

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-468

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): November 15, 2018 Filing Description: Implementation of the CBOT Ultra 10 Options 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.

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|--------------------------|---------------------------------------|------------|
| <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

November 15, 2018

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 CBOT Ultra 10 Options Market Maker Program
CBOT Submission No. 18-468**

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 CBOT Ultra 10 Options Market Maker Program ("Program"). The proposed Program will become effective on December 1, 2018.

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: 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 all 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 or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CBOT Submission No. 18-468 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

CBOT Ultra 10 Options Market Maker Program

Program Purpose

The purpose of this Program is to build liquidity in Ultra 10-Year options products. The resulting increase in liquidity benefits all participant segments in the market.

Product Scope

All Ultra 10-Year U.S. Treasury Note options (“Products”).

Eligible Participants

There is no limit to the number of participants in the Program. Participants must be CBOT members.

Program Term

Start date is December 1, 2018. End date is December 31, 2019.

Hours

Regular Trading Hours (“RTH”) and European Trading Hours (“ETH”).

Obligations

Minimum Quoting Obligations: In order to be eligible to receive the Program incentives, participants must quote two-sided markets in the Products at predetermined bid/ask spreads and minimum quote sizes during a certain percentage of time-in-market in accordance with the baseline quoting obligations set forth in the table below. Participants must quote using Day Limit orders. The contract quoted will be all options on the front month future, which includes Friday weekly expirations, Wednesday weekly expirations, serial and quarterly expirations.

Product	Ticker	Width (Ticks)	Size (Contracts)	Time-in-Market	Time Period
Ultra 10-Year U.S. Treasury Note Options	OTN	4	50	50%	RTH/ETH
Ultra 10-Year U.S. Treasury Note Weekly Options	TN1, TN2, TN3, TN4, TN5	4	50	50%	RTH/ETH
Ultra 10-Year Treasury Note Wednesday Weekly Options	WX1, WX2, WX3, WX4, WX5	4	50	50%	RTH/ETH

Request-for-Quotes (“RFQ”) Responses: In order to be eligible to receive the Program incentives, participants must respond to 50% of RFQ’s in RTH and ETH.

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
12/24/2018	Christmas Eve
12/25/2018	Christmas
1/1/2019	New Year's Day
1/21/2019	Martin Luther King Day
2/18/2019	President's Day
4/19/2019	Good Friday
5/27/2019	Memorial Day
7/4/2019	Independence Day
9/2/2019	Labor Day
10/14/2019	Columbus Day
11/11/2019	Veteran's Day
11/28/2019	Thanksgiving
11/29/2019	Thanksgiving
12/24/2019	Christmas Eve
12/25/2019	Christmas

Incentives

Fee Waivers*: Upon meeting both the Minimum Quoting Obligations and RFQ Responses obligations, as determined by the Exchange, participants will receive fee waivers on all volume in the Products across all venues. Participants who account for at least 10% of volume in sides in the Products will also receive fee waivers on all volume in the Products across all venues.

Fee Credits*: Participants meeting both the Minimum Quoting Obligations and RFQ Responses obligations, as determined by the Exchange, or accounting for at least 10% of volume in sides in the Products will be eligible to receive fee credits. Each month all eligible participants will be ranked by volume in the Products across all venues. The top five (5) participants will receive a fee credit of \$0.26 for each trade in the Products regardless of venue. The fee credits will be capped at \$10,000 per participant per month.

Order Flow Allocation: Participants meeting both the Minimum Quoting Obligations and RFQ Responses obligations, as determined by the Exchange, or accounting for at least 10% of volume in sides in the Products will be eligible to receive order flow allocation. Each month all eligible participants will be ranked by volume in the Products across all venues. The top five (5) participants will share in 24% of the allocation beginning in April of 2019 and will be determined on a quarterly basis.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program 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.