

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-187

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): May 22, 2017 **Filing Description:** Amendments to CBOT Chapter 7 ("Delivery Rules and Procedures")

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

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: See filing.

Rule Numbers: See filing.

May 22, 2017

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 40.4(b)(5). Non-Material Agricultural Rule Changes for CBOT Chapter 7 (“Delivery Rules and Procedures”) in Connection with CBOT KC HRW Wheat Futures Contract
CBOT Submission No. 17-187**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulations 40.4(b)(5), The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) is notifying the CFTC that it is self-certifying non-material agricultural rule amendments to CBOT Chapter 7 (“Delivery Rules and Procedures”) relating to CBOT KC HRW Wheat Futures (Chapter 14H; Commodity Code KW).

The non-material agricultural rule changes to Chapter 7 (the “Chapter 7 Amendments”) are intended to (1) migrate delivery rules, delivery procedures and regularity rules for KC HRW Wheat futures from the futures contract rule chapter and into Chapter 7, consistent with other CBOT physically delivered agricultural futures, and (2) amend such delivery and regularity rules as noted below.

The Chapter 7 Amendments are deemed non-material because the delivery, load-out and regularity rules are being migrated from the Product Chapter (CBOT Submission No. 17-188) and into Exchange Chapter 7 consistent with other grain futures listed on CBOT and certain amendments, as detailed below, are being implemented in support of the implementation of a variable storage rate and change of delivery instrument from warehouse receipt to shipping certificate (CBOT Submission No. 17-134). In addition to being migrated into Chapter 7, the rule governing the approval term for warehouse regularity for KC HRW Wheat is being amended from 1 year to 2 years in line with the term of approval for other grain futures listed on CBOT. Additionally, the warehouse minimum financial obligation is being amended from a requirement of a net worth of \$0.15 per bushel of approved capacity to a minimum total net worth of \$5,000,000. Given that all KC HRW Wheat facilities currently meet all such new financial net worth requirements, the Exchange believes that the Product Chapters Rule Amendments herein are non-material.

The amendments herein shall have no impact on value of open positions in the Contracts.

The Chapter 7 Amendments are being made in conjunction with CBOT Submission No. 17-188, self-certification of non-material agricultural rule amendments to CBOT Chapter 14H (“KC HRW Wheat Futures”) contract containing the elimination of delivery rules, delivery procedures and regularity rules for KC HRW Wheat futures from the futures contract rule chapter and into Chapter 7, consistent with other CBOT physically delivered agricultural futures.

The implementation of the Chapter 7 Amendments is contingent on the approval from the CFTC of CBOT Submission No. 17-134, filed May 22, 2017. Submission No. 17-134 requests Commission approval to implement a Variable Storage Rate (VSR) mechanism for KC HRW Wheat and Mini-Sized KC HRW Wheat futures contracts (the “Contracts”), amend the Contracts’ delivery instrument and amend the Contracts’ last delivery date.

The Chapter 7 Amendments shall take effect upon approval of CBOT Submission No. 17-134 or after the regulatory review period for this filing has expired, whichever is later. Additionally, Chapter 7 Amendments

shall take effect concurrent with the effective date of CBOT Submission No. 17-188 to remove delivery provisions from Chapter 14H and into Chapter 7 as detailed herein.

A summary of the Chapter 7 Amendments is presented below. Appendix A, provided under separate cover, contains Chapter 7 in its entirety with additions underlined and deletions struck through. Appendix B provides a summary chart illustrating the migration of delivery rules from Chapter 14H into Chapter 7 and additional related amendments to Mini-Sized KC HRW Wheat futures (Chapter 14N).

