

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-176

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): 05/12/2017 Filing Description: Reductions in Minimum Quantity Requirements for Block Trades in Intercommodity Spreads Relating to CBOT Treasury Invoice Swaps

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: 526

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

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:

May 12, 2017

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 Reduction of Block Trade Minimum Threshold Level for CBOT Treasury Invoice Inter-Commodity Spreads. CBOT Submission No. 17-176

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “the Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying a reduction of the block trade minimum threshold level required to execute privately negotiated block transactions in inter-commodity spreads between CBOT Treasury Invoice Swaps and the corresponding Related Futures Contracts (as defined in CBOT Chapter 58 (“Treasury Invoice Swaps”)) as noted in Exhibit 1 below effective Sunday, June 4, 2017, for trade date Monday, June 5, 2017.

Exhibit 1

<i>Inter-commodity Treasury Invoice Spread</i>	<i>Commodity Code</i>	<i>Block Trade Minimum Threshold Level</i>	
		<i>Current</i>	<i>Effective Trade Date June 5, 2017</i>
Two-Year Treasury Invoice Spread	T1A, T2A, T3A	2,300	250
Five-Year Treasury Invoice Spread	F1A, F2A, F3A	2,400	250
Ten-Year Treasury Invoice Spread	N1A, N2A, N3A	1,700	100
Ultra Ten-Year Treasury Invoice Spread	UT1, UT2, UT3	1,700	100
Treasury Bond Invoice Spread	B1A, B2A, B3A	1,200	100
Ultra Bond Invoice Spread	U1A, U2A, U3A	1,200	100

The amended minimum quantity requirements certified herein shall apply exclusively to block trades in intercommodity spreads between Treasury Invoice Swaps and the corresponding Related Futures Contracts (“Treasury Invoice Swap Spreads”). For the avoidance of doubt,

(a) the rule amendments certified herein shall leave unchanged the established minimum quantity requirements that now apply to block trades in Treasury Note or Treasury Bond futures, executed either on an outright basis or as intercommodity spreads with other futures, and

(b) contingent trade in any CME Cleared interest rate swap, including CBOT Treasury Invoice Swaps, shall remain prohibited, irrespective of the trading venue on which such CME Cleared interest rate swap may be executed, in any instance where the effect of such contingent trade

would be to circumvent minimum quantity requirements for block trades in CBOT Treasury Note or Bond futures executed on an outright basis.

In its previous certifications of terms and conditions for Treasury Invoice Swaps in October 2014 and in May 2016, the Exchange set minimum quantity requirements for block trades in the corresponding Treasury Invoice Swap Spreads at levels that were highly conservative, in the sense that they match the minimum quantity requirements prescribed for block transactions in interest rate swaps that would be subject to the trade execution requirement of Section 2(h)(8) of the Commodity Exchange Act (“CEA” or “Act”).¹ By reducing such block trade minimum quantity requirements, as certified herein, the Exchange seeks to align them more closely with the transaction size standards and the liquidity profile that now prevail in the over-the-counter market in Treasury invoice swaps and Treasury invoice swap spreads.

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

- **Availability of General Information**

The Exchange shall publish on its website information regarding futures contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information. In addition, the Exchange shall publish on the CME Group website a Special Executive Report (“SER”) regarding this matter. The Exchange also shall publish on the CME Group website revisions to the reference tables of *CME, CBOT, NYMEX, and COMEX Block Trade-Eligible Products and Minimum Quantity Thresholds* that serve to supplement, and to facilitate interpretation of and compliance with, CBOT Rule 526.²

- **Execution of Transactions**

Core Principle 9 permits a designated contract market to authorize transactions that are executed away from the designated contract market’s centralized marketplace, provided that such transactions are made for *bona fide* business purposes.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the amended minimum quantities for block transactions in Treasury Invoice Swap Spreads comply 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

¹ See *CFTC Regulation §40.2(a) Certification. Notification Regarding Listing of Treasury Invoice Swaps*, CBOT Submissions 14-455 (1 through 5, inclusive), October 27, 2014, which is available at http://www.cmegroup.com/market-regulation/files/14-455_1.pdf, and *CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of Ultra Ten-Year Treasury Invoice Swap Contracts*, CBOT Submissions 16-163 (1 through 6, inclusive), May 18, 2016, which is available at http://www.cmegroup.com/market-regulation/rule-filings/2016/05/16-163_6.pdf. While the CBOT Treasury Invoice Swaps entailed in the trading of Treasury Invoice Swap Spreads are subject to the clearing requirement of CEA Section 2(h)(1) of the Act, they never have been and are not currently subject to the trade execution requirement of CEA Section 2(h)(8).

² Such reference tables are available at <http://www.cmegroup.com/clearing/trading-practices/block-trades.html#generalInfo>, and <http://www.cmegroup.com/clearing/trading-practices/block-trades.html#cmeproducts>, and <http://www.cmegroup.com/education/files/block-minimum-thresholds-list.xlsx>