

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 22-054 (5 of 7)

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): 03/18/22 Filing Description: Initial Listing of the 1-Year, 2-Year, 3-Year, 4-Year, 5-Year, 7-Year, and 10-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures Contracts

**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:**

**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

**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:** Eris BSBY Swap Futures

**Rule Numbers:** CBOT Rulebook 64

March 18, 2022

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Center  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the 1-Year, 2-Year, 3-Year, 4-Year, 5-Year, 7-Year, and 10-Year Eris\_Bloomberg Short Term Bank Yield (BSBY) Swap Futures Contracts.  
CBOT Submission No. 22-054 (5 of 7)**

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the 1-Year, 2-Year, 3-Year, 4-Year, 5-Year, and 10-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures contracts (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, April 10, 2022 for trade date Monday, April 11, 2022.

**Section 1 – Contract Specifications**

<b>Contract Title</b>	Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures
<b>Commodity Code</b>	1-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXA 2-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXT 3-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXC 4-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXD 5-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXW 7-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXB 10-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures: KXY
<b>Rulebook Chapter</b>	CBOT 64
<b>Price Quotation</b>	U.S. dollars and cents per price point
<b>Contract Unit</b>	100 price points plus the net present value (NPV) of all past and future swap cash flows
<b>Minimum Price Increment</b>	1- and 2-Year Tenors: 0.0025 price points equal to \$2.50 per contract 3-Year Tenor: 0.0050 price points equal to \$5.00 per contract 4- and 5-Year Tenors: 0.0100 price points equal to \$10.00 per contract 7- and 10-Year Tenors: 0.0200 price points equal to \$20.00 per contract
<b>Listing Schedule</b>	3 Months in the March Quarterly Cycle, on a quarterly rolling basis
<b>Initial Listing Schedule</b>	June 2022, September 2022, December 2022
<b>Termination of Trading</b>	<b>Last Day of Trading:</b> Exchange business day immediately preceding Maturity Date <b>Termination of Trading:</b> Trading terminates on the business day prior to the Maturity Date (defined as the date tenor-years forward from the IMM Effective Date), based on ISDA modified following date conventions.  The Maturity Date is determined by the final date to which fixed and floating amounts accrue. The last date of the contract. Maturity Date is determined by applying the Modified Following rule to the Cash Flow Alignment Date. Eris Price Alignment

	Amount (PAA) accrues up to and including the Maturity Date. The Maturity Date may also be referred to as Termination Date.
<b>Settlement Method</b>	Financially Settled
<b>Trading and Clearing Hours</b>	<b>CME Globex:</b> Sunday Pre-Open 4:00 p.m. Central Time/CT; Open 5:00 p.m. - 4:00 p.m. CT Monday - Thursday Pre-Open 4:45 p.m. CT; Open 5:00 p.m. - 4:00 p.m. CT A maintenance period occurs daily from 4:00 p.m. - 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. - 6:00 p.m. CT
<b>Position Reporting and Accountability</b>	Reporting Level: 3,000 contracts Accountability Threshold: 6,000 contracts
<b>Block Trade Minimum Threshold</b>	100 contracts subject to a 15-minute reporting window
<b>CME Globex Matching Algorithm</b>	F - FIFO

## Section 2 – Underlying Index

The Contracts will reference an underlying interest rate swap consisting of a stream of semi-annual fixed interest payments and a stream of quarterly floating interest payments based on 3-month USD BSBY over a term to maturity. These swaps will run from the contract effective date, corresponding to the IMM date of the named contract quarter, through the corresponding tenor of each contract (i.e., 1-10 years).

Contract months of the Contracts will be listed 9 months prior to the contract effective date, leaving in most cases 3 “on the run” contracts whose swaps have not yet begun accruing payments, as well as “off the run” contracts for swaps with remaining term to maturity. It is expected that most trading activity will be concentrated in the nearest “on the run” contract, with open interest spread throughout the expiries.

In this sense, the Contracts behaves like a cash-settled future and thus face no delivery constraints. Furthermore, the Contracts are not a Referenced Product.

