

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-185

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): May 16, 2017 **Filing Description:** Implementation of the Federal Fund Options Globex Market Maker 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:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

May 16, 2017

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 Federal Fund Options Globex Market Maker Program
CBOT Submission No. 17-185**

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 Federal Fund Options Globex Market Maker Program ("Program"). The proposed Program will become effective on June 1, 2017.

Exhibit 1 sets forth the terms of this Program.

CBOT reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CBOT staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, 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. Exchange staff will monitor trading in the Program's products in order to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. Participants in the Program will be selected by CBOT staff using criteria as set forth in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with CBOT in which each participant will expressly agree to comply with, and be subject to, applicable regulations and Exchange rules. Additionally, 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 or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CBOT Submission No. 17-185 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Enclosure: Exhibit 1

EXHIBIT 1

Federal Fund Options Globex Market Maker Program

Program Purpose

The purpose of this Program is to incentivize participants to increase liquidity in Federal Fund options products traded on the CME Globex® Platform (“Globex”). More liquid contracts on the central limit order book benefit all participants in the marketplace.

Product Scope

All Federal Fund options traded on Globex (“Products”).

Eligible Participants

The Exchange may designate up to five (5) participants in the Program. Participants must be CBOT members. Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive application process which is used to determine eligibility. In determining whether a prospective participant is selected to participate in the Program, the Exchange may take into account a variety of factors including the strength of the quoting obligations the prospective participant is willing to commit to provide, the ability of the prospective participant to maintain such obligations, and the prospective participant’s historical activity in the Products. Notwithstanding the foregoing, the Exchange may add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is June 1, 2017. End date is June 30, 2018.

Hours

RTH (7:00 AM – 4:00 PM (CST)).

Obligations

Minimum Quoting Obligations: Participants must quote the Products for each of the first four (4) contract months during 75% of RTH in accordance with the following:

	Maximum Bid/Ask Spread	Minimum Quantity	Strike Range
Month 1	1.00	25	ATM +/- 4 Strikes
Month 2	1.00	25	ATM +/- 4 Strikes
Month 3	1.50	25	ATM +/- 4 Strikes
Month 4	1.50	25	ATM +/- 4 Strikes

Holiday Quoting Schedule: There will be no quoting obligations on Saturdays, Sundays, or 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.

Holiday	Date
Independence Day	4 July 2017
Labor Day	4 September 2017
Columbus Day	9 October 2017
Veterans Day	10 November 2017
Thanksgiving	23 November 2017
Christmas	25 December 2017
New Year's	1 January 2018
Dr. Martin Luther King, Jr.	15 January 2018
President's Day	19 February 2018
Good Friday	30 March 2018
Memorial Day	28 May 2018

Incentives

Monthly Stipend: Upon meeting all Program obligations, as determined by the Exchange, participants will receive a Monthly Stipend of \$5,000.

Fee Waivers: Upon meeting all Program obligations, as determined by the Exchange, participants will receive all-in fee waivers for all volume traded in the Products across all venues.

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 fails to meet the obligations of the Program.

If the Exchange determines that a participant has not met its quoting obligations during the participant's first month of quoting, but is within twenty percent (20%) of its contracted quoting metric, the participant will be eligible to receive the incentives for that applicable month.

Excluding a participant's first month of quoting, if a participant does not meet its quoting obligations during one (1) calendar month, but is within ten percent (10%) of its contracted quoting metric, the participant will be eligible to receive the incentives for that applicable month. Participants must meet quoting obligations for all subsequent months in order to continue to receive the Program incentives.

Excluding a participant's first month of quoting, if a participant does not meet its quoting obligations in any three (3) months of participation in the Program, the participant will be removed from the Program.