

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 19-502 (2 of 4)

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): December 26, 2019 Filing Description: Modifications to the Emerging Markets Bank 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:



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

December 26, 2019

**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: Modifications to the Emerging Markets Bank Incentive Program  
CBOT Submission No. 19-502 (2 of 4)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") that they plan to modify the Emerging Markets Bank Incentive Program ("EMBIP" or "Program"). The modifications to the Program will become effective on January 13, 2020.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, the Exchanges' 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's incentive structure does not incentivize manipulative trading or market abuse and does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will monitor trading in the products in order to prevent manipulative trading and market abuse. The incentives in the Program do not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules. The Program is subject to the Exchanges' record retention policies which comply with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the modifications to the Program.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' 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. 19-502 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## Emerging Markets Bank Incentive Program

### Program Purpose

The purpose of this Program is to incentivize banks in emerging markets in Eastern Europe, Asia, Africa, and Latin American countries to trade the products listed below ~~on the CME Globex Platform~~. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

### Product Scope

All CME, CBOT, NYMEX, and COMEX products available for trading on the Globex Platform, and all U.S. Treasury Options and Interest Rate Options traded via Open Outcry ("Products").

### Eligible Participants

There is no limit to the ~~amount~~ number of participants that may be selected in the Program. All approved CME, CBOT, NYMEX and COMEX non-members may participate. Additionally, participants must meet the following criteria:

To qualify for EMBIP, a bank must:

- Be located in an emerging market in Eastern Europe, Asia, Africa, or Latin American country, as determined by the Exchanges.
- Complete an EMBIP application, pay an application fee, and be approved by the Exchanges.
- Execute all trades in the EMBIP participant's name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the EMBIP participant.
- Have a relationship with an Exchange clearing member.

### Program Term

Start date is December 4, 2011. End date is ~~January 31, 2020~~ January 31, 2021.

### Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

### Obligations

Beginning February 1, 2020, participants must maintain a minimum average daily volume ("ADV") of 100 sides, measured on a quarterly basis. All Micro contracts will be excluded from this ADV requirement.

### Program Incentives

~~Once accepted into the Program, participants will be eligible to receive the following incentives:~~

*Fee Discounts:* Upon meeting all obligations, as determined by the Exchanges, participants will be eligible to receive fee discounts for the Products ~~that are traded on Globex~~ in accordance with the following table:

**GLOBEX**

Product Category (For executed trades on Globex only)	EMBIP Fees (per side)
<b>CME Products</b>	
E-mini Equity Index Futures – <u>Outrights</u>	\$ <del>0.92</del> <u>\$0.97*</u>
E-mini Equity Index Options	\$0.50
Micro E-Mini <u>Equity Index</u> Futures – Outrights	\$0.14
Micro E-Mini <u>Equity Index</u> Futures – Spreads	\$0.11
Bitcoin Futures – <u>Outrights, Spreads</u>	\$4.85
<u>Bitcoin Options</u>	<u>\$4.85</u>
Interest Rate Futures	\$ <del>0.60</del> <u>\$0.75*</u>
Interest Rate Options	\$0.60
Foreign Exchange – Full Size Futures (excluding FX Link)	\$1.00
Foreign Exchange – Full Size Options	\$1.00
<b>CBOT Products</b>	
Mini \$5 Dow Equity Contracts	\$ <del>0.92</del> <u>\$0.97*</u>
Micro E-Mini Dow	\$0.14
DJ U.S. Real Estate Index Futures	\$0.92
2-Year & 3-Year U.S. Treasury Futures	\$0.56
5-Year U.S. Treasury Futures	\$0.58

10-Year & Ultra 10-Year U.S. Treasury Futures	\$0.65
U.S. Treasury Bond Futures	\$0.70
Ultra U.S. Treasury Bond Futures	\$0.70
U.S. Treasury Options	\$0.50
<del>Other Financial Products</del> <u>Fed Fund Contracts</u>	\$0.60
Full Size Agricultural Contracts	\$1.67
<b>NYMEX Products</b>	
Energy Contracts (Physicals) on CME Globex (CL, LO, HO, OH, RB, OB, NG, LN, ON)	\$1.27
NYMEX Metals (PL, PA)	\$1.27
<b>COMEX Products</b>	
Metals Futures Contracts (Physicals) on CME Globex (GC, SI, HG)	\$1.27

\*These fees will become effective on February 1, 2020.

**OPEN OUTCRY\*\***

<u>Product Category</u> (For executed trades via Open Outcry only)	<u>EMBIP Fees</u> (per side)
<b><u>CME Products</u></b>	
<u>Interest Rate Options</u>	<u>\$0.60</u>
<b><u>CBOT Products</u></b>	
<u>U.S. Treasury Options</u>	<u>\$0.50</u>

\*\*These fees will become effective on February 1, 2020.

**Monitoring and Termination of Status**

The Exchanges shall monitor trading activity and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.