### The Bloomberg Short-Term Bank Yield Index (BSBY)

Futures on the Three-Month Bloomberg Short-Term Bank Yield Index (“BSBY”) were launched for trading on August 23, 2021.<sup>1</sup> The final settlement price of an expiring futures contract is based on the BSBY benchmark, published by Bloomberg Index Services Limited (“BISL”). BISL developed BSBY in response to strong demand for a short-term forward-looking rate to supplement the Secured Overnight Financing Rate (“SOFR”). Chicago Mercantile Exchange Inc. (“CME”) listed the BSBY Futures contract as a rate futures contract in response to strong interest expressed by derivatives market participants.

Bloomberg recognizes that the robustness of data anchored in transactions is critical to the adoption of an index as a supplement to SOFR and, as such, each tenor must meet a minimum volume threshold before a rate can be generated and published. In the event that the minimum threshold is not met, a fallback process is used to ensure sufficient volume is available to calculate the BSBY rate. The aim is to ensure a rate may be produced even in challenging market circumstances. The fallback process extends the lookback period in one-day increments (up to five days maximum) until the volume threshold is achieved.

<sup>1</sup> More information regarding the certification of Three-Month BSBY Futures can be found in CME Submission [21-255](#).

The daily volume thresholds are \$60 billion dollars for the overnight rate, \$10 billion dollars for 1M, \$10B for the 3M tenor, \$10B for the 6M rate and \$9B for the 12M rate.<sup>2</sup>

In the past 6 months, the Three-Month BSBY Index produced average daily volume of \$32B with volumes ranging from \$8.9B to \$113.7B. The Three-Month BSBY Index had no fewer than 145 trades, and it had no less than 15 participants, demonstrating the breadth and depth of the Index. Over the 6-month period, the average size per trade was \$74.7M.

Furthermore, during the most recent four-week interval, which includes the December holiday dates, the Three-Month BSBY Index produced average daily volume of \$30.5B with volumes ranging from \$8.0B to \$51.7B. The Index had no less than 92 transactions and no fewer than 12 unique participants. The size per trade was no fewer than \$59.5M.

Please refer to Exhibit 1 below for an indicative daily breakdown of volume, transactions, and unique participants for the four-week interval beginning on December 22, 2021 and concluding on January 19, 2022.

**Exhibit 1** Daily Inputs for Three-Month BSBY Index, Dec 22, 2021-Jan 19, 2022

Date	Volume (blns \$)	Transactions	Participants	Size per trade (Volume/Transactions) (mlns \$)
12/22/2021	17.23	270	21	63.81
12/23/2021	19.02	263	22	72.32
12/27/2021	10.48	145	15	72.28
12/28/2021	8.93	150	16	59.53
12/29/2021	13.87	177	19	73.36
12/30/2021	16.43	173	17	94.97
12/31/2021	8.04	92	12	87.39
1/3/2022	22.10	227	22	97.36
1/4/2022	39.84	395	23	100.86
1/5/2022	45.64	446	23	102.33
1/6/2022	41.05	467	25	87.90
1/7/2022	35.77	404	23	88.54
1/10/2022	42.01	469	23	89.57
1/11/2022	37.14	441	25	84.22
1/12/2022	38.16	422	21	90.43
1/13/2022	39.18	522	21	75.06
1/14/2022	42.79	463	21	94.42
1/18/2022	51.73	526	24	93.35
1/19/2022	50.76	567	23	89.52

Source: Bloomberg

<sup>2</sup> Source: [Introducing the Bloomberg Short-Term Bank Yield Index \(BSBY\)](#) paper published by Bloomberg

