

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 22-124

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): March 15, 2022 Filing Description: Modifications to the Eris Block Broker Rebate 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

March 15, 2022

**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 the Eris Block Broker Rebate Program  
CBOT Submission No. 22-124**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Eris Block Broker Rebate Program ("Program"). The modifications to the Program will become effective on April 1, 2022.

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

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, CBOT staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Availability of General Information, Compliance with Rules, and Recordkeeping.

The Program does not incentivize manipulative trading or market abuse or impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, CBOT has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. The incentives under the Program do not adversely impact price discovery in the centralized market. Specifically, incentives under the Program are only available to brokers that submit previously matched third-party trades in the relevant products. The parties to a trade have discretion to select the venue. Brokers earn incentives after venue selection is made. Principals who submit trades or execute orders for their own account or a proprietary account are not eligible for incentives under the Program. Thus, the Program does not influence the choice made by the principals regarding the execution venue. Participants in the Program will be selected by CBOT staff using criteria set forth in Exhibit 1. Chapter 4 of the CBOT rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules and the Exchange's records retention policies which comply with the CEA.

CBOT certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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>.

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our CBOT Submission No. 22-124 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## Eris Block Broker Rebate Program

### Program Purpose

The purpose of this Program is to encourage brokers to increase their volume in the product listed below, enhancing market liquidity for the product. A more liquid contract benefits all participants in the market.

### Product Scope

All Eris Swap Futures traded on the CME Globex Platform (“Products”) ~~2-Year Eris Swap Futures (“LIT”), 3-Year Eris Swap Futures (“LIC”), 4-Year Eris Swap Futures (“LID”), 5-Year Eris Swap Futures (“LIW”), 7-Year Eris Swap Futures (“LIB”), 10-Year Eris Swap Futures (“LIY”), 12-Year Eris Swap Futures (“LIH”), 15-Year Eris Swap Futures (“LIL”), 20-Year Eris Swap Futures (“LIO”), 30-Year Eris Swap Futures (“LIE”), 1-Year Eris SOFR Swap Futures (“YIA”), 2-Year Eris SOFR Swap Futures (“YIT”), 3-Year Eris SOFR Swap Futures (“YIC”), 4-Year Eris SOFR Swap Futures (“YID”), 5-Year Eris SOFR Swap Futures (“YIW”), 7-Year Eris SOFR Swap Futures (“YIB”), 10-Year Eris SOFR Swap Futures (“YIY”), 12-Year Eris SOFR Swap Futures (“YIH”), 15-Year Eris SOFR Swap Futures (“YIL”), 20-Year Eris SOFR Swap Futures (“YIO”), and 30-Year Eris SOFR Swap Futures (“YIE”) (collectively, the “Products”).~~

### Eligible Participants

There is no limit to the number of participants that may register for the Program. The Program is open to all brokers with the ability to facilitate block trades. Participants must execute a minimum of three (3) block trades during one (1) month of the six (6) months prior to entering the Program.

### Program Term

Start date is December 1, 2018. End date is ~~March 31, 2022~~ April 30, 2023.

### Hours

N/A

### Incentives

Eligible participants will receive rebates for every block trade in the Products in accordance with the table below:

Swap Future Tenor	Broker Rebate Amount Per Contract (Round-turn) on Block Outrights	Broker Rebate Amount Per Contract (Round-turn) on Block Spreads
LIT, LIC, YIA, YIT, YIC 1 – 3 YR	\$0.65	\$0.18
LID, LIW, LIB, YID, YIW, YIB 4 – 7 YR	\$1.00	\$0.25
LIY, LIH, LIL, LIO, LIE, YIY, YIH, YIL, YIO, YIE 10 YR+	\$2.00	\$0.60

### **Monitoring and Termination of Status**

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