

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-420

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): September 25, 2024 Filing Description: Implementation of the Chicago and KC Wheat Spread Futures 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:



Timothy Elliott
Managing Director and Chief Regulatory Counsel
Legal Department

September 25, 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 Chicago and KC Wheat Spread Futures Incentive Program
CBOT Submission No. 24-420**

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 Chicago and KC Wheat Spread Futures Incentive Program ("Program"). The proposed Program will become effective on October 14, 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. Exchange staff will monitor trading in the Program's products in order to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. Participants in the Program will be selected by CBOT staff using criteria as set forth in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with CBOT in which each participant will expressly agree to comply with, and be subject to, applicable regulations and Exchange rules. Additionally, 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. 24-420 in any related correspondence.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Enclosure: Exhibit 1

EXHIBIT 1

Chicago and KC Wheat Spread Futures Incentive Program

Program Purpose

The purpose of this Program is to support the launch and development of the products listed below. More liquid contracts on the central limit order book benefit all participants in the marketplace.

Product Scope

Chicago Wheat - European Milling Wheat Spread Futures (“CWD”) and KC HRW Wheat - European Milling Wheat Spread Futures (“KWD”) (“Products”).

Eligible Participants

The Exchange may designate up to seven (7) participants in the Program. Participants must be CBOT members. Potential participants are required to submit a Bid Sheet to the Exchange which is used to determine eligibility. Exchange staff will use a variety of factors in determining whether or not a potential participant is selected to participate in the Program, including past performance in similar products and the ability to commit to and maintain at least the required quoting obligations. Notwithstanding the foregoing, the Exchange may, from time to time, add to or subtract from the factors listed above as it deems necessary.

Program Term

Start date is October 14, 2024. End date is March 31, 2025.

Hours

3:30PM – 6:30PM Central European Time (“CET”).

Obligations

Minimum Quoting Obligations: In order to be eligible to receive incentives, participants must quote continuous two-sided markets in designated contract months of the Products at maximum bid/ask spreads and minimum quote sizes in accordance with the baseline quoting obligations table below. Notwithstanding the foregoing, CBOT may vary the quoting obligations and/or the time-in-market as it deems necessary based on ongoing evaluations of the Program.

Product	Ticker	Width (Minimum Price Increment)	Size (Contracts)	Time- in- Market ("TIM")	Time Period (CET)
CWD	CWD (Months 1 – 3)	6	3	75%	3:30PM – 6:30PM
CWD	CWD (Settlement Window Months 1 – 3)	6	1	50%	6:20PM – 6:30PM

KWD	KWD (Months 1 – 3)	6	3	75%	3:30PM – 6:30PM
KWD	KWD (Settlement Window Months 1 – 3)	6	1	50%	6:20PM – 6:30PM

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	Name of Holiday
11/28/2024	Thanksgiving
12/25/2024	Christmas
1/1/2025	New Year's
1/20/2025	Birthday of Dr. Martin Luther King, Jr.
2/17/2025	Presidents' Day

Incentives

Fee Waivers: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants will receive fee waivers for all Globex and ClearPort transactions in the Products.

Fee Credits: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants will be eligible to receive fee credits. Each month, all eligible participants will be ranked by all passive Globex volume in the Products. The top four (4) participants will receive a fee credit of \$1.50 per side for all passive Globex volume in the Products, capped at \$7,500 per month, per participant. In the event of a tie, TIM will determine ranking.

Monthly Stipend:* Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants will be eligible to receive a stipend. Each month, all eligible participants will be ranked by all passive Globex volume in the Products. The top four (4) participants will receive a stipend of \$5,000 per month, per participant. In the event of a tie, TIM will determine ranking.

*The stipend will be prorated to \$2,500 for October 2024.

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 has failed to meet its obligations or no longer meets the eligibility requirements of the Program.

If the Exchange determines that a participant has not met its quoting obligations during any 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 any one (1) additional calendar month, the participant will be eligible to receive all 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.