## Contracts Not Subject to Manipulation, Price Distortions and Disruptions of the Cash-Settlement Process

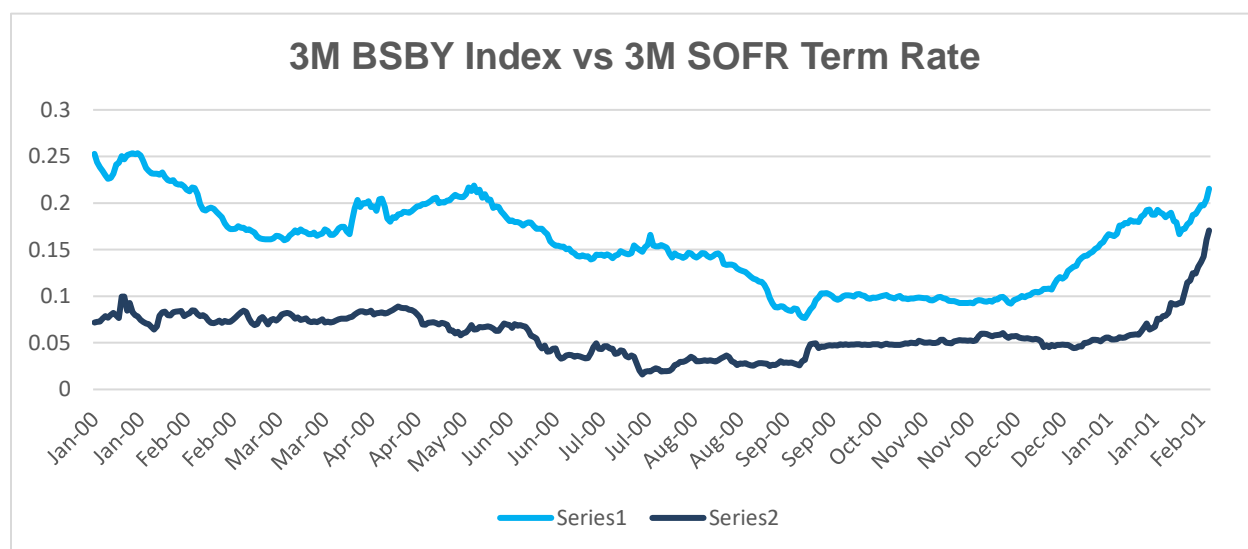
A reference point for how the Three-Month BSBY Index is performing is [CME Three-Month Term SOFR Reference Rate](#) that was endorsed by ARRC in August 2021.

CME Term SOFR Reference Rates provide an indicative, forward-looking measurement of SOFR rates, based on market expectations implied from leading derivatives markets.

CME Term SOFR Reference Rates are administered by CME Group Benchmark Administration Limited (CBA) which is registered under Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 (SI 2019/657) is authorized and supervised by the UK Financial Conduct Authority (FCA) and is aligned to the IOSCO Principles for Financial Benchmarks.

The Exchange has provided a nearly 19-month history comparing the Three-Month Term SOFR Reference Rate and Three-Month BSBY Index as these two interest rate benchmarks are likely to coexist in the years ahead. Both of these benchmarks are forward-looking. Three-Month Term SOFR will typically be lower because it is based on Treasury repo rates with lower risk. The Three-Month BSBY Index measures the average yields at which large, global banks access USD unsecured wholesale funding. This brief history demonstrates the complementary nature of them. Using daily data from June 2020 through January 2022, these two indexes have produced a correlation of daily returns of 0.617.

**Exhibit 5** 3-Month Term SOFR Index and 3-Month BSBY Index Yields, Jun 2020-Jan 2022



Sources: CME Group, Bloomberg

By design, the Three-Month BSBY index has been purposefully developed to address any potential for manipulation. The BSBY Index methodology has a number of processes that limit the contribution of any particular bank and excludes outlier rates.

The diversity of product type coupled with index rules such as capping any banks contribution at 20% and excluding outlier rates provide significant protections from banks manipulating the index. Expanding the number of days to fulfill the minimum volume requirement ensures the index performs during both good and poor economic conditions as it did during the COVID-19 pandemic.

In view of these considerations, the Index possesses more than sufficient integrity to deflect attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlement of expiring months for the Contracts.

### Section 3 – Compliance with Core Principles

The Exchange reviewed the designated contract market core principles (“DCM Core Principles”) as set forth in the Act and has identified that the following DCM Core Principles may be impacted as follows:

#### ***Core Principle 2 – Compliance with Rules***

The Contracts shall be subject to CBOT Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the Contracts shall be subject to the Exchanges’ trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in this Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

#### ***Core Principle 3 – Contract Not Readily Subject to Manipulation***

The Contracts’ underlying reference index is sufficiently broad in definition and scope, and adequately large in terms of market capitalization and level of trading activity of Index constituents, to satisfy the requirement that such futures contract is not readily susceptible to attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlements of expiring contract month.