1. Chapter 7. With the integration of KC HRW Wheat into Chapter 7, amended references to CBOT Wheat throughout Chapter 7 from “wheat” to “SRW Wheat” in order to distinguish between provision pertaining to the CBOT Wheat futures currently in Chapter 7 and those of KC HRW Wheat.
2. Chapter 7, Rule 703 “Regular Warehouses and Shipping Stations”. Shall be applicable to KC HRW Wheat. Incorporated conditions for regularity (conditions for approval) of KC HRW Wheat warehouses from Chapter 14H, Rule 14H16 (which is being deleted), and amended term for regularity from 1 year to 2 years similar to the regularity terms in all other CBOT agricultural products.
3. Chapter 7, Rule 703.C. “Load-Out”. Migrated load out rules including load out rates, fees, suitable transportation and vomitoxin restrictions from Chapter 14H, Rules 14H13 and 14H17 (which are being deleted).
4. Chapter 7, Rule 703.C.D. “Premium Charges”. Incorporated applicability to KC HRW Wheat beginning with VSR implementation.
5. Chapter 7, Rule 703.C.F. “Certification of Corn, Soybean and Wheat”. Incorporated reference to certification of U.S. origin for wheat deliverable against KC HRW Wheat (pursuant to Chapters 14H and 14N, Rules 14H04 and 14N04).
6. Chapter 7, Rule 703.D. “Failure to Load Out”. Shall be applicable to KC HRW Wheat and shall replace Rule 14H13.G.
7. Chapter 7, Rule 704 “Inspection”. Incorporated inspection requirements for KC HRW Wheat from Chapter 14H, Rule 14H11 (which is being deleted after the expiration of the December 2017 contract month).
8. Chapter 7, Rule 705 “Insurance”. Shall be applicable to KC HRW Wheat (no amendments necessary to Rule 705; the insurance provision for KC HRW Wheat is currently under Chapter 14H, Rule 14H16 which is being deleted).
9. Chapter 7, Rule 706 “Variation in Quantity”. Shall be applicable to KC HRW Wheat (no amendments necessary to Rule 706).
10. Chapter 7, Rule 708 “Minimum Financial Requirements for Agricultural Regularity”. Incorporated from Chapter 14H, Rule 14H16 (which is being deleted), net worth requirements for KC HRW Wheat facilities and aligned those net worth requirements with the net worth requirements currently in place for firms approved for the issuance and registration of shipping certificates including regular firms for CBOT SRW Wheat. Specifically, the financial requirements are being amended from a requirement of a net worth of \$0.15 per bushel of approved capacity to a minimum total net worth of \$5,000,000. All KC HRW Wheat facilities currently meet all such new net worth requirements.
11. Chapter 7, Rule 712 “Delivery and Registration”. (1) Incorporated KC HRW Wheat Warehouse Receipt as the deliverable instrument through December 2017 contract month, and, KC HRW Wheat Shipping Certificate as the deliverable instrument beginning with March 2018 contract month; and (2) Rule 712 shall be the governing rule for registration and delivery of registered receipts/certificates for KC HRW Wheat (replaces provisions in Chapter 14H Rules 14H07, 14H08, 14H09, and 14H17).
12. Chapter 7, Rule 713 “Delivery Procedures”. Shall be applicable to KC HRW Wheat (no amendments to Rule 713 necessary; current delivery procedures are in Chapter 14H Rules 14H07.A through 14H07.F which are being deleted).
13. Chapter 7, Rule 714 “Failure to Deliver”. Shall be applicable to KC HRW Wheat (no amendments to Rule 714 necessary). Chapter 14H Rules 14H07.G and 14H14 which contain legacy provisions for failure to deliver are being deleted.

14. Chapter 7, Rule 715 “Failure to Accept Delivery or Remit Full Payment”. Shall be applicable to KC HRW Wheat (no amendments to Rule 715 necessary). Chapter 14H Rule 14H14 which contains legacy provisions for failure to accept delivery is being deleted.
15. Chapter 7, Interpretation & Special Notices Section. (1) Remove certain obsolete language from the procedures to load out grain; (2) Integrate KC HRW Wheat load out procedures (currently under Interpretation & Special Notices section of Chapter 14H); (3) Implement non-substantive amendments to Exchange references; (4) Incorporate requirements for letters of credit and bond standards for KC HRW Wheat facilities; and (5) Integrate list of approved elevators and capacities for KC HRW Wheat (currently in Interpretation & Special Notices section of Chapter 14H).

