

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-070

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): 2/11/2016 **Filing Description:** Amendments to the Implementation of Minimum Price Increment for the 30-Day Federal Funds Futures Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|-------------------------------------|---|----------------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: 30-Day Federal Funds Futures

Rule Numbers: CBOT Rulebook Chapter 22

February 11, 2016

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 40.6(a) Certification. Notification Regarding Amendments to the Implementation of Minimum Price Increment for the 30-Day Federal Funds Futures Contract.
CBOT Submission No. 16-070**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the modification of the implementation of the minimum tick size for the nearest expiring 30-Day Federal Funds Futures contract (“the Contract”) (CBOT Rulebook Chapter 22; CME ClearPort Code: 41; CME Globex Code: ZQ), effective on Sunday, February 28, 2016 for trade date Monday, February 29, 2016.

Currently, the Exchange implements the $\frac{1}{4}$ basis point tick size on the first trading day of the week following the last business day of the month. The amendments will modify this methodology and apply a $\frac{1}{4}$ basis point minimum tick size on the first trading day of the last week of the month when the last trading day of the nearest contract is on or between Monday and Thursday. The current methodology will continue to be utilized in the event that the last trading day of the expiring contract falls on a Friday.

Also at this time, the Exchange will implement various other administrative amendments to CBOT Rulebook Chapter 22.

Appendix A provides amendments to CBOT Rulebook Chapter 22 in blackline format.

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 rule amendments may have some bearing on the following Core Principles:

- **Availability of General Information**
The Exchange shall publish on its website information regarding the Contract’s specifications, terms, and conditions, as well as daily trading volume, open interest, and price information. Information regarding the amendments will be provided to the marketplace via a Special Executive Report (“SER”). The SER will also be posted on the CME Group website.
- **Daily Publication of Trading Information**
The Exchange shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the amendments comply with the Act, including regulations under the Act. 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-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

Attachment: Amendments to CBOT Rulebook Chapter 22 (blackline format)

Appendix A

Amendments to CBOT Rulebook

(Additions are underlined; deletions are ~~struck through~~.)

Chapter 22 30-Day Federal Funds Futures

22100. SCOPE OF CHAPTER

This chapter is limited in application to ~~futures~~ trading of 30-Day Federal Funds futures (“futures”). The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

22101. CONTRACT SPECIFICATIONS

The contract grade shall be 100 minus the arithmetic average of the daily effective federal funds Fed Funds overnight rate during for the contract delivery month. Such arithmetic average shall be rounded to the nearest one tenth of one basis point per annum, and shall be rounded up in the case of a tie. The average daily Fed Funds overnight rate is a simple average of the daily Fed Funds overnight rates. The daily effective federal funds rate shall be as published as determined by the Federal Reserve Bank of New York. This simple average will be rounded to the nearest tenth of a basis point and rounded up in the case of a tie.

For any days during the contract delivery month for which the Federal Reserve Bank of New York does not ~~publish~~ compute a rate (e.g., weekends and holidays), the rate shall be the rate ~~determined on~~ for the last ~~business day~~ business day for which a rate was ~~published~~ determined.

22102. TRADING SPECIFICATIONS

Trading in ~~30-Day Fed Fund~~ futures is regularly conducted in all calendar months. The number of delivery months open for trading at a given time shall be determined by the Exchange.

22102.A. Trading Schedule

The hours of trading for ~~30-Day Fed Fund~~ futures shall be determined by the Exchange. ~~On the last day of trading in an expiring future, the expiring future shall close at 4:00 p.m. Chicago time.~~

22102.B. Trading Unit

The unit of trading shall be interest on Fed Funds having a face value of \$5,000,000 or multiples thereof for one month calculated on a 30-day basis at a rate equal to the average overnight Fed Funds rate for the contract month.

For a contract for a given delivery month, the Trading Unit shall be a US domestic interbank deposit in the amount of \$5,000,000 that pays interest at a rate equal to the arithmetic average of the daily effective federal funds rate during such contract's delivery month.

22102.C. Price Increments¹

~~Prices will be quoted on an index basis: 100 minus the monthly average overnight Fed Funds rate (e.g., a rate of 6.50% is quoted at 93.50). For the nearest expiring contract month, the minimum price fluctuation shall be in increments of one-quarter of one hundredth of one percent of five million dollars on a 30-day basis (\$10.4175 per one-quarter basis point), rounded up to the nearest cent. For all other contract months, the minimum price fluctuation shall be in increments of one-half of one hundredth of one percent of five million dollars on a 30-day basis (\$20.835 per one-half basis point), rounded up to the nearest cent.~~

For a contract for a given delivery month, the price shall be quoted in terms of price points, as 100.0000 price points minus the average daily effective federal funds rate during such contract's delivery month. (For example, an average daily effective federal funds rate of 4.3275 percent shall be quoted as 95.6725 price points.)

¹ Revised January 2009 and February 2016.

The minimum price fluctuation shall be 0.005 price points, equal to \$20.835 per contract, subject to the following exceptions:

Where the first day of a contract's delivery month is a Saturday, a Sunday, or a Monday, the minimum price fluctuation for such contract shall be 0.0025 price points, equal to \$10.4175 per contract, as of the first Trading Day of such contract delivery month.

Where the first day of a contract's delivery month is a Tuesday, a Wednesday, a Thursday, or a Friday, the minimum price fluctuation for such contract shall be 0.0025 price points, equal to \$10.4175 per contract, as of the Trading Day immediately following the last Sunday of the month preceding such contract delivery month.

22102.D. 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.

22102.E. 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 Table in the Interpretations & Special Notices Section of Chapter 5.

22102.F. Termination of Trading

~~The last day of trading shall in an expiring futures contract shall be the last Business Day of the such contract's delivery month. Trading in expiring futures shall terminate at the close of the Trading Day on the last day of trading. After trading in contracts for future delivery in the current delivery month has ceased, outstanding contracts that remain outstanding following termination of trade for such delivery shall be liquidated by cash settlement pursuant to as prescribed in Rule 22103.~~

22103. DELIVERY ON FUTURES CONTRACTS

~~Delivery against 30-Day Fed Fund futures contracts shall be made by cash settlement through the Clearing House following normal variation margin procedures. The final settlement price of an expiring contract shall will be calculated on the business day on which that the Federal Reserve Bank of New York publishes releases the daily effective federal funds overnight Fed Funds rate for the last day of such contract's delivery month trading. The Such final settlement price shall be 100 minus the arithmetic average of the daily effective federal funds rate during the contract delivery month average daily Fed Funds overnight rate for the delivery month. On their last day of trading, open contracts shall will be marked to market by reference to based on the Exchange daily settlement price 2:00 p.m. futures price. The A-final mark to market on such contracts shall will be made on the day the final settlement price is determined.~~

22104. STRIP TRANSACTIONS

~~A 30-Day Fed Fund futures strip transaction involving the simultaneous purchase or sale of an equal amount of futures contract months at a differential to the previous settlement prices is permitted subject to the general rules of the Exchange regarding spread trading.~~