

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 14-488 (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): November 21, 2014 Filing Description: Modifications to Agricultural Options Market Maker Program

**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: Not Applicable

**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:



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

November 21, 2014

**VIA ELECTRONIC PORTAL**

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

**RE: Modifications to Agricultural Options Market Maker Program  
CBOT Submission No. 14-488 (2 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Agricultural Options Market Maker Program ("Program"). The modifications to the Program will become effective on December 9, 2014.

Exhibit 1 sets forth the terms of this Program. Modifications appear below with additions underlined and deletions ~~overstruck~~.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, the Exchanges' staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does not impact the Exchanges' ability to perform their trade practice and market surveillance obligations under the CEA and the Exchanges' market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations under the Program to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchanges in which each participant will expressly agree to comply with and be subject to, applicable regulations and rules. The Program is subject to the Exchanges' record retention policies which comply with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the proposed modifications.

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 Tim Elliott at 312-466-7478 or via e-mail at [tim.elliott@cmegroup.com](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our CBOT Submission No. 14-488 (2 of 2) in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## Agricultural Options Market Maker Program

### Program Purpose

The purpose of this Program is to incentivize market participants to trade the products listed below. The resulting increase in liquidity benefits all participant segments in the market.

### Product Scope

Options on the following Agricultural products:

Corn, Soybeans, Wheat, Soybean Meal, Soybean Oil, Live Cattle, Lean Hogs, Feeder Cattle, Oats, Rough Rice, Dairy Complex, EU Milling Wheat, Average Price Options, Crush Options, and SDNC Meal & Oil ("Products").

### Eligible Participants

To be eligible for participation, a participant must be a CME or CBOT Member Firm or individual member within division and hold a 106 R., H., S., or J. membership. The Exchanges will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including past performance in the Products, the prospective participant's overall historical performance and experience acting as a market maker in other CME and CBOT programs, and the ability to commit to and maintain at least the required quoting obligations. Notwithstanding the foregoing, the Exchanges may, from time to time, add to or subtract from the factors listed above as it deems necessary.

### Program Term

Start date is January 2, 2014. End date is December 31, 2015.

### Hours

RTH and/or ETH

### Obligations

*Quoting Requirements.* All participants will be required to quote on outright options for the first three (3) contracts (nearby and 2+ back months) months at any given time with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike.

Participants must additionally be able to respond to Request-for-Quotes ("RFQ") orders and execute spread options between 8:30 A.M. and 1:15 P.M.

PRODUCTS	QUOTING REQUIREMENTS
Corn	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Soybeans	(1) Quote on outright options for the first three (3)

	contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Wheat	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Soybean Meal	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Soybean Oil	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Oats	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Rough Rice	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Feeder Cattle	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Live Cattle	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Lean Hogs	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Dairy Complex	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
EU Milling Wheat	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Average Price Options	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
Crush Options	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders
SDNC Meal & Oil	(1) Quote on outright options for the first three (3) contracts months with seven (7) strikes over the ATM strike and 7 strikes below the ATM strike, and (2) Respond to RFQ orders

## Incentives

*Fee Waivers.* Upon satisfying all Program obligations, as determined by the Exchanges, each Program participant shall be eligible for exchange fee waivers for electronic trades.

Qualification for the fee waivers are based on ranking methodology as determined by the Exchanges, in accordance with the following tables:

2014:

Product	Firm Ranking						
	#1	#2	#3	#4	#5	#6	#7
Corn	75%	75%	50%	50%	25%	0%	0%
Soybeans	75%	75%	50%	50%	25%	25%	25%
Wheat	100%	100%	75%	75%	75%	50%	50%
Soybean Meal	100%	100%	75%	75%	75%	50%	50%
Soybean Oil	100%	100%	75%	75%	75%	50%	50%
Live Cattle	100%	100%	75%	75%	50%	50%	50%
Lean Hogs	100%	100%	75%	75%	50%	50%	50%
Feeder Cattle	100%	100%	75%	75%	50%	50%	50%
Oats	100%	100%	100%	100%	100%	100%	100%
Rough Rice	100%	100%	100%	100%	100%	100%	100%
Dairy Complex	100%	100%	75%	75%	50%	50%	50%

2015:

Product	Firm Ranking				
	#1	#2	#3	#4	#5
Corn	60%	40%	30%	20%	10%
Soybeans	60%	40%	30%	20%	10%
Wheat	100%	75%	50%	50%	50%
Soybean Meal	100%	75%	50%	50%	50%
Soybean Oil	100%	75%	50%	50%	50%
Live Cattle	100%	75%	50%	50%	25%
Lean Hogs	100%	75%	50%	50%	25%
Feeder Cattle	100%	75%	50%	50%	25%
Oats	100%	75%	50%	50%	25%
Rough Rice	100%	75%	50%	50%	25%
Dairy Complex	100%	75%	50%	50%	25%
EU Milling Wheat	100%	75%	50%	50%	25%
Average Price Options	100%	75%	50%	50%	25%
Crush Options	100%	75%	50%	50%	25%
SDNC Meal & Oil	100%	75%	50%	50%	25%

Each participant's ranking in a particular quarter will determine incentives received for the following quarter in accordance with the following table:

<b>Performance in:</b>	<b>Determines Fee discounts in:</b>
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Q4, 2014	Q1, 2015
Q1, 2015	Q2, 2015
Q2, 2015	Q3, 2015
Q3, 2015	Q4, 2015
Q4, 2015	Q1, 2016

**Monitoring and Termination of Status**

The Exchanges shall monitor participants' activity and performance in the Products and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.