

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 21-151

**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 17, 2021 **Filing Description:** Implementation of the Agriculture Calendar Spread Options Incentive Program

**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:** Not Applicable

**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     |

**Official Product Name:**

**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:**

March 17, 2021

**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: Implementation of the Agriculture Calendar Spread Options Incentive Program  
CBOT Submission No. 21-151**

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 implement the Agriculture Calendar Spread Options Incentive Program ("Program"). The proposed Program will become effective on April 1, 2021.

Exhibit 1 sets forth the terms of this Program.

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, Compliance with Rules, and Recordkeeping.

The Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's 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 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 Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the CBOT rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to applicable regulations and CBOT rules. The Program is subject to the Exchange's record 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. 21-151 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## Agriculture Calendar Spread Options Incentive Program

### **Program Purpose**

The purpose of this Program is to build liquidity in agriculture calendar spread options (“CSOs”). The resulting increase in liquidity on the central limit order book benefits all participant segments in the market.

### **Product Scope**

All Agriculture CSOs that are traded on the CME Globex Platform, via Open Outcry, or cleared through CME ClearPort (“Products”).

### **Eligible Participants**

CBOT may designate up to seven (7) participants in the Program. Participants may be CBOT equity members, individual members, or non-member hedge funds or proprietary trading firms. Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive selection process which is used to determine eligibility. In determining whether or not a prospective participant is selected to participate in the Program, Exchange staff may take into account a variety of factors including the prospective participant’s overall historical volume in the Products and the prospective participant’s ability to maintain threshold volume obligations for the duration of the Program. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

### **Program Term**

Start date is April 1, 2021. End date is March 31, 2022.

### **Hours**

N/A

### **Obligations**

*Member RFQ Obligations:* In order to be eligible to receive the Member Fee Credits, member participants must respond to at least 70% of requests for quotes (“RFQs”) in ten (10) minutes or less. Any trading days with 100% more unique RFQs than the one (1) month average will be removed from the obligations.

*Non-Member Volume Obligations:* In order to be eligible to receive the Non-Member Level 1 Fee Discounts, non-member participants must have a rolling three (3) month average of at least 700 round-turns in the Products per month.

*Non-Member RFQ Obligations:* In order to be eligible to receive the Non-Member Level 2 Fee Discounts, non-member participants must respond to at least 50% of RFQs in ten (10) minutes or less. Any trading days with 100% more unique RFQs than the one (1) month average will be removed from the obligations.

Holiday Quoting Schedule: There will be no quoting obligations on the dates listed below. The Holiday Quoting Schedule may be adjusted by the Exchange. Participants will be given notice of any adjustments to the Holiday Quoting Schedule.

Date	Holiday
4/2/2021	Good Friday
5/31/2021	Memorial Day
7/5/2021	Independence Day (Observed)
9/6/2021	Labor Day
10/11/2021	Columbus Day
11/25/2021	Thanksgiving
12/24/2021	Christmas (Observed)
1/17/2022	Birthday of Martin Luther King, Jr.

### **Incentives**

Member Fee Credits: Upon meeting the Member RFQ Obligations, as determined by the Exchange, member participants will receive a \$0.45 credit for each Product traded.

Non-Member Level 1 Fee Discounts\*: Upon meeting **only** the Non-Member Volume Obligations, as determined by the Exchange, non-member participants will receive the following discounts in the Products:

Product Type	Venue	Level 1 Fee Charged
CSO	Globex	\$1.75
CSO	Block	\$2.25
Future	Globex	\$1.00
Future	Block	\$1.90

Non-Member Level 2 Fee Discounts\*: Upon meeting **both** the Non-Member Volume Obligations **and** Non-Member RFQ Obligations, as determined by the Exchange, non-member participants will receive the following discounts in the Products\*\*:

Product Type	Venue	Level 1 Fee Charged
CSO	Globex	\$1.50
CSO	Block	\$2.00
Future	Globex	\$0.96
Future	Block	\$1.85

\*Non-Member futures discounts are capped at three (3) futures for every one (1) CSO contract.

\*\*Non-Members will automatically receive the Non-Member Level 2 Fee Discounts during the first month of enrollment in the Program.

### **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 eligibility requirements or obligations of the Program.