



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

August 9, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**Re: Regulation 40.6(a) Self-Certification of Rule Amendments: Modifications to
CBOT Short Dated Options on New Crop Futures.
CBOT Submission # 13-321**

Dear Ms. Jurgens:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or the "Exchange"), pursuant to Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), hereby notifies the Commission that it is self-certifying amendments to the contract months and listing cycles for CBOT Short Dated Options on New Crop Futures for each of Corn, Wheat and Soybeans (collectively, the "Short Dated New Crop Options"). The proposed amendments will be effective on Sunday, August 25, 2013, for trading date Monday, August 26, 2013.

The proposed modifications include two parts:

1. For corn and soybeans, add a March contract month in addition to the existing May, July, September contract months. The listed months for wheat are not changed.
2. Start the listing cycles for the Short Dated New Crop Options earlier:

For corn and soybeans, change the first trading day from the first business day in January to the first business day following the expiration of the September option in the previous year (from 1/2/2014 to 8/26/2013);

For wheat, change the first trading day from the first business day in September to the first business day following the expiration of the September option in the same year (from 9/3/2013 to 8/26/2013).

Short Dated New Crop Options exercise into new crop futures contracts (December Corn, November Soybeans, and July Wheat) instead of nearby futures. They expire earlier than standard new crop options resulting in lower time value, which provides market participants a cost effective tool to hedge new crop risk. Based on experience with these products over the past two crop years, market participants requested additional expiration months for corn and soybeans and the earlier listing cycle.

CBOT business staff and the legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CBOT staff identified that the proposed changes may impact the following Core Principles:

- Compliance with Rules – Trading in these contracts will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in these contracts will also be subject to the full range of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- Contracts not Readily Susceptible to Manipulation – The products are not readily subject to manipulation due to the deep liquidity and robustness in the underlying futures market, which provides diverse participation and sufficient transactions to support the final settlement.
- Prevention of Market Disruption – Trading in these contracts will be subject to Rulebook Chapters 4 and 7 which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department.
- Position Limitations or Accountability – The contract specifications establish speculative position limits at the same level as specified for existing options contracts. In addition, positions in this product will be aggregated with positions in existing standard and serial options contracts and the underlying futures contracts to ensure compliance with CFTC and/or Exchange speculative limits.
- Availability of General Information – The Exchange will publish information on the Short Dated New Crop Options' terms and conditions, trading rules and specifications on its website.
- Daily Publication of Trading Information – Trading volume, open interest and price information for the Short Dated New Crop Options will be published daily on the CME Group website. .
- Execution of Transactions – This product will be listed on the CBOT trading floor and CME Globex and will meet CFTC Execution requirements. This product is also listed on CME ClearPort so any similar OTC products can be exchanged for Exchange positions. The CBOT trading floor is available as a venue to provide for competitive and open execution of transactions. The CME Globex electronic trading platform provides for a competitive and open execution of transactions due to its advanced functionality, high reliability and global connectivity.
- Trade Information – Trade information for this product will be collected and maintained in the same way as for other exchange-traded futures and options contracts. All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- Financial Integrity of Contracts – All contracts traded on the Exchange will be cleared by the CME Clearing House which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Protection of Market Participants – Rulebook chapter 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in this product.

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- Disciplinary Procedures – Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the rules. Trading in this contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in this product are identified.
- Dispute Resolution – Disputes with respect to trading in this contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. The rules in Chapter 6 allow all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to the rules in Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

The Exchange is not aware of any substantive opposing views to this proposal.

The Exchange certifies that these contract terms and conditions comply with the CEA and regulations thereunder. 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 action, please contact me at 212-299-2200 and reference CBOT Submission 13-321 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Appendix 1: Contract specifications for Short-dated Options (blackline)

Appendix 1

Contract Specifications for Short-dated Options

(additions underlined, deletions ~~overstruck~~)

Contract Name	Short Dated Options on New Crop Corn Futures
Contract Unit	One new crop Corn futures contract (December) of 5,000 bushels
Minimum Fluctuation	1/8 of one cent per bushel (\$6.25 per contract)
Strike Price Intervals	Trading shall be conducted for put and call options with strike prices in integral multiples of five (5) cents per bushel. More details on strike price intervals are outlined in Rule 10A01.E.
Contract Months	At the first business day of a new calendar year <u>On the first trading day following the expiration of September option</u> , list three <u>4</u> contract months: <u>March (H)</u> , May (K), July (N), and September (U). Each of these options will exercise into the December futures contract that is nearest to the expiration of the option. <u>A new listing cycle will begin on the first trading day following the expiration of the next September option. A new listing cycle will not start until the first business day of the next calendar year</u>
Daily Price Limit	Same as the daily price limit applied to standard and serial options.
Last Trade Date	Same as the last trade date of existing <u>March</u> , May, July, and September standard options.
Exercise	American-style. The buyer of a futures option may exercise the option on any business day prior to expiration by giving notice to the Clearing House by 6:00 p.m. Chicago time. Option exercise results in an underlying futures market position. Options in-the-money on the last day of trading are automatically exercised.
Expiration	Unexercised Corn futures options shall expire at 7:00 p.m. on the last day of trading.
Hours (All Times are Chicago Time/CT)	CME Clearport: 5:00 pm CT Sunday through 4:15 pm CT Friday, with a 45-minute break between 4:15 pm and 5:00 pm on Mondays through Thursdays. Open Outcry: 8:30 am - 1:15 pm CT, Monday - Friday Globex: 7:00 pm - 1:15 pm CT, Sunday - Friday with a 45-minute break each day between 7:45 am and 8:30 am
Product Ticker	Globex: OCD

