

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-242

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): 06/07/24 Filing Description: Amendments to Rule 75104.D. ("Notification of DTCC FICC MBS D Clearing Members in Delivery") of the 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures Contracts - (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0%, 5.5%, 6.0%, and 6.5% Coupon Rates) Commencing with the September Contract Month and Beyond and Temporary Suspension of Trading and Clearing of the September 2024 Contract Month

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 checked="" 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: 30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures Contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0% 5.5% and 6.0%

Coupon Rates) Rule Numbers: CBOT Chapter 75

June 7, 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(a) Certification. Amendments to Rule 75104.D. (“Notification of DTCC FICC MBSB Clearing Members in Delivery”) of the 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures Contracts - (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0%, 5.5%, 6.0%, and 6.5% Coupon Rates) Commencing with the September 2024 Contract Month and Beyond and Temporary Suspension of Trading and Clearing of the September 2024 Contract Month. CBOT Submission No. 24-242

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0%, 5.5%, 6.0% and 6.5% Coupon Rates) (the “Contracts”) effective on trade date June 25, 2024 and commencing with the September 2024 contract month and beyond.

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 2.0% Coupon	20U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 2.5% Coupon	25U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 3.0% Coupon	30U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 3.5% Coupon	35U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 4.0% Coupon	40U	75

30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 4.5% Coupon	45U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures – 5.0% Coupon	50U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures - 5.5% Coupon	55U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures – 6.0% Coupon	60U	75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures – 6.5% Coupon	65U	75

Specifically, commencing with the September 2024 contract month and beyond, CBOT will amend Rule 75104.D. such that Clearing Members will be required to submit intentions to deliver no later than 3:00 p.m. Central Prevailing Time (“CPT”). Currently, Rule 75104.D. provides a deadline of 2:00 p.m. CPT. As a result, on the last trading day of the expiring contract, the CME Clearing House will report delivery notices to Clearing Members after 4:00 p.m. CPT, rather than 3:00 p.m. CPT. In addition, the Exchange will temporarily suspend trading and clearing of the Contracts commencing with the September 2024 contract month and beyond until June 25, 2024, the effective date of this submission (collectively, the “Rule Amendments”). There is no open interest in the impacted contract months.

By way of background, the Exchange implemented various amendments to the Contracts commencing with the May 2023 contract month and beyond including moving the settlement and delivery notice forward two (2) hours and enable market participants additional time to establish positions going into delivery. Please refer to [CBOT Submission No. 23-050](#) dated January 20, 2023.

CBOT has subsequently gathered data which indicates that the additional time is not needed for Clearing Members. Rather the amendments implemented in 2023 led to discrepancies in connection with cash flows between the Contracts and the related over-the-counter market.

The Rule Amendments are intended to revert to the original timeframe as proposed at the launch of the Contracts. Given the liquidity level, the original timeframe which provides ample time for determining the final settlement prices on the Contracts’ last trading day. Pursuant to the Rule Amendments, the revised timetable on the last trading day shall be as follows:

- Trading will cease at 2:00 p.m. CPT
- FCMs must submit intentions for delivery to the CME Clearing House by 3:00 p.m. CPT
- The CME Clearing House will provide delivery notices to FCMs

Appendix A below provides amendments to Rule 75104.D. in blackline format effective on trade date June 25, 2024, the date this submission shall become effective. Appendix B below provides amendments to Rule 75104.D. in blackline format effective on trade date Monday, August 8, 2024, the date September 2024 will become the front contract month.

The Exchange reviewed the designated contracts market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Contract Not Readily Subject to Manipulation:** The Contracts shall remain not readily susceptible to manipulation as a result of the Rule Amendments. The Exchange has confirmed that there will be sufficient trading activity to support moving the settlement time from 12:00 p.m. CPT to 2:00 p.m. CPT. Specifically, the Rule Amendments are intended to enhance the convergence of the cash and futures markets.
- Prevention of Market Disruption: The Rule Amendments are intended to increase the certainty for customers wishing to participate in the delivery process and further reduce the possibility of market disruption.
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- **Availability of General Information:** The Exchange will publish information on the Rule Amendments on its website. A Special Executive Report (“SER”) to market participants will be disseminated and posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
 Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Amendments to CBOT Rulebook Chapter 75 (blackline format) (Effective June 25, 2024)
 Appendix B: Amendments to CBOT Rulebook Chapter 75 (blackline format) (Effective August 8, 2024)