As detailed in Section 2, the Three-Month BSBY Index benchmark is not readily susceptible to manipulation. This is inherent in the index’s construction and the safeguards in the BSBY methodology to protect against manipulation. The substantial transaction pool in the commercial paper, certificates of deposit and deposits underlying the index further demonstrate that the Three-Month BSBY is not readily susceptible to manipulation.

In view of these considerations, the Contracts possess more than sufficient integrity to deflect attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlement of expiring months for the Contracts.

#### ***Core Principle 4 – Prevention of Market Disruption***

The Contracts shall be subject to CBOT Rulebook Chapters 4, 5, and 7 which include prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. The Contracts shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

#### ***Core Principle 5 – Position Limits or Accountability***

The Contracts shall be subject to a Position Reporting Level of 3,000 contracts, a Single-Month Position Accountability Level of 6,000 net futures contract equivalents, and an All-Month Position Accountability Level of 6,000 net futures contract equivalents.

***Core Principle 7 – Availability of General Information***

The Exchange disseminated a Special Executive Report (“SER”) that sets forth information regarding the specifications, terms, and conditions of the Contracts. The SER is also be posted on CME Group’s website.

***Core Principle 8 – Daily Publication of Trading Information***

The Exchange shall publish trading volumes, open interest levels, and price information for the Contracts daily on its website and through quote vendors.

***Core Principle 9 – Execution of Transactions***

The Contracts will be available for trading on CME Globex, which provides for efficient, competitive, and open execution of transactions. Additionally, CME Globex affords reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges shall be as set forth in Appendix C. The Contracts will also be available for clearing via CME ClearPort.

***Core Principle 10 – Trade Information***

All requisite trade information will be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

***Core Principle 11 – Financial Integrity of Contracts***

The transactions in the Contracts will be cleared by CME Clearing, which is registered with the Commission as a derivatives clearing organization, and which is subject to all CFTC regulations related thereto.

***Core Principle 12 – Protection of Markets and Market Participants***

CBOT Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in all of the Exchange’s competitive trading venues and will apply to transactions in the Contracts.

***Core Principle 13 – Disciplinary Procedures***

CBOT Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the Contracts will be subject to these provisions. The Exchange’s Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in the Contracts are identified.

Pursuant to Section 5c(c) of the Act and Regulation 40.2(a), the Exchange certifies that the Contracts comply with the Act, including all regulations thereunder. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A CBOT Rulebook Chapter 64  
Appendix B Position Limit, Position Accountability, and Reportable Level Table,  
CBOT Rulebook Chapter 5 (attached under separate cover)  
Appendix C CBOT Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table  
Appendix D CBOT Rule 589. – Special Price Fluctuation Limits and Daily Price Limits  
Table  
Appendix E Exchange Fees



## Appendix A

### CBOT Rulebook Chapter 64

#### Eris Bloomberg Short-Term Bank Yield Index (BSBY) Swap Futures

##### 64100. SCOPE OF CHAPTER

This chapter is limited in application to trading of Eris Bloomberg Short-Term Bank Yield Index (“BSBY”) Swap Futures (“futures” or “contract”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall indicate Chicago time.

##### 64101. CONTRACT SPECIFICATIONS

###### 64101.A Contract Structure

\$100,000 (U.S. dollar) notional principal whose value is based upon the difference between a stream of semi-annual fixed interest payments and a stream of quarterly floating interest payments based on 3-month USD BSBY, over a term to maturity.

The contract structure is subject to the following contract elections:

