

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 24-055

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): 01/08/24 Filing Description: Weekly Notification of Amendments Related to Product Terms and Conditions (Week of January 1, 2024)

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input 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:**

**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 checked="" type="checkbox"/> | Notification  | § 40.6(d)            |

**Official Name(s) of Product(s) Affected:** See filing.

**Rule Numbers:** See filing.



Timothy Elliott  
Managing Director and Chief Regulatory Counsel  
Legal Department

January 8, 2024

**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(d) Notification. The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") Weekly Notification of Amendments Related to Product Terms and Conditions.  
CBOT Submission No. 24-055**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(d), the Exchange submits this weekly notification of the following amendments related to product terms and conditions made effective during the week of January 1, 2024.

Effective Tuesday, January 2, 2024, the Exchange implemented administrative amendments to the contract title of all U.S. Treasury Note futures and options contracts as more specifically noted in Exhibit A below. The marketplace was alerted of the amendments via Special Executive Report ("SER") 9302, which is attached hereto as Exhibit A.

If you require any additional information, please contact the undersigned at (312) 466-7478 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – SER 9302



**Exhibit A**

**Special Executive Report**

**DATE:** December 12, 2023

**SER#:** 9302

**SUBJECT: Administrative Amendments to the Contract Title of all U.S. Treasury Note (6½ to 7¾-Year) Futures and Options Contracts**

Effective Tuesday, January 2, 2024, The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) will implement administrative amendments to the contract title of all U.S. Treasury Note futures and options contracts (the “Contracts”) as more specifically noted in Table 1. below (collectively, the “Amendments”).

**Table 1.**

<b>Contract Title</b>	<b>Rulebook Chapter</b>	<b>Commodity Code</b>
U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year)	19	21
Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year)	19A	21
Friday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 1	19A	TY1
Friday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 2	19A	TY2
Friday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 3	19A	TY3
Friday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 4	19A	TY4
Friday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 5	19A	TY5
Monday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 1	19A	VY1
Monday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 2	19A	VY2
Monday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 3	19A	VY3
Monday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 4	19A	VY4
Monday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 5	19A	VY5
Wednesday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 1	19A	WY1
Wednesday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 2	19A	WY2
Wednesday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 3	19A	WY3
Wednesday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> 7¾-Year) - Week 4	19A	WY4

Wednesday Weekly Options on U.S. Treasury Note Futures (6 ½ to <del>8</del> <sup>7</sup> / <sub>4</sub> -Year) - Week 5	19A	WY5
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The Amendments are designed to enhance clarity regarding the eligibility of U.S. Treasury notes for the deliverable basket of the Contracts. In accordance with CBOT Chapter 19, the remaining term to maturity for a U.S. Treasury note is to be "rounded down to the nearest three-month increment." Market participants advised that this language has caused confusion, particularly for notes with more than 7 years and 9 months but less than 8 years remaining term to maturity prior to rounding.

For example, a note with a remaining term to maturity of 7 years and 11 months would be rounded down to 7 years and 9 months. However, market participants advised that there is a lack of clarity regarding the inclusion of notes with 7 years and 11 months remaining term to maturity, as may be suggested in the Contracts' title. The Amendments are designed to alleviate such potential confusion.

It is important to note that the Amendments are administrative in nature and shall solely serve as clarification. The Amendments will in no manner impact the notes which have been or shall be included in the respective deliverable basket of the Contracts.

Amendments to CBOT Chapter 19 and Chapter 19A are provided in Appendix A in blackline format.

The Commodity Futures Trading Commission ("CFTC") will be notified of the Amendments during the week of January 8, 2024, via the weekly notification procedures set forth in Part 40 of the CFTC's Regulations.

Inquiries regarding this matter may be directed to:

Brendan Wilson	<a href="mailto:Brendan.Wilson@cmegroup.com">Brendan.Wilson@cmegroup.com</a>	(347) 819-2663
Brendan Lee	<a href="mailto:Brendan.Lee@cmegroup.com">Brendan.Lee@cmegroup.com</a>	(646) 709-5934

**Appendix A**  
**CBOT Rulebook**

**Chapter 19**  
**U.S. Treasury Note Futures (6½ to ~~87¾~~-Year)**  
(additions underscoring; deletions ~~struck through~~)

**19100. SCOPE OF CHAPTER**

This chapter is limited in application to trading of U.S. Treasury Note futures 6 ½ to ~~87¾~~-Year. The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

All times referenced in this chapter are Chicago times and are subject to change by the Exchange.

