

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-060

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): 2/19/2016 **Filing Description:** Notification Regarding the Reduction in Minimum Quantity Threshold Level for the Block Trade Sizes, 10-Year U.S. Treasury Note Futures Contract.

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:

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 |

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:

February 19, 2016

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 the Reduction in Minimum Quantity Threshold Level for the 10-Year U.S. Treasury Note Futures Contract.
CBOT Submission No. 16-060**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the reduction of the minimum block threshold level for the 10-Year U.S. Treasury Note futures contract (“Ultra 10-Year, “TN futures” or “the Contract”) (CBOT Rulebook Chapter 26; CME ClearPort: TN; CME Globex: TN) effective on Sunday, March 6, 2016 for trade date Monday, March 7, 2016.

The minimum block trade size established for TN futures during regular trading hours (“RTH”) at launch was 5,000 contracts, equal to the minimum size permitted for block transactions during RTH in the Long-Term (6-1/2 to 10-Year) U.S. Treasury Note futures contract (“TY futures”).

Analysis of the Exchange’s Treasury futures complex after the launch of the TN futures showed that there is disproportionality between minimum block trade standards of the TY futures and TN futures. The interest rate risk sensitivity of a 5,000-contract TY futures block trade is approximately \$420,000 per basis point per annum (“bp”), while the interest rate risk sensitivity of a 5,000-contract TN futures block transaction is around \$620,000, or nearly 50 percent greater.

The reduction of the TN block trade minimum quantity threshold from 5,000 contracts to 3,500 contracts during RTH, from 2,500 contracts to 1,750 contracts during European trading hours (“ETH”), and from 1,250 contracts to 875 during Asian trading hours (“ATH”) will ameliorate the disproportionality between block trade standards for TY futures and TN futures by aligning the TN thresholds with the rest of the Exchange’s Treasury futures complex.

Appendix A provides the current and proposed levels of minimum block transaction sizes for TN futures.

Appendix B illustrates the current block threshold levels of the Treasury Futures complex (for RTH).

All block trades are subject to the conditions set for in Rule 526 (“Block Trades”) located in Chapter 5 (“Trading Qualifications and Practices”).

The Exchange reviewed the designated contract market (“DCM”) core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or the “Act”) and identified that the amendments may have some bearing on the following Core Principles:

- **Availability of General Information**

As required by this Core Principle the marketplace will be notified of the amended block trade minimum thresholds via the issuance of a Special Executive Report.

- **Execution of Transactions**

Core Principle 9 permits a DCM to authorize for bona fide business purposes transactions executed away from the DCM’s centralized marketplace, and the Exchanges have established block levels in a wide array of futures and options products for quite some time. This modification will serve solely to align the block threshold levels of the TN contract to the rest of the Treasury Futures complex.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the reduction of the block trade minimum threshold of the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Minimum Block Transaction Sizes for TN Futures -- Current and Proposed Levels
Appendix B: Minimum Block Transaction Sizes for Treasury Futures -- RTH

Appendix A

Minimum Block Transaction Sizes for TN Futures -- Current and Proposed Levels

<i>Hours</i>	<i>Minimum Number of Contracts per Block Transaction</i>	
	<i>Current</i>	<i>Proposed</i>
RTH	5,000	3,500
ETH	2,500	1,750
ATH	1,250	875

Appendix B

Minimum Block Transaction Sizes for Treasury Futures – RTH

<i>Product</i>	<i>Block Threshold</i>
2-Year (TU)	5,000
5-Year (FV)	5,000
10-Year (TY)	5,000
Ultra 10-Year (TN) Current/Proposed	5,000/3,500
U.S. Treasury Bond (US)	3,000
Ultra U.S. Treasury Bond (UB)	2,000