1. **Long Futures Position Holder:** Fixed Rate Receiver, Floating Rate Payer
2. **Short Futures Position Holder:** Fixed Rate Payer, Floating Rate Receiver
3. **Underlying Swap Tenors:** 1-Year, 2-Year, 3-Year, 4-Year, 5-Year, 7-Year, 10-Year
4. **Currency:** US Dollars
5. **Notional Amount:** \$100,000
6. **Effective Dates:** Quarterly IMM Dates (3rd Wednesday of each March, June, September, December)
7. **Fixed Rate:** Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (i.e., one quarter of one percent) per annum when such futures contract is initially listed for trading
8. **Floating Rate:** 3-month USD-BSBY
9. **Floating Rate Index:** BSBY, the Bloomberg Short-Term Bank Yield Index, is administered and published by Bloomberg Index Services Limited (“BISL”)
10. **Fixed Rate Leg Reset Frequency:** Semi-Annual
11. **Fixed Rate Leg Payment Frequency:** Semi-Annual
12. **Fixed Rate Day Count Convention:** 30/360
13. **Floating Rate Leg Reset Frequency:** Quarterly
14. **Floating Rate Leg Payment Frequency:** Quarterly
15. **Floating Rate Day Count Convention:** Actual/360
16. **Business Days:** US Government Securities Business Days, representing all weekdays excluding any dates identified by the Securities Industry and Financial Markets Association (SIFMA) in its U.S. Holiday Recommendations.
17. **Business Day Convention:** Modified Following, with adjustment of period end dates
18. **Cash Flow Alignment Date (“CFAD”):** The date determined by adding the number of Underlying Swap Tenor years to the Effective Date, used for aligning all fixed and floating Reset Dates, and for determination of the Maturity Date.
19. **Maturity Date:** The final date to which fixed and floating amounts accrue. The last date of the contract. Maturity Date is determined by applying the Modified Following rule to the Cash Flow Alignment Date. Eris Price Alignment Amount (PAA) accrues up to and including the Maturity Date. The Maturity Date may also be referred to as Termination Date.
20. **Last Trading Day:** Exchange business day immediately preceding Maturity Date
21. **Underlying Tenor:** The duration of time in years from the Effective Date to the Cash Flow Alignment Date.
22. **Remaining Tenor:** The duration of time from today to the Cash Flow Alignment Date.
23. **Reset Dates:** Dates utilized to determine fixed and floating amounts throughout the life of the Contract. Reset Dates define the beginning and end of fixed and floating interest accrual periods. Floating Rate Reset Dates facilitate the determination of the 3-month USD BSBY Fixing Dates. Reset Dates will be the day of the month of Cash Flow Adjustment Date each March, June,

September and December, subject to adjustment according to the Business Day Convention (Modified Following).

24. **First 3-month USD BSBY Fixing Date:** 2 Business Days prior to the Effective Date.
25. **Other 3-month USD BSBY Fixing Dates:** For all periods other than the first floating rate period, the BSBY Fixing Date is 2 Business Days prior to each Reset Date.

## **64102. TRADING SPECIFICATIONS**

### **64102.A. Trading Schedule**

Contracts shall be scheduled for trading during such hours as may be determined by the Exchange.

### **64102.B. Trading Unit**

The unit of trading shall be contracts that meet Contract Structure (CBOT Rule 64101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

### **64102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract.

The minimum price fluctuations for each available tenor shall be:

1. 1-Year Eris BSBY Swap Futures
  - a. 0.0025 of one point, equal to \$2.50 per contract
2. 2-Year Eris BSBY Swap Futures
  - a. 0.0025 of one point, equal to \$2.50 per contract
3. 3-Year Eris BSBY Swap Futures
  - a. 0.005 of one point, equal to \$5 per contract
4. 4-Year Eris BSBY Swap Futures
  - a. 0.010 of one point, equal to \$10 per contract
5. 5-Year Eris BSBY Swap Futures
  - a. 0.010 of one point, equal to \$10 per contract
6. 7-Year Eris BSBY Swap Futures
  - a. 0.020 of one point, equal to \$20 per contract
7. 10-Year Eris BSBY Swap Futures
  - a. 0.020 of one point, equal to \$20 per contract

Contracts shall not be made on any other price basis.

### **64102.D. Special Price Fluctuation Limits**

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

### **64102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

### **64102.F. Termination of Trading**

Trading in an expiring contract shall terminate at the close of trading on the Business Day immediately preceding the Maturity Date of the contract.

## **64103. SETTLEMENT PROCEDURES**

Delivery shall be by cash settlement.

### **64103.A. Maturity Date Final Settlement Price**

The Final Settlement Price on the Maturity Date of each contract shall be as follows:

$$S_{\text{final}} = 100 + B_{\text{final}} - C_{\text{final}}$$

$S_{\text{final}}$  = Settlement price at Maturity Date

$B_{\text{final}}$  = Historical Fixed and Floating Rate amounts since contract inception through the Maturity Date (calculated in accordance with the Day Count Convention)  $C_{\text{final}}$  = Eris PAA, at Maturity Date

The Exchange and CME Clearing calculate Final Settlement Price to 4 decimals of precision (e.g., 100.1234).

