



Via Portal Submission

June 6, 2017

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

Re: OneChicago, LLC Rule Submission  
Amending Appendix B to Chapter 9 of the OneChicago Rulebook  
(OneChicago Submission Number 17-009)

Dear Mr. Kirkpatrick:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and § 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or the “Commission”) under the Act, OneChicago, LLC (“OneChicago” or the “Exchange”) hereby submits the following rule changes, which will become effective on June 20, 2017. OneChicago is amending Appendix B to Chapter 9 of the OneChicago Rulebook (“Appendix B”), which provides product specifications and examples for OneChicago’s NoDivRisk products. OneChicago is proposing to make the changes to Appendix B described below:

- Removing reference to “OCX,” as that acronym is no longer used by the Exchange.
- Removing reference to “1C” products, as OneChicago has delisted its “Traditional” futures products.
- Making certain clerical amendments.
- Providing the Exchange with flexibility regarding how to reverse adjustments to NoDivRisk products in the case of a cancelled distribution in the underlying security.
- Specifying how the Exchange handles incorrect adjustments for the underlying security. Specifically, the Exchange will no longer make adjustments beyond the ex-date for an error in the adjustment of a NoDivRisk product. Instead, any error discovered after the close of business on the ex-date will be corrected via a cash transfer between the account holders’ clearing firms. OneChicago is also providing for a maximum ten business day notice period in which a market participant may report an error in a NoDivRisk adjustment. Beyond this time, the Exchange will not cause an adjustment to be corrected.

\* \* \*

The purpose and effect of the rule change is to clarify the treatment of the Exchange's NoDivRisk products, and how market participants can expect these products to be adjusted in the case of cancelled distributions or incorrect adjustments. Comments on the rule change have not been solicited and none have been received. OneChicago is not aware of any substantive opposing views to this rule filing. OneChicago certifies that the rule changes comply with the Act, including the core principles, and the Commission's regulations promulgated thereunder. OneChicago further certifies that a copy of this submission has been posted on the [OneChicago website](#).

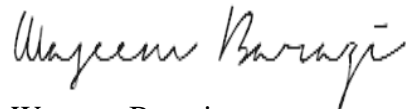
OneChicago staff has reviewed the core principles applicable to designated contract markets ("DCMs"), and has concluded that the proposed rule changes may have some bearing upon the following core principle(s):

*Core Principle 2:* Core Principle 2 requires DCMs to establish, monitor, and enforce compliance with the rules of the Exchange. The proposed rule changes support Core Principle 2 in that they provide OneChicago staff and market participants with clear and enforceable rules related to the adjustment of NoDivRisk products.

*Core Principle 7:* Core Principle 7 requires DCMs to make available to market authorities, market participants, and the public accurate information concerning the rules and regulations for executing transactions on the contract market. The proposed rule changes support Core Principle 7 in that they provide clarity to market participants regarding how NoDivRisk products will be adjusted.

If you have any questions or comments related to this filing, please feel free to contact me by telephone at (312) 883-3441 or through e-mail at [wbarazi@onechicago.com](mailto:wbarazi@onechicago.com).

Respectfully Submitted,



Waseem Barazi  
Chief Regulatory Officer and Associate General Counsel

Encl: Attachment A

## Attachment A

### Appendix B to Chapter 9\*\*

#### **OCX.NoDivRisk® Products Specifications**

As provided for in Rule 902(i), the eExchange has designated OCX.NoDivRisk products as a class of security futures contracts that shall be adjusted for the aggregate amount of all cash dividends or distributions and shall be reported by the Exchange to the Clearing Corporation as prescribed in their By-Laws. ~~OCX.NoDivRisk products are identified by a “D” as the ending character in the OneChicago symbol for the monthly OCX.NoDivRisk products and by a unique daily identifier for the weekly OCX.NoDivRisk products.~~

The significant characteristics of OCX.NoDivRisk products are:

#### **Cancelled Distributions**

If all or a portion of a distribution on a security underlying a OCX.NoDivRisk product ~~underlying security~~ is cancelled between ex-date and payment date, the Exchange may reverse the original adjustment that was applied on the ex-date ~~by directing OCC to adjust the prior business day’s settlement upward by the amount of the cancelled distribution.~~

#### **Capital Gains**

Capital gains are adjusted for in the ~~OCX.NoDivRisk~~ products.

#### **Cash or Stock ~~d~~Distributions**

The ~~OCX.NoDivRisk~~ product will be adjusted for ~~the~~ a cash election in the same fashion that it adjusts for regular cash distributions.

#### **Incorrect or Missing AdjustmentDistribution Amount**

OneChicago publishes the distribution amount on its website and conveys the amount to the OCC. The eExchange will correct any known errors up until the close of business on the ex-date. Any errors in the distribution amount identified post the close of business on the ex-date will not be corrected via an Exchange adjustment. ~~Provided however, if post the close of business on the ex-date and prior to the contract expiration, the exchange becomes aware of an incorrect adjustment, or of an adjustment that was not made, and there has been no trading in the product since and including the ex-date but not including the date the exchange becomes aware of the incorrect adjustment, the exchange will cause the adjustment to be made. Rather, in the case of an incorrect adjustment brought to the attention of the Exchange after the close of business on the ex-date but within ten business days, the Exchange will direct a cash transfer between the parties to the transaction.~~

#### **Non-Distribution Corporate Events**

All non-distributions corporate events are handled in accordance with the Rules of the Clearing Corporation.~~the same between the traditional IC product and the OCX.NoDivRisk product.~~

**Rounding**

All distributions are summed for the instrument for that day and then rounded to 4 decimals.

**Special Dividends**

Special dividends are adjusted for in the ~~OCX.NoDivRisk products as well as our traditional 1C products.~~

**Underlying Types-MLPs, Common Stock, REITS, ETFs, UITs, ETNs, etc.**

~~OCX.NoDivRisk~~ products are adjusted for all cash distributions by the underlying security.

**ADR Distributions**

The ~~OCX.NoDivRisk~~ products overlaying ADRs are adjusted by the gross United States dollar value of the distribution as announced by the home country company on the declaration date, when applicable.

The ~~OCX.NoDivRisk~~ adjustment may differ from the final United States dollar payment amount, which is normally caused by currency exchange rate fluctuations between the declaration date and the payment date.

For example:

**Initial Announcement for ABC1D**

Announcement Date	7/31/10
Ex-Dividend Date	8/3/10
Approximate Amount	*\$2.0658 USD

\*OneChicago gross adjustment amount

**Final Announcement for ABC1D**

Announcement Date	11/19/10
Payment Date	11/25/10
Actual Amount	\$2.3680 USD

~~\*Amended on October 21, 2011, \*\*Amended on October 21, 2011~~