



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

October 26, 2012

**VIA E-MAIL**

Ms. Sauntia Warfield  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE:      CBOT Deliverable Interest Rate Swap Futures Market Maker Program  
            CBOT Submission No. 12-327**

Dear Ms. Warfield:

Chicago Board of Trade, Inc. ("CBOT" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a market maker program in support of U.S. Dollar interest rate swaps futures products ("Program"). The proposed Program will become effective on November 13, 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") as set forth in the Commodities Exchange Act ("CEA"). 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, Compliance with Rules and Recordkeeping.

The proposed Program will 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 continue to 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 under the Program 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 proposed Program will be 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 contact Robert Lev at 312-930-3019 or via e-mail at [robert.lev@cmegroup.com](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our CBOT Submission No. 12-327 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Enclosure

# EXHIBIT 1

## Deliverable Interest Rate Swap Futures Market Maker Program

### Program Purpose

The purpose of the Program is to incent market makers to enhance liquidity in the products listed below. The resulting increase in central limit order book liquidity benefits all participants segments in the market.

### Product Scope

2-Year, 5-Year 10-Year and 30-Year U.S. Dollar Interest Rate swap futures contracts that are traded on the Globex Platform ("Product(s)").

### Eligible Participants

CBOT may designate up to ten (10) participants in the Program. Participants can be CBOT Members or non-members. CBOT staff will select participants based on their ability to meet at least the minimum quoting requirements. Notwithstanding the forgoing, CBOT may add or subtract from the aforementioned factors as it deems necessary.

### Program Term

Start date is November 13, 2012. End date is December 31, 2014.

### Hours

RTH + ETH

### Obligations

#### Quoting Requirements:

Market makers will be required to provide two-sided electronic markets in the Product with contracted maximum bid/ask spreads, minimum quote sizes and time frame. All Product activity shall be conducted through a proprietary account of the market maker.

### Incentives

Upon satisfying all Program obligations, as determined by the Exchange, each Program participant shall be eligible to receive predetermined incentives for the Products.

### Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant has failed to meet its obligations or no longer meets the eligibility requirements of the Program.