Eris PAA is the cumulative value calculated daily by applying the secured overnight financing rate (SOFR) dated for the previous settlement date to the contract's NPV of the previous settlement date less the net Fixed and Floating Rate amounts due on the current settlement date, using an Actual/360 day-count convention.

Eris PAA will start accruing on the first trade date.

#### **64103.B. Final Settlement**

Clearing members holding open positions in a contract at the time of termination of trading in such contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

#### **64103.C. Daily Settlement Price**

The Daily Settlement Price shall be as follows:

$$S_t = 100 + A_t + B_t - C_t$$

$S_t$  = Settlement Price at time t

$A_t$  = Net Present Value (NPV) of the future Fixed and Floating Rate cash flows at time t, discounted on a SOFR curve

$B_t$  = Value of the historical Fixed and Floating Rate amounts since contract inception through time t (calculated in accordance with the Day Count Convention)

$C_t$  = Eris Price Alignment Amount (or Eris PAA) at time t

The Exchange and CME Clearing calculate Daily Settlement Price to 4 decimals of precision (e.g., 100.1234).

### **INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 64**

Bloomberg Index Services Limited and its affiliates (collectively, "Bloomberg") are not affiliated with Chicago Mercantile Exchange Inc. and do not approve, endorse, review, or recommend Eris Bloomberg Short-Term Bank Yield Index (BSBY) Swap Futures. BLOOMBERG and Bloomberg Short Term Bank Yield Index are trademarks or service marks of Bloomberg Finance L.P. and have been licensed to Chicago Mercantile Exchange Inc. Bloomberg or its licensors own all proprietary rights in the Bloomberg Short Term Bank Yield Index. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Bloomberg Short Term Bank Yield Index. Bloomberg makes no warranty, express or implied, as to the Eris Bloomberg Short-Term Bank Yield Index (BSBY) Swap Futures or Bloomberg Short Term Bank Yield or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. To the maximum extent allowed by law, Bloomberg, its licensors, and its and their respective employees, contractors, agents, suppliers, and vendors shall have no liability or responsibility whatsoever for any injury or damages-whether direct, indirect, consequential, incidental, punitive, or otherwise-arising in connection with Eris Bloomberg Short-Term Bank Yield Index (BSBY) Swap Futures or the Bloomberg Short Term Bank Yield Index or any data or values relating thereto-whether arising from their negligence or otherwise.

**Appendix B**

**CBOT Rulebook**

**Chapter 5**

**(“Trading Qualifications and Practices”)**

**Position Limit, Position Accountability, and Reportable Level Table**

(attached under separate cover)

## Appendix C

### CBOT Rulebook

#### Chapter 5

#### (“Trading Qualifications and Practices”)

#### Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Global Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<a href="#">1-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXA</a>	<u>0.25 of 1 point (\$1,000)</u>	<u>2500</u>	<u>100</u>	<u>Each leg evaluated as an outright</u>	
<a href="#">2-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXT</a>	<u>0.25 of 1 point (\$1,000)</u>	<u>2500</u>	<u>100</u>	<u>Each leg evaluated as an outright</u>	
<a href="#">3-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXC</a>	<u>0.25 of 1 point (\$1,000)</u>	<u>2500</u>	<u>50</u>	<u>Each leg evaluated as an outright</u>	
<a href="#">4-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXD</a>	<u>0.47 of 1 point (\$1,000)</u>	<u>4700</u>	<u>47</u>	<u>Each leg evaluated as an outright</u>	
<a href="#">5-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXW</a>	<u>0.47 of 1 point (\$1,000)</u>	<u>4700</u>	<u>47</u>	<u>Each leg evaluated as an outright</u>	
<a href="#">7-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXB</a>	<u>0.62 of 1 point (\$1,000)</u>	<u>6200</u>	<u>31</u>	<u>Each leg evaluated as an outright</u>	
<a href="#">10-Year Eris Bloomberg Short Term Bank Yield (BSBY) Swap Futures</a>	<a href="#">KXY</a>	<u>0.94 of 1 point (\$1,000)</u>	<u>9400</u>	<u>47</u>	<u>Each leg evaluated as an outright</u>	

