

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-067

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): January 15, 2020 Filing Description: Implementation of the Eris Swap Futures Market Maker Program

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

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

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

Official Name(s) of Product(s) Affected:

Rule Numbers:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

January 15, 2020

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Implementation of the Eris Swap Futures Market Maker Program
CBOT Submission No. 20-067**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to implement the Eris Swap Futures Market Maker Program ("Program"). The proposed Program will become effective on February 1, 2020.

Exhibit 1 sets forth the terms of this Program.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, CBOT staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The 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 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 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 Program is 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 e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CBOT Submission No. 20-067 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Eris Swap Futures Market Maker Program

Program Purpose

The purpose of this Program is to incent participants to build liquidity in the Products listed below. The resulting increase in central limit order book liquidity on the CME Globex® Platform (“Globex”) benefits all participant segments in the market.

Product Scope

2-Year Eris Swap Futures (“LIT”), 3-Year Eris Swap Futures (“LIC”), 4-Year Eris Swap Futures (“LID”), 5-Year Eris Swap Futures (“LIW”), 7-Year Eris Swap Futures (“LIB”), 10-Year Eris Swap Futures (“LIY”), 12-Year Eris Swap Futures (“LII”), 15-Year Eris Swap Futures (“LIL”), 20-Year Eris Swap Futures (“LIO”), and 30-Year Eris Swap Futures (“LIE”) (collectively, the “Products”).

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be CBOT members or non-members. Participants may not be enrolled in the International Incentive Program or International Cross-Asset Volume Incentive Program. Participants must have either: (i) an average daily volume (“ADV”) of at least 50 in the Products on Globex for one (1) full calendar month within six (6) months of entering the Program, or (ii) demonstrated the ability to meet quoting obligations in the Exchanges’ interest rates programs within the previous twelve (12) months prior to entering the Program.

Program Term

Start date is February 1, 2020. End date is January 31, 2021.

Hours

Regular Trading Hours (“RTH”), 7:00AM – 4:00PM CT.

Obligations

Minimum Quoting Obligations: In order to be eligible to receive the Tier A, Tier B, or Quoting Incentives for Tier C, participants must quote two-sided markets in the Products on Globex at designated bid/ask spreads during a specified percentage of RTH in accordance with the table below. Participants must quote using Day Limit orders. For Tiers A and B, participants must quote six (6) of the seven (7) obligations. For Tier C, participants must quote four (4) of the seven (7) obligations.

Product	Width (USD)	Time-in-Market	Time Period	Tier A	Tier B	Tier C
				Minimum # of Contracts	Minimum # of Contracts	Minimum # of Contracts
LIT	\$12	65%	RTH	1,500	500	60
LIC	\$16			750	250	40
LID	\$25			750	250	30
LIW	\$30			350	125	30
LIB	\$40			225	75	25

LIY	\$50			150	50	15
LIE	\$120			50	25	5

Holiday Quoting Schedule: There will be no quoting obligations on the dates listed below. The Holiday Quoting Schedule may be adjusted by the Exchange. Participants will be given notice of any adjustments to the Holiday Quoting Schedule.

Date	Holiday
2/17/2020	Presidents' Day
4/10/2020	Good Friday
5/25/2020	Memorial Day
7/3/2020	Independence Day (Observed)
9/7/2020	Labor Day
10/12/2020	Columbus Day
11/11/2020	Veteran's Day
11/26/2020	Thanksgiving
11/27/2020	Day After Thanksgiving
12/24/2020	Christmas Eve
12/25/2020	Christmas
1/1/2021	New Year's Day
1/18/2021	Birthday of Martin Luther King, Jr.

Incentives

Fee Waivers (CBOT Members): Upon meeting the Tier A or Tier B Obligations, as determined by the Exchange, participants that are CBOT members will receive transaction fee waivers for the Products traded on Globex.

Fee Credits: Participants meeting the Tier A Obligations and trading over 1,000 ADV each month, as determined by the Exchange, will be eligible to receive fee credits. Eligible participants will receive \$0.10 per side on all Globex ADV in the Products above 1,000. The fee credits will be capped at \$20,000 per participant per month.

Progressive Fee Discounts: Upon meeting the Tier C Obligations, as determined by the Exchange, participants that are CBOT members will receive either the Quoting or Non-Quoting Discounts set forth below, in accordance with their quoting evaluation. Non-member participants will only be eligible to receive the Non-Quoting Discounts set forth below.

Progressive ADV Tier (Sides)	Non-Quoting Discounts (Per Side)	Quoting Discounts (Per Side)
0 – 50	N/A	N/A
51 – 250	\$0.12	\$0.20
251 – 500	\$0.14	\$0.25
501 – 750	\$0.16	\$0.30
751 – 1,000	\$0.18	\$0.35
1,001+	\$0.20	\$0.45

Monitoring and Termination of Status

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

If the Exchange determines that a participant has not met its quoting obligations during two (2) calendar months over the course of the Program, but is within twenty percent (20%) of the time-in-market obligations, the participant will be eligible to receive the incentives for each applicable month.

If the Exchange determines that a participant has not met its quoting obligations during one (1) additional calendar month, the participant will be eligible to receive the incentives for that applicable month. Participants must meet quoting obligations for all subsequent months in order to continue to receive the incentives.

Upon utilizing the exceptions set forth above, participants that fail to meet quoting obligations in any additional month may be removed from the Program.