED UNDER SEPARATE COVER)