SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested ☐

Registered Entity Identifier Code (optional): <u>24-375</u>

Organization: <u>The Board of Trade of the City of Chicago, Inc. ("CBOT")</u>

Filing as a: ☒ **DCM**   ☐ **SEF**   ☐ **DCO**   ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): <u>September 10, 2024</u>   Filing Description: <u>Modifications to the Eris Swap Futures Market Maker Program</u>

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: <u>Not Applicable</u>

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

September 10, 2024

<u>**VIA ELECTRONIC PORTAL**</u>

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 Eris Swap Futures Market Maker Program
              CBOT Submission No. 24-375

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 modify the Eris Swap Futures Market Maker Program ("Program"). The modifications to the Program will become effective on October 1, 2024.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions <u>underlined</u> and deletions ~~overstruck~~.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). 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 does 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 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. 24-375 in any related correspondence.

        Sincerely,

        /s/ Timothy Elliott
        Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Eris Swap Futures Market Maker Program

Program Purpose

The purpose of this Program is to incent participants to build liquidity in the Products listed below. The resulting increase in central limit order book liquidity on the CME Globex® Platform ("Globex") benefits all participant segments in the market.

Product Scope

All Eris Swap Futures ("Products").

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be CBOT members or non-members. Participants may not be enrolled in the International Incentive Program or International Cross-Asset Volume Incentive Program. Participants must have either: (i) an average daily volume ("ADV") of at least 50 in the Products on Globex for one (1) full calendar month within six (6) months of entering the Program, or (ii) demonstrated the ability to meet quoting obligations in the Exchanges' interest rates programs within the previous twelve (12) months prior to entering the Program.

Program Term

Start date is February 1, 2020. End date is ~~September 30, 2024~~ September 30, 2025.

Hours

Regular Trading Hours ("RTH"), 7:00AM – 4:00PM CT.

Obligations

Minimum Quoting Obligations: In order to be eligible to receive certain incentives, participants must quote two-sided markets in the Products on Globex at designated bid/ask spreads during a specified percentage of RTH in accordance with the table below. Participants must quote all seven (7) products in Tier A and five (5) of the seven (7) products in Tier B. Notwithstanding the foregoing, the Exchange may vary the baseline quoting obligations as it deems necessary based on ongoing evaluations of the Program.

Tenor (Years)	Product	Tier A			Tier B			Time-in-Market	Time Period
		~~Width (USD)~~	Width (Minimum Price Increment "MPI")	Size (Contracts)	~~Width (USD)~~	Width (MPI)	Size (Contracts)		
1	YIA	~~$10~~	4	1,000	~~$10~~	4	500		
2	YIT	~~$15~~	6	600	~~$17.50~~	7	400		
3	YIC	~~$25~~	5	500	~~$30~~	6	300		
4	YID	~~$40~~	4	400	~~$60~~	6	150	65%	RTH
5	YIW	~~$40~~	4	300	~~$40~~	4	150		

Tier	Symbol								
	EWV	~~$20~~	~~2~~4	300	~~$20~~	~~2~~4	150		
7	YIB	~~$80~~	4	250	~~$120~~	6	100		
	EBN	~~$40~~	4	250	~~$80~~	8	100		
10	YIY	~~$100~~	~~5~~4	300	~~$120~~	6	75		
	EYT	~~$60~~	~~6~~4	300	~~$80~~	8	75		

Extreme Events Clause: If the 10-Year CME Group Volatility Index (CVOL) as published on the Exchange's website reaches or surpasses 170 for at least three (3) days in a given calendar month, the Exchange may increase the bid/ask spreads by 1.5X.

If 10-Year CVOL reaches or surpasses 230 on any day in a given calendar month, the Exchange may reduce the time-in-market across all Tiers. 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
~~11/10/2023~~	~~Veterans Day~~
~~11/23/2023~~	~~Thanksgiving~~
~~11/24/2023~~	~~Post-Thanksgiving~~
~~12/25/2023~~	~~Christmas~~
~~1/1/2024~~	~~New Year's~~
~~1/15/2024~~	~~Birthday of Dr. Martin Luther King, Jr.~~
~~2/19/2024~~	~~Presidents' Day~~
~~3/29/2024~~	~~Good Friday~~
~~5/27/2024~~	~~Memorial Day~~
~~6/19/2024~~	~~Juneteenth~~
~~7/4/2024~~	~~Independence Day~~
~~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.
2/17/2025	President's Day
4/18/2025	Good Friday
5/26/2025	Memorial Day
6/19/2025	Juneteenth
7/4/2025	Independence Day
9/1/2025	Labor Day

Incentives

Tier A & B Fee Waivers (CBOT Members): Upon meeting the Tier A or Tier B Quoting Obligations, as determined by the Exchange, participants that are CBOT members will receive transaction fee waivers for the Products traded on Globex.

Fee Credits: Participants meeting the Tier A Quoting Obligations and trading over 100 ADV each month, as determined by the Exchange, will be eligible to receive fee credits. Eligible participants will receive $0.10 per side on all Globex ADV in the Products above 100. The fee credits will be capped at $20,000 per participant, per month.

Progressive Fee Discounts: CBOT members or non-members that do not meet the Quoting Obligations will receive the respective Non-Quoting Discounts set forth below.

Progressive ADV Tier (Sides)	Non-Quoting Discounts (Per Side)
0 – 50	N/A
51 – 250	$0.20
250 +	$0.24

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 requirements of the Program.

If the Exchange determines that a participant has not met its quoting obligations during two (2) calendar months 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 each 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 the incentives for that applicable month. 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.