Please note that while not referenced in the Chapter 7 Amendments herein, Exchange Rules 701 (“Declaration of Force Majeure”), 702 (“Clearing Member Duties to the Clearing House”), 707 (“Revocation, Expiration or Withdrawal of Regularity”), 716 (“Duties of Clearing Members”), 718 (“Customer Substitution in the Event of Clearing Member Bankruptcy”), 770 (“Delivery Obligation Transfer Procedures”) and 771 (“Alternative Notice of Intention to Deliver”) will continue to apply to KC HRW Wheat Futures and Mini-Sized KC HRW Wheat Futures contracts.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the following Core Principle may be impacted by this initiative as follows:

- **Availability of General Information:** The Exchange will make publicly available the details of the amendments herein by publishing a Registrar’s Office Notice (“MKR”) and a Special Executive Report (“SER”) to the market. The MKR and SER will be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.4(a) and 40.5(a), the Exchange hereby certifies that the amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal by market participants.

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>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – CBOT Chapter 7 (attached under separate cover) (blackline format)
Appendix B – Rule Change Summary Chart

Appendix A

(under separate cover)

(blackline format)

Appendix B

Rule Change Summary Chart

Amendments to CBOT Chapter 7 ("Delivery Rules and Procedures")	Amendments to Chapter 14H ("KC HRW Wheat Futures")	Amendments to Chapter 14N ("Mini-Sized KC HRW Wheat Futures")
Reference to Delivery Instrument		
Throughout chapter, where referenced and as applicable, noted that for KC HRW Wheat, the delivery instrument through December 2017 contract month shall be by registered warehouse receipt, and the delivery instrument beginning with the March 2018 contract month shall be by registered shipping certificate.	Throughout chapter, where referenced and as applicable, noted that for KC HRW Wheat, the delivery instrument through December 2017 contract month shall be by registered warehouse receipt, and the delivery instrument beginning with the March 2018 contract month shall be by registered shipping certificate.	Throughout chapter, where referenced and as applicable, noted that for KC HRW Wheat, the delivery instrument through December 2017 contract month shall be by registered warehouse receipt, and the delivery instrument beginning with the March 2018 contract month shall be by registered shipping certificate.
Conditions for Regularity		
Chapter 7, Rule 703 ("Regular Warehouses and Shipping Stations") Rule shall be applicable to KC HRW Wheat. Incorporate KC HRW Wheat regularity conditions and amend term for regularity from 1 year to 2 years similar to regularity term in all other CBOT agricultural products	Chapter 14H, Rule 14H16 ("Regularity") Migrate KC HRW Wheat regularity conditions from Rule 14H16 to Chapter 7, Rule 703.A and Delete Legacy Rule 14H16. Insert New Rule 14H09 ("Regularity of Facilities and Issuers of Warehouse Receipts/Shipping Certificates") which shall refer to Chapter 7, Rule 703.	
Load-Out		
Chapter 7, Rule 703.C. ("Load-Out") Migrate load out rules including load out fees, suitable transportation and vomitoxin restrictions from product chapter.	Chapter 14H, Rule 14H13 ("Load-Out") Migrate load out rules including load out fees, suitable transportation and vomitoxin restrictions from Rule 14H13 into Chapter 7, Rule 703.C and delete Rule 14H13. Provisions for cancellation for load-out under Chapter 14H, Rule 14H17 ("Warehouse Receipts") are covered in Rule 703.C. Rule 14H17 is being deleted.	
Premium Charges / Storage Charges		
Chapter 7, Rule 703.C.D. ("Premium Charges") Incorporate applicability of Rule to KC HRW Wheat beginning with VSR implementation. Add reference to Storage Charges Rule 14H12 applicable through December 2017 contract month.	Chapter 14H, Rule 14H13.F ("Storage Charges Cease") Rename Legacy Rule 14H13.F as 14H12 and delete entire Rule 14H12 at the expiration of the December 2017 contract.	
Certification of Origin of Grain		
Chapter 7, Rule 703.C.F. ("Certification of Corn, Soybean and Wheat") Incorporate certification of U.S. origin for KC HRW Wheat (pursuant to Rules 14H04 and 14N04)	Chapter 14H unchanged.	Chapter 14N unchanged.

