

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-296

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): July 10, 2024 Filing Description: Implementation of the Eris ICS Market Maker Program

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:



Timothy Elliott
Managing Director and Chief Regulatory Counsel
Legal Department

July 10, 2024

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 Eris ICS Market Maker Program
CBOT Submission No. 24-296**

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 Eris ICS Market Maker Program ("Program"). The Program will become effective on August 1, 2024.

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, Availability of General Information, 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 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 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. 24-296 in any related correspondence.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Eris ICS Market Maker Program

Program Purpose

The purpose of the Program is to encourage participants to provide liquidity in the products listed below. The resulting increase in liquidity benefits all participant segments of the market.

Product Scope

5-Year Eris SOFR Swap Futures vs. 5-Year T-Note Futures (“EWV”), 7-Year Eris SOFR Swap Futures vs. 10-Year T-Note Futures (“EBN”), 10-Year Eris SOFR Swap Futures vs. Ultra 10-Year T-Note Futures (“EYT”), 5-Year Eris SOFR Swap Futures (“YIW”), 7-Year Eris SOFR Swap Futures (“YIB”), and 10-Year Eris SOFR Swap Futures (“YIY”) traded on Globex (“Products”).

Eligible Participants

There is no limit to the number of participants that may enroll in the Program. Participants may be members or non-members. Participants may not be concurrently enrolled in the International Incentive Program (“IIP”) or the International Cross-Asset Volume Incentive Program (“IVIP”).

Program Term

Start date is August 1, 2024. End date is January 31, 2025.

Hours

7:00AM – 4:00PM (“RTH”).

Obligations

Minimum Quoting Obligations: In order to be eligible to receive the incentives, participants must quote continuous two-sided markets at maximum widths and minimum quote sizes during a certain percentage of time-in-market as set forth in the table below. Notwithstanding the foregoing, the Exchange may vary the baseline quoting obligations as it deems necessary based on ongoing evaluations of the Program.

| Ticker | Width (MPI) | Width (Display Width) | Size (Contracts) | Time-in-Market (“TIM”) | Time Period (CT) |
|--------|-------------|-----------------------|------------------|------------------------|------------------|
| EWV | 4 | 0.02 | 100 | 50% | 7:00AM – 4:00PM |
| EBN | 4 | 0.04 | 75 | | |
| EYT | 4 | 0.04 | 50 | | |

Extreme Events Clause: If 10-Year Treasury CME Group Volatility Index (CVOL), as published on CME Group’s website, is 170 or greater for at least three (3) days in a given calendar month, the obligations below may be implemented.

- (i) Width: Increased by 1.5X

If 10-Year Treasury (Yield) CVOL, as published on CME Group's website, reaches or surpasses 230 on any day in a given calendar month, the Exchange may reduce the time-in-market obligations. The time-in-market reduction is subject to a floor of 20%.

Notwithstanding the foregoing, the Exchange may further reduce the bid/ask spreads, sizes, or time-in-market obligations based on ongoing evaluations of market conditions and volatility. Participants will be given notice that the Extreme Events Clause has taken effect.

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 |
|------------|---|
| 9/2/2024 | Labor Day |
| 10/14/2024 | Columbus Day |
| 11/11/2024 | Veterans Day |
| 11/28/2024 | Thanksgiving |
| 11/29/2024 | Post-Thanksgiving |
| 12/24/2024 | Christmas Eve |
| 12/25/2024 | Christmas |
| 1/1/2025 | New Year's |
| 1/20/2025 | Birthday of Dr. Martin Luther King, Jr. |

Incentives

Fee Waivers: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants that are CBOT members will receive fee waivers on YIW, YIB, and YIY fees associated with an ICS trade (Spread Type: IV).

Fee Discounts: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants that are non-members will receive fee discounts to \$0.01 on YIW, YIB, and YIY fees associated with an ICS trade (Spread Type: IV).

Monthly Stipend: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants will be eligible for a monthly stipend. Each month, all eligible participants will be ranked by ICS volume (Spread Type: IV) and the top three (3) participants will receive \$5,000.

Monthly Incentive Pool: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants will be eligible for a pro-rata share of an incentive pool based on each participant's ICS volume (Spread Type: IV). The incentive pool will be funded at \$25,000 per month. Participants will be subject to a 50% cap. If a participant's pro-rata share of the incentive pool exceeds the cap, the excess amount will not be re-distributed.

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 one (1) calendar month over the course of the Program but is within twenty percent (20%) of the time-in-market obligations, the participant will be eligible to receive the incentives for that applicable month.

If the Exchange determines that a participant has not met its quoting obligations during one (1) additional calendar month, the participant will be eligible to receive incentives for that applicable month, with the exception of the Monthly Stipend. Participants must meet quoting obligations for all subsequent months in order to continue to receive the incentives.

Upon utilizing the exceptions set forth above, participants that fail to meet quoting obligations in any additional month may be removed from the Program.