

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): **18-096**

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): **04/05/18** Filing Description: **Amendments to the Daily Settlement Procedure Documents for CBOT 30-Day Federal Funds Futures Contracts.**

**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     |

**Official Product Name:** See filing.

**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:** 30-Day Federal Funds Futures

**Rule Numbers:**

April 5, 2018

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Center  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification Regarding Amendments to the Daily Settlement Procedure Document for CBOT 30-Day Federal Funds Futures Contract. CBOT Submission No. 18-096**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT”) (the “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that is self-certifying amendments to the daily settlement procedure document for the 30-Day Federal Funds Futures contract (the “Contract”) listed in the table below effective on Sunday, April 29, 2018 for trade date Monday, April 30, 2018.

<b>Contract Title</b>	<b>CME Globex Code</b>	<b>CME ClearPort/Clearing Code</b>	<b>Rulebook Chapter</b>
30-Day Federal Funds Futures	ZQ	41	22

The Exchange is amending the daily settlement procedures document for the Contract to incorporate activity in the spread markets into the settlement price. The amendments will utilize the Contract’s bid/ask activity of both outright and spread markets in an optimized routine that will determine the settlement price. This change will provide a more holistic view of the Contract by incorporating bid/ask activity in spread markets into the final price determination.

The current and amended daily settlement procedure documents can be viewed in Appendix A.

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

- **Prevention of Market Disruption**  
The amendments reflect the Exchange’s efforts to more effectively protect the market from large price fluctuations of the Contracts. The Exchange believes that the amendments are consistent with this Core Principle requiring the Exchange to maintain and promote an orderly market.
- **Availability of General Information**

The Exchange will publicly issue a Special Executive Report (“SER”) to ensure that market participants have updated guidance and information attendant to the amendments. The SER will also be available on the CME Group website.

- **Execution of Transactions**

The amendments will further enable the Exchange to continue their current practice of providing a competitive, open, and efficient market mechanism for executing transactions.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the amendments comply with the Act and rules thereunder. 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 via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A: Settlement Procedure Document (blackline format)

## Appendix A

### 30-Day Fed Fund Futures Daily Settlement Procedure

#### Normal Daily Settlement Procedure

~~CBOT 30-Day Fed Fund futures (ZQ) are settled by CME Group staff based on trading and market activity on CME Globex between 13:59:00 and 14:00:00 Central Time (CT), the settlement period.~~

CME Group staff determines the daily settlement of 30-Day Fed Fund (ZQ) futures based on the market activity on CME Globex.

#### ~~Tier 1: Trades on CME Globex~~

~~All contract months settle to the volume-weighted average price (VWAP) of outright trades between 13:59:00 and 14:00:00 CT, the settlement period, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded towards the prior day settlement price.~~

#### ~~Tier 2: CME Globex Market Data~~

~~In the absence of trades during the closing range, the contract month settles to the midpoint of the Low Bid/High Ask of the closing range between 13:59:00 and 14:00:00 CT, the settlement period.~~

#### ~~Tier 3: Absence of Two Sided Markets~~

~~If there are no two sided markets available during the closing range in a particular contract month, then the settlement price will be the last trade price (or prior settle in the absence of a last trade price) — adjusted to the Low Bid/High Ask if one side is present.~~

#### **Front 12 Contracts**

The first 12 contract months (ZQ) settle based upon the bid/ask activity of both outright and spread markets on Globex between 13:59:00 and 14:00:00 CT. An optimization routine will run to find a set of prices that fall within the bid/offer market in the outright contracts and certain spreads. Spreads to be in this settlement procedure are 1-month calendar spreads, 2-month calendar spreads, 3-month calendar spreads, 6-month calendar spreads and 1-month butterfly spreads. In all cases, the solution that accommodates the most spread bids and asks will be chosen.

#### **Remaining 24 Contracts**

The remaining 24 deferred monthly contracts will be settled using bids and asks in calendar spreads and butterfly instruments in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. If there are multiple prices that are eligible between this best possible bid and the best possible ask, the price will be chosen that sets the net change as close to the net change of the contract that precedes it in the settlement order.

**Note:** In the event the aforementioned calculations described in this advisory cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.

If you have any questions, please call the CME Global Command Center at +1 800 438 8616, in Europe at +44 800 898 013 or in Asia at +65 6532 5010.