Amendments to CBOT Chapter 7 ("Delivery Rules and Procedures")	Amendments to Chapter 14H ("KC HRW Wheat Futures")	Amendments to Chapter 14N ("Mini-Sized KC HRW Wheat Futures")
Failure to Load-Out		
<p>Chapter 7, Rule 703.D. ("Failure to Load Out")</p> <p>Shall be applicable to KC HRW Wheat and shall replace Rule 14H13.G.</p>	<p>Chapter 14H, Rule 14H13.G ("Default on Remaining Delivery Obligation")</p> <p>Rule shall be replaced with Exchange Rule 703.D.</p>	
Inspection		
<p>Chapter 7, Rule 704 ("Inspection")</p> <p>Incorporate inspection requirements into Chapter 7 Rule 704 (legacy Rule 14H11)</p>	<p>Chapter 14H, Rule 14H11 ("Loading Out; Documents Required"): (1) Retitle Rule and limit applicability of inspection on warehouse receipts to contracts through December 2017 contract month, (2) Incorporate inspection requirements into Chapter 7 Rule 704, and (3) at the expiration of December 2017 contract delete Rule 14H11.</p> <p>Legacy Rule 14H11.A ("No Freight Requirements") relating to transit billing shall be retitled and renumbered as follows: New Rule 14H10 ("Billing")</p> <p>Chapter 14H, Rule 14H12 ("Inspection Governing"). Delete Rule 14H12 as terms are covered under Chapter 7, Rule 704.</p>	
Insurance		
<p>Chapter 7, Rule 705 ("Insurance")</p> <p>No Amendments Necessary / Make applicable to KC HRW Wheat</p>	<p>Chapter 14H, Rule 14H16 ("Regularity")</p> <p>Insurance provision currently in Legacy Rule 14H16 which is being deleted.</p>	
Variation in Quantity		
<p>Chapter 7, Rule 706 ("Variation in Quantity")</p> <p>No Amendments Necessary / Make applicable to KC HRW Wheat</p>	<p>Not addressed in product chapter.</p>	<p>Not addressed in product chapter.</p>
Financial Requirements		
<p>Chapter 7, Rule 708 ("Minimum Financial Requirements for Agricultural Regularity")</p> <p>Incorporate from Chapter 14H, Rule 14H16, net worth requirements for KC HRW Wheat facilities and align those net worth requirements with the net worth requirements currently in place for firms approved for the issuance and registration of shipping certificates including regular firms for CBOT SRW Wheat. All KC HRW Wheat facilities currently meet all such net worth requirements.</p>	<p>Chapter 14H, Rule 14H16 ("Regularity")</p> <p>Financial Requirement provisions are being amended from a requirement of a net worth of \$0.15 per bushel of approved capacity to a minimum total net worth of \$5,000,000.</p> <p>Rule 14H16 is being deleted.</p>	
Delivery and Registration		
<p>Chapter 7, Rule 712 ("Delivery and Registration")</p>	<p>Chapter 14H, Rule 14H07 ("Deliveries; Clearing House")</p>	<p>Chapter 14N, Rule 14N07 ("Deliveries by Mini-Sized KC HRW Wheat Warehouse")</p>

