



November 13, 2024

Christopher J. Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Cboe Clear Digital, LLC Rule Certification Submission  
Number CCD-2024-12C

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Rule 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Clear Digital, LLC (“CCD” or “Clearinghouse”) hereby submits an amendment to the CCD Risk Management Committee (“RiskCo”) Charter (the “Amendment”). The Amendment to the RiskCo Charter is set forth in **Exhibit A**, and will become effective November 27, 2024.

### **Description of the Amendment**

The Amendment revises the RiskCo Charter to reflect that the CCD Board of Directors’ (“Board”) consideration and response to the input that the Board receives from the RiskCo will be documented in the written Board meeting minutes rather than through a separate written memorandum from the Board to the RiskCo. CCD notes that the RiskCo will continue to make a report to the Board at each regularly scheduled Board meeting subsequent to each RiskCo meeting. Any consideration by the Board of input that it may receive from the RiskCo, documented via Board meeting minutes, will be shared with the RiskCo.

### **Core Principle Compliance**

CCD believes that the Amendment is consistent with the DCO Core Principles under Section 5 of the Act. In particular, CCD believes that the Amendment is consistent with Core Principle O (Governance) as the Amendment ensures that the RiskCo Charter continues to describe the RiskCo and Board consultation process in detail, particularly the requirement for the Board to consider and respond to the RiskCo’s input.

### **Public Information**

We have concurrently posted a notice and copy of this submission on the Clearinghouse’s website at <https://www.cboedigital.com/regulation/exchange-notices/> under “CFTC Submissions.”

### **Opposing Views**

We are not aware of any opposing views to this self-certification.

**Certification**

Cboe Clear Digital, LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in Commission regulation §40.6, that this submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

If you have any questions regarding this submission, please contact the undersigned at the information below.

Sincerely,

**/s/ Joseph McGlawn**

Joseph McGlawn  
Head of Clearing  
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**CBOE CLEAR DIGITAL, LLC  
RISK MANAGEMENT COMMITTEE CHARTER**

**(Updated as of ~~May 31~~November 27, 2024)**

**Purpose**

The Risk Management Committee (“RiskCo”) is a committee of the Board of Directors of Cboe Clear Digital, LLC (“Cboe Clear Digital”) (the “Board”) established in accordance with the Commodity Exchange Act and the regulations promulgated thereunder (collectively referred to as “the CEA”). Pursuant to CFTC Rule 39.24, a derivatives clearing organization (a “DCO”) shall have governance arrangements that establish one or more risk management committees and require the board of directors of the DCO to consult with, and consider and respond to input from, the risk management committee on all matters that could materially affect the risk profile of the DCO.

The RiskCo is an advisory committee to the Board with regard to any matters that could materially affect the risk profile of Cboe Clear Digital as a DCO.

**Composition**

The ~~CFTC~~ RiskCo shall include:

- at least one Public Director of the Board;
- at least two clearing member representatives; and
- at least two representatives of customers of clearing members.

The members of the RiskCo shall be appointed by the Board. The Board may remove any RiskCo member at any time with or without cause.

The Chair of the RiskCo shall be the one Public Director of the Board. In the case that there is more than one Public Director seated on the RiskCo, the Board shall appoint the Chair.

Each member of the RiskCo shall serve a term of three years or, if earlier, until his or her resignation or removal. A RiskCo member’s standard three-year term may be extended one additional year. Following a period of one year from the end of the RiskCo member’s term, either a standard term or an extended term, a RiskCo member is eligible to serve additional terms.

**Fitness Standards**

RiskCo members are required to bring their expertise and industry leadership to the RiskCo and provide independent and informed opinions in the form of risk-based input on all matters presented to the RiskCo for consideration.

RiskCo members are required to perform their duties in a manner that supports the safety and efficiency of Cboe Clear Digital and the stability of the broader financial system.

RiskCo members are subject to and required to comply with all applicable Cboe Clear Digital Rules, including applicable conflicts of interest and confidentiality rules, policies and procedures.

## Meetings

The RiskCo shall meet regularly each quarter and as often as it may deem necessary and appropriate to address in a timely manner material risk issues as they may arise for Cboe Clear Digital as a DCO.

The RiskCo shall maintain written minutes of its meetings.

A majority of the RiskCo members shall constitute a quorum. Each RiskCo member not subject to a recusal (for reasons including, but not limited to, an actual or potential conflict of interest) shall have one (1) vote in all matters requiring a vote by the RiskCo. The act of a majority of the RiskCo members not subject to a recusal at any duly constituted meeting, if a quorum is present, shall be the act of the RiskCo. In the case of any tie vote, the Chair of the RiskCo shall have the deciding vote.

## Reporting

The Chair reports the RiskCo's input directly to the Board on matters that could materially affect the risk profile of Cboe Clear Digital in its operating capacity as a DCO.

The Board will consider and respond to the substance of any input received from the RiskCo. ~~and will subsequently document its~~ The Board's consideration and response to RiskCo input will be documented in ~~the~~ written Board meeting minutes~~memorandum to the RiskCo~~.

## Responsibilities

In furtherance of the RiskCo's purpose, and in addition to any other responsibilities that may be properly assigned by the Board, the RiskCo will provide advice to the Board on any matter that may materially impact the risk profile of Cboe Clear Digital as a DCO, which includes but is not limited to:

- material changes to Cboe Clear Digital's risk models, default management procedures, financial resources, and credit risk management, as well as material revisions to Cboe Clear Digital policies governing the framework, testing, and calculation, as applicable, of the aforementioned matters;
- material changes to standards and requirements for clearing member eligibility and participation;
- -clearing of any new products that have margining, liquidity, default management, pricing, or other risk characteristics that differ materially from those currently cleared by Cboe Clear Digital;

- material changes to Cboe Clear Digital’s risk monitoring practices;
- regulatory proposals that may pose a novel question or regulatory risk prior to implementation, including advising the Board as to whether and how such changes may impact regulation; and
- any other material risk management issues, including risk management policy, financial safeguards, financial surveillance and membership issues.

The RiskCo may also recommend to the Board changes that would ensure fair, vigorous, and effective regulation and risk management, and that would support the broader financial system or other relevant public interest considerations.

The RiskCo shall receive regular reports from the Cboe Clear Digital Chief Risk Officer, and, as necessary, the Head of Clearing and Chief Compliance Officer, regarding items that may have material impact on the risk profile of Cboe Clear Digital.

### **Authority and Resources**

The RiskCo shall take such actions required by Cboe Clear Digital Rules or as otherwise delegated to it by the Board. The RiskCo ~~Management Committee~~ shall have the duties and powers as described and required under the CEA. The RiskCo shall have sufficient authority, discretion, and resources to fulfill its mandate.