



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 22, 2012

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Modifications to the CBOT Volume Tier Discount Incentive Program
CBOT Submission No. 12-197**

Dear Mr. Stawick:

Board of Trade of the City of Chicago, Inc. ("CBOT" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement the CBOT Agricultural Progressive Volume Tier Discount Program for Firms and Individuals ("Program"). The proposed Program will become effective on July 10, 2012.

Exhibit 1 sets forth the terms of this Program.

CBOT business staff responsible for the Program and the CBOT legal department collectively reviewed the designated contract market core principles ("Core Principles"). During the review, CBOT staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules.

The proposed Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the Commodity Exchange Act ("CEA") and the Exchange's market regulation staff will continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations under the Program to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Chapter 4 of the Exchange Rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. These rules will apply to the proposed Program.

CBOT certifies that the proposed 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>

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If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at robert.lev@cmegroup.com, or contact me at 212-299-2200. Please reference our CBOT Submission No. 12-197 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

CBOT Agricultural Progressive Volume Tier Discount Program for Firms and Individuals

Program Purpose

The purpose of this Program is to incentivize CBOT Individual Members and Member Firms to increase their volume and thus market liquidity for the products listed below on Globex and on the CBOT trading floor. A more liquid contract benefits all participants in the market.

Product Scope

All CBOT full sized Agricultural futures contracts that are traded on the CBOT trading floor and on Globex ("Products").

Eligible Participants

There is no limit to the number of participants that may apply for the Program.

1. To be eligible for participation in the CBOT Member Firm incentives below, a participant must:
 - i. Be a CBOT Equity Member Firm (excluding a family of hedge funds). Execution may be conducted by a member or non-member; and
 - ii. Register all participating account owners with the Exchange.
2. To be eligible for participation for the CBOT Individual Member Firm Incentives below a participant must:
 - i. Be a CBOT Individual Member (with or without equity) trading for their own account or, Individual CBOT Equity Members where execution is done on the Individual CBOT Equity Member's behalf by another member or delegate.

Program Term

Start date is July 10, 2012. End date is June 30, 2013.

Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

Qualifications

1. **CBOT Member Firm Participants.**
 - a. **Standard Progressive Tiers.** To qualify for participation in the standard progressive tier discounts for an applicable calendar quarter ("Participating Quarter"), a participant, for the entirety of the calendar quarter immediately preceding the Participating Quarter ("Qualifying Quarter") must have; (i) for the Product that the participant traded the most during the Qualifying Quarter, posted continuous bids/offers on Globex seventy percent (70%) of the hours that the Product trades via open outcry, and (ii) traded a minimum of forty percent (40%) of the participant's volume in the Products on Globex as resting volume.
 - b. **Accelerated Progressive Tiers.** In addition to meeting the requirements above, to qualify for the accelerated progressive tier discounts for a Participating Quarter, a participant, during the relevant Qualifying Quarter, must have; (i) maintained a combined average daily volume of one hundred (100) contract sides traded in CBOT and Chicago Mercantile Exchange Inc. agricultural emerging products, as determined by the Exchange, or (ii) traded a minimum of sixty percent (60%) of the participants combined volume in the Products on Globex as resting volume, or (iii) maintained an average daily volume in Products of at least 10,000 contract sides traded on Globex as resting volume.

Incentives

1. **CBOT Individual Member Participants.** For each calendar month of participation in the Program CBOT Individual Member participants will receive progressive tiered discounts on exchange fees for trades executed on the CBOT trading floor and on Globex based on an applicable participant's combined average daily volume ("ADV") in the Products, such ADV to be calculated over an applicable calendar month in accordance with the following:

Monthly Average Daily Threshold (sides)	Exchange Fee Discount (per side)
0 to 2,500	None
2,501 to 5,000	\$0.02
5,001 to 10,000	\$0.04
10,001 +	\$0.06

2. **CBOT Member Firm Participants.**

- a. **Standard Progressive Tiers.** For each Participating Quarter, CBOT Member Firm participants will receive progressive tiered discounts on exchange fees for trades executed on the CBOT trading floor and on Globex based on an applicable participant's combined average daily volume ("ADV") in the Products, such ADV to be calculated over an applicable calendar month in accordance with the table below. For the purpose of the standard progressive tiered discount incentive the first Qualifying Quarter will be considered a Participating Quarter for legacy participants of the former CBOT Agricultural Volume Incentive Program.

Monthly Average Daily Threshold (sides)	Exchange Fee Discount (per side)
0 to 10,000	None
10,001 to 25,000	\$0.02
25,001 +	\$0.04

- b. **Accelerated Progressive Tiers.** For the first Qualifying Quarter and for each subsequent Participating Quarter thereafter, CBOT Member Firm participants will receive progressive tiered discounts on exchange fees for trades executed on the CBOT trading floor and on Globex based on an applicable participant's combined average daily volume ("ADV") in the Products, such ADV to be calculated over an applicable calendar month in accordance with the following:

Monthly Average Daily Threshold (sides)	Exchange Fee Discount (per side)
0 to 5,000	None
5,001 to 12,500	\$0.04
12,501 +	\$0.06

Monitoring and Termination of Status

The Exchange shall monitor trading activity and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.