Amendments to CBOT Chapter 7 ("Delivery Rules and Procedures")	Amendments to Chapter 14H ("KC HRW Wheat Futures")	Amendments to Chapter 14N ("Mini-Sized KC HRW Wheat Futures")
<p>(1) Incorporate KC HRW Wheat Warehouse Receipt as the deliverable instrument through December 2017 contract month, and, KC HRW Wheat Shipping Certificate as the deliverable instrument beginning with March 2018 contract month; and (2) Rule 712 shall be the governing rule for registration and delivery of registered receipts/certificates for KC HRW Wheat (replaces Chapter 14H Rules 14H07, 14H08, 14H09 and 14H17).</p>	<p>(1) Amend title to ("Registration and Delivery of KC HRW Wheat Receipts/Certificates and Delivery Payment"), (2) Delete entire content of Rule and insert reference to Chapter 7, Rules 712 and 713 under Rule 14H07.A., and (3) Insert Rule 14H07.B. addressing "Delivery Payment" which is inadvertently omitted.</p> <p>Chapter 14H, Rule 14H08 ("Deliveries by Electronic Warehouse Receipt") is being deleted.</p> <p>Chapter 14H, Rule 14H09 ("Deliverable Electronic Warehouse Receipts") is being deleted.</p> <p>Chapter 14H, Rule 14H17 ("Warehouse Receipts") is being deleted as provisions are covered under Chapter 7, Rules 703.C and 712.</p>	<p>Receipts/Shipping Certificates and Delivery Payment")</p> <p>(1) Amend title to include reference to Shipping Certificates, and (2) Insert new Rule 14N07.B "Delivery Payment" which is inadvertently omitted.</p>
Delivery Procedures		
<p>Chapter 7, Rule 713 ("Delivery Procedures")</p> <p>No Amendments Necessary / Make applicable to KC HRW Wheat</p>	<p>Chapter 14H, Rule 14H07 ("Deliveries; Clearing House")</p> <p>Delivery procedures provisions currently in Rules 14H07.A through 14H07.F which are being deleted.</p>	
Failure to Deliver		
<p>Chapter 7, Rule 714 ("Failure to Deliver")</p> <p>No Amendments Necessary / Make applicable to KC HRW Wheat</p>	<p>Chapter 14H, Rules 14H07.G ("Failure to Deliver") and 14H14 ("Default"). Legacy rules are being deleted.</p>	
Failure to Accept Delivery		
<p>Chapter 7, Rule 715 ("Failure to Accept Delivery or Remit Full Payment")</p> <p>No Amendments Necessary / Make applicable to KC HRW Wheat</p>	<p>Chapter 14H, Rule 14H14 ("Default") is being deleted.</p>	
Clearing Member Bankruptcy		
<p>Chapter 7, Rule 718 ("Customer Substitution in the Event of Clearing Member Bankruptcy")</p> <p>No Amendments Necessary / Make applicable to KC HRW Wheat</p>	<p>Chapter 14H, Rule 14H15 ("Deliveries in Bankruptcy Situation") is being deleted.</p>	
Interpretations & Special Notices		
<p>Integrate KC HRW Wheat load out procedures into Interpretation & Special Notices section of Chapter 7 from Interpretation & Special Notices section of Chapter 14H</p>	<p>Eliminate Interpretation & Special Notices section of Chapter 14H</p>	
<p>Integrate list of elevators for KC HRW Wheat into Interpretation & Special Notices section of Chapter 7 and remove from Chapter 14H.</p>	<p>Remove list of approved KC HRW Wheat elevators from Chapter 14H</p>	

Amendments to CBOT Chapter 7 ("Delivery Rules and Procedures")	Amendments to Chapter 14H ("KC HRW Wheat Futures")	Amendments to Chapter 14N ("Mini-Sized KC HRW Wheat Futures")
Incorporate requirements for letters of credit and bond standards for KC HRW Wheat facilities into Interpretation & Special Notices section of Chapter 7		
	Product-Specific Amendments	
	Chapter 14H, Rule 14H01 ("Contract Specifications") Remove references to outstanding receipts without the 10 IDK (Insect Damaged Kernels) indication as those receipts are no longer registered and outstanding.	
	Chapter 14H, Rule 14H02 ("Trading Specifications"). Harmonize style and eliminate unnecessary provisions. Additionally, for contracts through December 2017 expiration, add omitted language as to deadline to last delivery and tender dates and deadline to EFRP after last trade date for liquidation purposes.	Chapter 14N, Rule 14N02 ("Trading Specifications"). For contracts through December 2017 expiration, add omitted language as to deadline to last delivery and tender dates and deadline to EFRP after last trade date for liquidation purposes.
	Chapter 14H, Rule 14H03 ("Exchange Fees"). Delete rule as the Exchange does not include provisions to amend Exchange trading and clearing fees in the product terms and conditions.	
	Chapter 14H, Rule 14H04 ("Grade and Grade Differentials"). (1) Remove obsolete language, (2) Remove references to outstanding receipts without the 10 IDK indication as those receipts are no longer registered and outstanding, and (3) Insert maximum vomitoxin levels of 2.0 parts per million.	Chapter 14N, Rule 14N04 ("Grade and Grade Differentials"). (1) Remove references to outstanding receipts without the 10 IDK indication as those receipts are no longer registered and outstanding, and (2) Insert maximum vomitoxin levels of 2.0 parts per million.
	Chapter 14H, Rule 14H05 ("Location Differentials") Implement stylistic changes to mirror Location Differentials rule in other CBOT products.	Chapter 14N, Rule 14N05 ("Location Differentials") Implement stylistic changes to mirror Location Differentials rule in other CBOT products.