**19101. CONTRACT SPECIFICATIONS**

**19101.A. Contract Grade**

The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed-principal notes which have fixed semi-annual coupon payments, and which have:

- (a) an original term to maturity (i.e., term to maturity at issue) of not more than 10 years; and
- (b) a remaining term to maturity of not less than 6 years 6 months and less than 8 years ~~not greater than 7 years 9 months~~.

For the purpose of determining a U.S. Treasury note's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's named month of expiration, and shall be rounded down to the nearest three-month increment (e.g., 6 years 10 months 17 days shall be taken to be 6 years 9 months). New issues of U.S. Treasury notes that satisfy the standards in this Rule shall be added to the contract grade as they are issued.

Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.

[Remainder of Rule unchanged.]

**Chapter 19A**  
**Options on U.S. Treasury Note Futures (6 ½ to ~~87¾~~-Year)**  
(additions underscoring; deletions ~~struck through~~)

**19A00. SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year). In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times of day shall refer to and indicate Chicago time.

**19A01. OPTIONS CHARACTERISTICS**

**19A01.A. Contract Expiration Dates and Trading Hours**

Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 19A01.D. and Rules 19A01.I.

Options shall be scheduled for trading during such hours as may be determined by the Exchange. Without limitation to the foregoing, markets in all options on U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures generally shall be opened or closed simultaneously.

1. All Options Excluding Monday Weekly Options and Wednesday Weekly Options

On its last day of trading, an expiring option shall cease trading at the same time as the close of trading on that day in such option's Underlying Futures Contract (in accord with Rules 19A01.I.).

2. Monday Weekly Options

On its last day of trading, an expiring Monday Weekly option shall cease trading at the same time at which the Exchange determines the settlement price for that day for such option's Underlying Futures Contract (in accord with Rules 19A01.I.).

### 3. Wednesday Weekly Options

On its last day of trading, an expiring Wednesday Weekly option shall cease trading at the same time at which the Exchange determines the settlement price for that day for such option's Underlying Futures Contract (in accord with Rules 19A01.I.).

### 19A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures contract for a given delivery month (Chapter 19).

### 19A01.C. Minimum Fluctuations

The price of an option shall be in price points of such option's Underlying Futures Contract (Rule 19A01.D.), such that for each Underlying Futures Contract par is on the basis of 100 points, and each point is equal to \$1,000 per Underlying Futures Contract (Rule 19102.C.).

The minimum price fluctuation for such option shall be one sixty-fourth (1/64<sup>th</sup>) of one point (equal to \$15.625 per option contract), *provided that* a position in such option may be initiated or liquidated at any price level ranging from \$1.00 to \$15.00 per option contract, in \$1.00 increments, unless otherwise specified in the current CBOT Market Regulation Advisory Notice entitled Cabinet Transactions in Options Products.

Where the price of such option is quoted in volatility terms, the minimum price fluctuation shall be one tenth (1/10<sup>th</sup>) of one percent per annum (e.g., 9.9 percent, 10.0 percent, 10.1 percent, 10.2 percent).

### 19A01.D. Underlying Futures Contracts

#### 1. Options in the March Quarterly Cycle ("Quarterly Options")

For any option for which the named month of expiration is in the March quarterly cycle (i.e., March, June, September, or December), the Underlying Futures Contract shall be U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures for delivery in the same month as such option's named month of expiration. For example, for a given year, U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) for delivery in March shall be the Underlying Futures Contract for a March option.

#### 2. Options Not in the March Quarterly Cycle ("Serial Options")

For any option for which the named month of expiration is not in the March quarterly cycle, (i.e., January, February, April, May, July, August, October, or November), the Underlying Futures Contract shall be U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures for delivery in the March quarterly cycle month next following such option's named month of expiration. For example, for a given year, U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures for delivery in March shall be the Underlying Futures Contract for a January option and for a February option.