## Appendix D

### CBOT Rulebook

#### Chapter 5

#### ("Trading Qualifications and Practices")

#### Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table

Product	RULEBOOK CHAPTER	Commodity Code	PRIMARY / ASSOCIATED	ASSOCIATED WITH	Dynamically Calculated Variant - All Hours
<u>1-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXA</u>	<u>Primary</u>	<u>Primary</u>	<u>0.75 of 1 point</u>
<u>2-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXT</u>	<u>Primary</u>	<u>Primary</u>	<u>0.75 of 1 point</u>
<u>3-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXC</u>	<u>Primary</u>	<u>Primary</u>	<u>1.00 point</u>
<u>4-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXD</u>	<u>Primary</u>	<u>Primary</u>	<u>1.50 points</u>
<u>5-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXW</u>	<u>Primary</u>	<u>Primary</u>	<u>1.50 points</u>
<u>7-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXB</u>	<u>Primary</u>	<u>Primary</u>	<u>2.00 points</u>
<u>10-Year Eris</u> <u>Bloomberg Short</u> <u>Term Bank Yield</u> <u>(BSBY) Swap</u> <u>Futures</u>	<u>64</u>	<u>KXY</u>	<u>Primary</u>	<u>Primary</u>	<u>3.00 points</u>

## Appendix E

### Exchange Fees

Level	Account Owner	Execution Type	Venue/ Transaction Type	Eris Swap/Eris BSBY Swap Futures
<b>Individual Member</b>				
1	Individual Members	Member Account Owner	CME Globex	\$0.45
			EFPIEFR Block	\$0.45
	Individual Delegates	Delegate Trading Own Account	CME Globex	\$0.46
			EFPIEFR Block	\$0.46
<b>Equity Members (Individual Equity members, Clearing Firms and Equity Firms)</b>				
2	Equity Members	Member or Delegate	CME Globex	\$0.45
			EFPIEFR Block	\$0.45
		Non-Member	CME Globex	\$0.45
			EFPIEFR Block	\$0.45
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.45
			EFPIEFR Block	\$0.45

*(Execution Not a Factor in Membership Types Below)*

Level	Account Owner	Execution Type	Venue/ Transaction Type	Eris Swap/Eris BSBY Swap Futures	
<b>Trading Members (Individual Non-Equity Members and Non-Equity Member Firms)</b>					
3	Individual Non-Equity Members (other member/delegate executing); Rule 106.H. Corporate Trading Firms; Rule 106.H. Trading FCMs; & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.46	
			EFPIEFR Block	\$0.46	
		Individual Delegates (Other Member or Delegate executing the trade) & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.46
				EFPIEFR Block	\$0.46
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.46	
			EFPIEFR Block	\$0.46	

Level	Account Owner	Execution Type	Venue	Eris Swap/Eris BSBY Swap Futures
<b>Electronic Corporate Member Firm</b>				
4	Rule 106.R Electronic Corporate Member Firms (For other than CME Globex - Non-Member rates apply)	Member, Delegate or Non-Member	CME Globex	\$0.47
<b>Non-Members</b>				
5	International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants	Member, Delegate or Non-Member	CME Globex	\$0.50
	Central Bank Incentive Program (CBIP) and Latin American Fund Manager Incentive Program (FMIP) Participants	Member, Delegate or Non-Member	CME Globex	\$0.70

	(For other than CME Globex - Non-Member rates apply)			
	Non-Members	N/A	CME Globex	\$0.70
			EFP EFR Block	\$0.70

#### CBOT Financial Product Notes

**(1) ERIS Swap Futures Outrights Block Passive Trades:** additional fee of \$1.00 for the 1-3YR Futures, \$2.00 for the 4-7YR Futures, and \$4.50 for the 10+YR will be applied to the standard Exchange Fee.

**ERIS Swap Futures Block Spread Passive Trades:** additional fee of \$0.03 for the 1-3YR Futures, \$0.25 for the 4-7YR Futures, and \$1.00 for the 10+YR will be applied to the standard Exchange Fee.

Processing Fees	Fee
Exchange Fees for Non-Trades (Member/Delegate/Non-Member)	\$0.10/\$0.25/\$0.55
Exchange Fees for Non-Trades - Expired Options	\$0.10
Facilitation Fee	\$0.00
Give-Up Surcharge	\$0.06
Position Adjustment/Position Transfer	\$0.10