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Christopher Bowen
Managing Director and Chief Regulatory Counsel
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OFFICE OF THE
SECRETARIAT

November 30, 2011

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: CBOT Interest Rate Swap Futures Market Maker Program
 CBOT Submission No. 11-442**

Dear Mr. Stawick:

The Board of Trade of the City of Chicago, Inc ("CBOT" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of the implementation of a Market Making Program for certain Interest Rate Swap Futures contracts ("Program"). The proposed Program will become effective on December 15, 2011.

Exhibit 1 sets forth the terms of the proposed 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's incentive structure as set forth in the Exhibit below is such that it does not incentivize manipulative trading or market abuse and will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will nevertheless 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 proposed 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 Commodity Exchange Act 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. 11-463 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

CBOT INTEREST RATE SWAP FUTURES MARKET MAKER PROGRAM

Program Purpose

The purpose of this Program is to incent participants to enhance liquidity in the Products listed below. A more liquid contract benefits all participants in the market.

Product Scope

CBOT 5-year, 7-Year, 10-year, and 30-year Interest Rate Swap Futures ("Products").

Eligible Participants

A maximum of ten (10) participants may be selected into the Program. Participants can be a CBOT member or non-member trading firm.

Potential participants are required to submit an application/bid sheet to the Exchange which is used to determine eligibility. CME staff will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including but not limited to past performance in Interest Rate Swap Futures, and the ability to commit to and maintain at least the required quoting obligations.

Program Term

Start date is December 15, 2011. End date is December 31, 2012.

Hours

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

Obligations

Participants must quote two-sided markets at contracted bid-offered price spreads and in contracted bid and offered sizes for outrights in the Product and the related calendar spreads.

Program Incentives: Upon satisfying all Program obligations, as determined by the Exchange, each Program participant shall be eligible for the following incentives:

1. **Fee Waivers.** CBOT shall waive all of participants Globex® execution fees and ex-pit surcharges for transactions made in the Products through the market maker's proprietary accounts.
2. **Exchange Fee Credit Pool.** Participants are also eligible to receive a portion of the Exchange Fee Credit pool ("EFCP") for any given month which is defined as 25% of the total exchange transaction fees for Interest Rate Swap futures contracts assessed by CBOT for that month, less transaction fees rebated to contracted market makers. In calculating the EFCP, revenue derived from ex-pit transactions are not counted.
 - In order to qualify for the EFCP, the Market Maker's monthly Globex® volume (sides) must be equal to or greater than 5% of the corresponding total monthly volume (sides) for that product.
 - If more than one Market Maker qualifies to receive a portion of the EFCP for individual Interest Rate Swap Futures contracts, each qualified Market Maker will receive its pro rata share of the pool for such product for that month.

- If no market maker qualifies for the EFCP for a given Interest Rate Swap future then there will be no payout of the pool for that product for that month and the EFCP will not roll forward to any future month.

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 no longer meets the eligibility requirements or fails to meet the obligations of the Program.