

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-223

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): June 11, 2019 Filing Description: Modifications to the MAC Swap Futures Incentive Program

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" 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: Not Applicable

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 |

Official Product Name:

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

- | | | |
|--------------------------|---|----------------------|
| <input 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:

Rule Numbers:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 11, 2019

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: Modifications to the MAC Swap Futures Incentive Program
CBOT Submission No. 19-223**

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 modify the MAC Swap Futures Incentive Program ("Program"). The modifications to the Program will become effective on July 1, 2019.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CBOT staff identified the following Core Principles as potentially being impacted: Execution of Transactions, Protection of Market Participants, Contracts Not Readily Subject to Manipulation, Recordkeeping, and Compliance with Rules.

The Program does not impact CBOT's ability to perform its trade practice and market surveillance obligations under the CEA. CBOT's market regulation staff will monitor all trading in the Program's products to prevent manipulative trading and market abuse. The Program does not impact CBOT's order execution. Market participants that meet the criteria described in Exhibit 1 shall be entitled to participate. CBOT rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules. The Program is subject to recordkeeping requirements that comply with the CEA.

The Exchange 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 CME Group 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. 19-223 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

MAC Swap Futures Incentive Program

Program Purpose

The purpose of this Program is to incentivize trading in the products listed below. The resulting increase in liquidity for the products listed below benefits all participant segments in the market.

Product Scope

All USD MAC Swap Futures traded on CME Globex ("Products").

Eligible Participants

There is no limit to the number of participants that may participate in the Program. The Program is available to both members and non-members. ~~Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive application process which is used to determine eligibility. In determining whether or not a prospective participant is selected to participate in the Program, Exchange staff may take into account a variety of factors including the strength of the quoting obligations the prospective participant is willing to commit to provide, whether Exchange staff believes that the prospective participant can maintain such obligations, and historical volume trading the Products and similar contracts. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.~~

Program Term

Start date is July 1, 2014. End date is ~~June 30, 2019~~ June 30, 2020.

Hours

Regular Trading Hours ("RTH") (7:00AM – 4:00PM CST).

Obligations

~~Quoting Requirements: Participants meeting contracted quoting requirements will be eligible to receive certain Program incentives. Compliance with quoting obligations will be measured in accordance with the following table:~~

Contract	Size	Spread (RTH)	Time Period
5-Year	250	1/32nd	65% of RTH
10-Year	100	1.5/32nd	65% of RTH

Minimum Quoting Obligations: In order to be eligible to receive certain incentives, participants must quote continuous two-sided markets at maximum bid/ask spreads and minimum quote sizes in accordance with the baseline quoting obligations listed in the table below. Participants must quote using day limit orders. Notwithstanding the foregoing, the Exchange may vary the baseline quoting obligations as it deems necessary based on ongoing evaluations of the Program.

<u>Product</u>	<u>Ticker</u>	<u>Width (Ticks)</u>	<u>Width (Index Pts)</u>	<u>Width (USD)</u>	<u>Size (Contracts)</u>	<u>Time-in-Market ("TIM")</u>	<u>Time Period</u>
<u>5-Year MAC Swap Future Front Month</u>	<u>F1U</u>	<u>1 (32nds)</u>	<u>0.03125</u>	<u>\$31.25</u>	<u>250</u>	<u>65%</u>	<u>7:00AM - 4:00PM</u>
<u>10-Year MAC Swap Future Front Month</u>	<u>N1U</u>	<u>1.5 (32nds)</u>	<u>0.046875</u>	<u>\$46.875</u>	<u>100</u>	<u>65%</u>	<u>7:00AM - 4:00PM</u>

Holiday Quoting Schedule: There will be no quoting obligations on ~~Saturdays, Sundays, or 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.

<u>Holiday</u>	<u>Date</u>
Independence Day	4 July 2018 <u>7/4/2019</u>
Labor Day	3 September 2018 <u>9/2/2019</u>
Columbus Day	8 October 2018 <u>10/14/2019</u>
Veterans Day	12 November 2018 <u>11/11/2019</u>
Thanksgiving	22 November 2018 <u>11/28/2019</u>
Post- Day After Thanksgiving	23 November 2018 <u>11/29/2019</u>
Christmas Eve	24 December 2018 <u>12/24/2019</u>
Christmas	25 December 2018 <u>12/25/2019</u>
New Year's Day	1 January 2019 <u>1/1/2020</u>
Birthday of Dr. Martin Luther King, Jr.	21 January 2019 <u>1/20/2020</u>
President's Day	19 February 2019 <u>2/17/2020</u>
Good Friday	19 April 2019 <u>4/10/2020</u>
Memorial Day	27 May 2019 <u>4/25/2020</u>
Independence Day	4 July 2019

Roll Policy: Obligations will roll on IMM Monday (Monday before the 3rd Wednesday of the contract expiration month).

Incentives

Fee Credits:* Participants will be eligible to receive fee credits per contract side traded in the Products in accordance with the table below. Fee credits will be capped at \$35,000 per month per firm. Fee credits apply to CME Globex outright trades, intercommodity spreads during all months, and calendar spreads during non-roll months only (roll months are March, June, September, and December). Fee credits do not apply to ex-pit trades.

<u>Progressive ADV Tiers</u>	<u>Quoting Requirements Met</u>	<u>Quoting Requirements Not Met</u>
0 to 250	\$0.40 <u>\$0.25</u>	\$0.00

251 – 750	\$0.70 <u>\$0.30</u>	\$0.35 <u>\$0.20</u>
751+	\$1.00 <u>\$0.50</u>	\$0.50 <u>\$0.30</u>

*The Fee Credits set forth above will be reduced by 10% for all non-member participants.

Member Fee Discounts: Member participants meeting either the Quoting Requirements or averaging 100 ADV in the Products during the applicable calendar month will pay a discounted rate of \$0 per contract traded in the Products on Globex or ex-pit.

Non-member Fee Discounts: Non-member participants meeting either the Quoting Requirements or averaging 100 ADV in the Products during the applicable calendar month will pay a discounted rate of \$0.17 per contract traded in the Products on Globex or ex-pit.

OTC IRS Delivery Fee Waiver: All Program participants will have OTC IRS clearing fees waived on activity associated with futures delivery for positions directly related to the participants' account and the associated OTC IRS position account.

Monitoring and Termination of Status

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 all incentives for that applicable month. Excluding the aforementioned exceptions, participants must meet quoting obligations for all subsequent months in order to continue to receive the Program 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.