#### 3. Weekly Options

A weekly option shall be designated to expire on a given Friday, *provided that* no weekly option shall expire on any Friday that is also the scheduled last day of trading in a quarterly option (Rule 19A01.D.1.) or a serial option (Rule 19A01.D.2.). For any weekly option, the Underlying Futures Contract shall be U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures for delivery in a March quarterly cycle month following such option's date of expiration, as designated by the Exchange when such weekly option is listed for trading.

For an Underlying Futures Contract for a given delivery month, all weekly options shall expire prior to the expiration of quarterly options (Rule 19A01.D.1. and Rule 19A01.I.1.).

#### 4. Monday Weekly Options

For any Monday Weekly option, the Underlying Futures Contract shall be U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures for delivery in a March quarterly cycle month following such option's date of expiration, as designated by the Exchange when such Monday Weekly option is listed for trading. For an Underlying Futures Contract for a given delivery month, all Monday Weekly options shall expire prior to the expiration of quarterly options (Rule 19A01.D.1. and Rule 19A01.I.1.).

#### 5. Wednesday Weekly Options

For any Wednesday Weekly option, the Underlying Futures Contract shall be U.S. Treasury Note futures (6 ½ to ~~87¾~~-Year) futures for delivery in a March quarterly cycle month following such option's date of expiration, as designated by the Exchange when such Wednesday Weekly option is listed for trading. For an Underlying Futures Contract for a given delivery month, all Wednesday Weekly options shall expire prior to the expiration of quarterly options (Rule 19A01.D.1. and Rule 19A01.I.1.).

## **19A01.E. Exercise Prices**

### **1. One Half (1/2) of One (1) Point Exercise Prices**

Option exercise prices shall be in terms of U.S. Treasury Note futures (6 ½ to ~~8 ¾~~-Year) futures price points (Rule 19102.C.) and shall be in integer multiples of one half (1/2) of one (1) point (Rule 19A01.C.). At the commencement of trading in option contracts for a given expiration date, the Exchange shall list put and call options at the exercise price that is nearest the previous day's settlement price of the respective Underlying Futures Contract ("at-the-money price" or "ATM price"). If the previous day's Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, then the ATM price shall be set as the higher of the two eligible exercise price levels.

The Exchange also shall list Quarterly put and call options and Serial put and call options for trading at all eligible exercise price levels in a range of 25 points above and 25 points below (i.e., 50 exercise price levels above and 50 exercise price levels below) the ATM exercise price, and shall list Weekly put and call options, Monday Weekly put and call options, and Wednesday Weekly put and call options for trading at all eligible exercise price levels in a range of 12 1/2 points above and 12 1/2 points below (i.e., 25 exercise price levels above and 25 exercise price levels below) the ATM exercise price.

Thereafter, the Exchange shall add new put and call options to ensure that such Quarterly and Serial options are listed for trading at all eligible exercise prices in a range of at least 25 points above and at least 25 points below, and that such Weekly, Monday Weekly, and Wednesday Weekly options are listed for trading at all eligible exercise prices in a range of at least 12 1/2 points above and at least 12 1/2 points below, the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price.

New options may be listed for trading up to and including the termination of trading in such options. Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current-range exercise price may be added, on an as-soon-as-possible basis, provided that the exercise price of such newly added option contract must be an integer multiple of one half (1/2) of one (1) price point (Rule 19A01.C.). The Exchange may modify the procedure for the introduction of exercise prices as it deems appropriate.

### **2. Special Listings of One Quarter (1/4) of One Point Exercise Prices**

At any given time, the Exchange shall ensure that options are listed for trading at exercise prices that are in terms of U.S. Treasury Note futures (6 ½ to ~~8 ¾~~-Year) futures price points (Rule 19102.C.) and shall be in integer multiples of one quarter (1/4) of one (1) point for (i) all Weekly Options and (ii) the nearest expiring Serial or Quarterly Options (Rule 19A01.C.). For any Weekly, Serial or Quarterly Options with exercise price levels in integer multiples of one quarter (1/4) of one (1) point, the Exchange shall add new put and call options in integer multiples of one quarter (1/4) of one (1) price point in a range of at least 3 points above and at least 3 points below (i.e. 6 additional exercise price levels above and 6 additional exercise prices below) the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price.

[Remainder of Rule unchanged.]