Appendix A
CBOT Rulebook
[Effective June 25, 2024]

(additions underscored; deletions ~~struck through~~)

Chapter 75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures

75104. DELIVERIES ON EXPIRING FUTURES CONTRACTS

75104.D. Notification of DTCC FICC MBS D Clearing Members in Delivery

(ALL CONTRACT MONTHS UP TO AND INCLUDING THE AUGUST 2024 CONTRACT MONTH)

Intention Day

Not later than 2:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity and EPN Pool ID and any other information as may be required by the Exchange.

The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis with open long futures positions as TBA Buyer, and open short positions as TBA Seller.

The Clearing House shall provide delivery notices to Clearing Members after 3:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBS D clearing member carrying one or more MBS D Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBS D clearing member, such Clearing House notification shall include:

1. identification of MBS D Accounts, carried by such MBS D clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBS D clearing member(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of MBS D Accounts, carried by such MBS D clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBS D clearing member(s) carrying the account(s) in which each such short futures position is held.

75104.D. Notification of DTCC FICC MBS D Clearing Members in Delivery

(COMMENCING WITH THE SEPTEMBER 2024 CONTRACT MONTH AND BEYOND)

Intention Day

Not later than ~~2:00~~ 3:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity and EPN Pool ID and any other information as may be required by the Exchange.

The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis with open long futures positions as TBA Buyer, and open short positions as TBA Seller.

The Clearing House shall provide delivery notices to Clearing Members after ~~3:00~~ 4:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBS D clearing member carrying one or more MBS D Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBS D clearing member, such Clearing House notification shall include:

1. identification of MBS D Accounts, carried by such MBS D clearing member, that are required to accept delivery on long futures positions; the size of each such long futures

position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such long futures position is held; and /or

2. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such short futures position is held.

[End of Rule.]

Appendix B
CBOT Rulebook
[Effective August 8, 2024]

(additions underscored; deletions struck through)

Chapter 75
30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures

75104. DELIVERIES ON EXPIRING FUTURES CONTRACTS

~~75104.D. Notification of DTCC FICC MBSB Clearing Members in Delivery~~

~~(ALL CONTRACT MONTHS UP TO AND INCLUDING THE AUGUST 2024 CONTRACT MONTH)~~

~~Intention Day~~

~~Not later than 2:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of intention for delivery shall include quantity and EPN Pool ID and any other information as may be required by the Exchange.~~

~~The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis with open long futures positions as TBA Buyer, and open short positions as TBA Seller.~~

~~The Clearing House shall provide delivery notices to Clearing Members after 3:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBSB clearing member carrying one or more MBSB Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBSB clearing member, such Clearing House notification shall include:~~

~~1. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such long futures position is held; and /or~~

~~2. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such short futures position is held.~~

75104.D. Notification of DTCC FICC MBSB Clearing Members in Delivery

~~(COMMENCING WITH THE SEPTEMBER 2024 CONTRACT MONTH AND BEYOND)~~

~~Intention Day~~

~~Not later than 3:00 p.m. on the last day of trading, long and short Clearing Members must submit to the Clearing House intentions for delivery on a form prescribed by the Clearing House. The notice of~~

intention for delivery shall include quantity and EPN Pool ID and any other information as may be required by the Exchange.

The Clearing House shall allocate Notices of Intention to Clearing Members on a pro rata basis with open long futures positions as TBA Buyer, and open short positions as TBA Seller.

The Clearing House shall provide delivery notices to Clearing Members after 4:00 p.m. on the last trading day in an expiring futures contract (CBOT Rule 75102.F.), the Clearing House shall notify each MBSB clearing member carrying one or more MBSB Accounts that are required to make or accept delivery in fulfillment of such expiring futures, as designated pursuant to CBOT Rule 75104.C. For each such MBSB clearing member, such Clearing House notification shall include:

1. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to accept delivery on long futures positions; the size of each such long futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such long futures position is held; and /or
2. identification of MBSB Accounts, carried by such MBSB clearing member, that are required to make delivery on short futures positions; the size of each such short futures position; and the identity of the MBSB clearing member(s) carrying the account(s) in which each such short futures position is held.

[End of Rule.]