Symbols	Open Outcry: CDF
Rulebook Chapter	10A
	Note: Please insert following link and open in a new window. http://www.cmegroup.com/rulebook/CBOT/II/10A/
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CBOT.
Contract Name	Short Dated Options on New Crop Soybean Futures
Contract Unit	One new crop Soybeans futures contract (November) of 5,000 bushels
Minimum Fluctuation	1/8 of one cent per bushel (\$6.25 per contract)
Strike Price Intervals	Trading shall be conducted for put and call options with strike prices in integral multiples of ten (10) cents per bushel. More details on strike price intervals are outlined in Rule 11A01.E.
Contract Months	At the first business day of a new calendar year, On the first trading day following the expiration of September option, list three 4 contract months: March (H), May (K), July (N), and September (U). Each of these options will exercise into the November futures contract that is nearest to the expiration of the option. A new listing cycle will not start until the first business day of the next calendar year. A new listing cycle will begin on the first trading day following the expiration of the next September option.
Daily Price Limit	Same as the daily price limit applied to standard and serial options.
Last Trade Date	Same as the last trade date of existing March, May, July, and September standard options.
Exercise	American-style. The buyer of a futures option may exercise the option on any business day prior to expiration by giving notice to the Clearing House by 6:00 p.m. Chicago time. Option exercise results in an underlying futures market position. Options in-the-money on the last day of trading are automatically exercised.
Expiration	Unexercised Soybean futures options shall expire at 7:00 p.m. on the last day of trading.
Hours (All Times are Chicago Time/CT)	CME Clearport: 5:00 pm CT Sunday through 4:15 pm CT Friday, with a 45-minute break between 4:15 pm and 5:00 pm on Mondays through Thursdays.

	Open Outcry: 8:30 am - 1:15 pm CT, Monday - Friday
	Globex: 7:00 pm - 1:15 pm CT, Sunday - Friday with a 45-minute break each day between 7:45 am and 8:30 am
Product Ticker Symbols	Globex: OSD Open Outcry: SDF
Rulebook Chapter	11A Note: Please insert following link and open in a new window. http://www.cmegroup.com/rulebook/CBOT/II/11A/
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CBOT.
Contract Name	Short Dated Options on New Crop CBOT Soft Red Winter Wheat Futures
Contract Unit	One new crop CBOT Wheat futures contract (July) of 5,000 bushels
Minimum Fluctuation	1/8 of one cent per bushel (\$6.25 per contract)
Strike Price Intervals	Trading shall be conducted for put and call options with strike prices in integral multiples of five (5) cents per bushel. More details on strike price intervals are outlined in Rule 14A01.E.
Contract Months	On the first business day of September of a new calendar year <u>On the first trading day following the expiration of September option</u> , list three contract months: December (Z), March (H), and May (K). Each of these options will exercise into the July futures contract that is nearest to the expiration of the option. <u>A new listing cycle will begin on the first following the expiration of the next September option. A new listing cycle will not start until the first business day of September of the next calendar year.</u>
Daily Price Limit	Same as the daily price limit applied to standard and serial options.
Last Trade Date	Same as the last trade date of existing December, March, and May standard options.
Exercise	American-style. The buyer of a futures option may exercise the option on any business day prior to expiration by giving notice to the Clearing House by 6:00 p.m. Chicago time. Option exercise results in an underlying futures market position. Options in-the-money on the last day of trading are automatically exercised.
Expiration	Unexercised Wheat futures options shall expire at 7:00 p.m. on the last day of

	trading.
Hours (All Times are Chicago Time/CT)	<p>CME Clearport: 5:00 pm CT Sunday through 4:15 pm CT Friday, with a 45-minute break between 4:15 pm and 5:00 pm on Mondays through Thursdays.</p> <p>Open Outcry: 8:30 am - 1:15 pm CT, Monday - Friday</p> <p>Globex: 7:00 pm - 1:15 pm CT, Sunday - Friday with a 45-minute break each day between 7:45 am and 8:30 am</p>
Product Ticker Symbols	<p>Globex: OWD</p> <p>Open Outcry: WDF</p>
Rulebook Chapter	<p>14A</p> <p>Note: Please insert following link and open in a new window.</p> <p>http://www.cmegroup.com/rulebook/CBOT/II/14A/</p>
Exchange Rule	<p>These contracts are listed with, and subject to, the rules and regulations of CBOT.</p>