



CME Group

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***CLEARING HOUSE RISK
WORKING GROUP
PROCEDURES***

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1. PURPOSE AND STATEMENT OF THE CLEARING HOUSE RISK WORKING GROUP

The Clearing House Risk Working Group (“CHRWG” or the “Working Group”) has been established by CME Clearing (or the “Clearing House”) as a special advisory working group comprised of a wide variety of members including clearing members and customers of clearing members. Consistent with CFTC Regulation 39.24(b)(12), the primary purpose of the Working Group is to provide a forum to seek risk-based input from a broad array of market participants regarding all matters that could have a significant impact on the risk profile of the Clearing House. Additional risk-related matters may be brought to the Working Group in the sole discretion of the Clearing House.

2. PARTICIPATION

The CHRWG is led by a chairperson (“Chairperson”), who is appointed by the Global Head of Clearing and Post-Trade Services and is a Senior Director or above of CME Clearing. The Chairperson appoints a secretary of the Working Group (“Secretary”) to assist the Chairperson.

To achieve participation from a broad array of market participants, such that a diverse cross-section of CME Clearing’s Clearing Members and customers of Clearing Members are represented, CME Clearing publishes a public clearing advisory at least semi-annually notifying market participants of the occurrence of a meeting of the CHRWG. Such advisory provides market participants the opportunity to sign-up to participate in the given Working Group meeting and information regarding the topics to be discussed.

3. WORKING GROUP MEETINGS, TASKS AND AUTHORITY

3.1. General

The CHRWG meets at least twice annually, but may be convened more frequently if the Chairperson, in consultation with the Senior Management of CME Clearing, determines it is necessary. The Chairperson schedules all meetings of the CHRWG and provides the CHRWG with a written agenda. The CHRWG, via the Secretary, documents a written summary of the topics discussed and main points raised (the “Summary Document”) during each meeting that is provided to either the Clearing House Risk Committee (“CHRC”) or the Interest Rate Swaps Risk Committee (“IRSRC”) (collectively the “CME Clearing Risk Committees”),¹ as appropriate. The Summary Document is designed to capture the risk-based input provided by the CHRWG and indicates which discussion topics are relevant for the CHRC or IRSRC, which is determined by the remit set out in their respective charters. Prior to providing the Summary Document to the appropriate CME Clearing Risk Committee, the Summary Document will be circulated to CHRWG members, who will have five business days to respond with any factual comments and corrections pertaining to the discussion that occurred during the meeting.

3.2. Expectation of CHRWG Participants

Participants of the CHRWG are expected to foster an open dialogue that focuses on discussing those matters brought before it, as determined by the Clearing House, particularly those that could have a significant impact on the risk profile of the Clearing House. Participants are encouraged to speak candidly and must provide only constructive, risk-based input in a manner that supports the safety and efficiency of the Clearing House and the stability of the broader financial system. Participants of the CHRWG are expected to promptly provide factual comments and corrections, as necessary, on the draft Summary Document.

¹ Additional information on the CME Clearing Risk Committees is available on the CME Group website, including the [CHRC Charter](#) and [IRSRC Charter](#).

The CHRWG benefits from a diverse makeup of industry participants by gaining differing insights and driving collaboration to advance and better protect the Clearing House.

However, when a working group is made up of industry participants, the working group must exercise caution to ensure compliance with applicable competition laws. The meetings of the CHRWG are designed to be conducted in accordance with best practices associated with similar working groups and committees. A formal agenda will be circulated and participants should keep to the agenda. Items raised outside of any agenda will be tabled for future meetings, pending legal review.

CHRWG participants' competitively sensitive information and/or confidential information may not be shared or discussed during CHRWG meetings.

3.3. Expectation of the Clearing House

The Chairperson, in consultation with the Senior Management of CME Clearing, determines the CHRWG agenda. The Global Head of Clearing & Post-Trade Services, Chief Risk Officer of the Clearing House, and Chief Compliance Officer of the Clearing House, collectively, are responsible identifying which of those matters could have a significant impact on the risk profile of the Clearing House. The Secretary prepares the Summary Document and shares the Summary Document with members of the CHRWG within a reasonable time following the meeting. After CHRWG has the opportunity to review the Summary Document, it is shared with the appropriate Clearing Risk Committee at the meeting where the relevant subject matter is covered.

3.4. Expectation of the CME Clearing Risk Committees

Consistent with the responsibilities of each committee under their respective charters, the CHRC and IRSRC review the relevant risk-based input in the Summary Document, document their consideration of the risk-based input provided in Summary Document, and provide further risk-based input to the Clearing House Oversight Committee.