

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-350

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): 08/30/16

Filing Description: Issuance of CBOT Market Regulation Advisory Notice RA1602-1 Concerning Options Trades Executed at Cabinet.

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: 542

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:

August 30, 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, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Issuance of CBOT Market Regulation
 Advisory Notice RA1602-1 Concerning Options Trades Executed at Cabinet.
 CBOT Submission No. 16-350**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), The Board of Trade of the City of Chicago, Inc. (“CBOT” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the issuance of CBOT Market Regulation Advisory Notice RA1602-1 (“RA1602-1”) concerning options trades executed at cabinet, effective Sunday, October 2, 2016, for trade date Monday, October 3, 2016.

RA1602-1 supersedes CBOT Market Regulation Advisory Notice RA0701-1 dated December 3, 2007 and is being issued based on changes to the value associated with cabinet transactions in certain CBOT options products transacted on CME Globex. The value changes are being made in response to market demand and will allow cabinet transactions executed in certain CBOT Treasury options to be transacted at values approximately equal to half of the minimum tick increment for the respective product. Currently, all options trades in CBOT products transacted at cabinet are assigned a value of \$1.00 irrespective of the minimum tick increment of the product. The chart below shows the changes to the six (6) affected CBOT Treasury options products. All other CBOT options products executed on CME Globex will continue to be assigned a value of \$1.00. Additionally, these changes do not modify the existing variable cabinet values applicable to options trades in certain CBOT products executed via open outcry on the trading floor.

Product	Clearing/Globex Symbol	Current Globex Cabinet Value	Revised Globex Cabinet Value
Options on Ultra 30 Year US Treasury Bond Futures	UBE/OUB Weekly: UL1-5/UB1-5	\$1.00	\$7.00
Options on 30 Year Treasury Bond Futures	17/OZB Weekly: US1-5/ZB1-5	\$1.00	\$7.00

Options on Ultra 10 Year US Treasury Note Futures	TN/OTN Weekly: TN1-5/TN1-5	\$1.00	\$7.00
Options on 10 Year US Treasury Note Futures	21/OZN Weekly: TY1-5/ZN1-5	\$1.00	\$7.00
Options on 5 Year US Treasury Note Futures	25/OZF Weekly: FV1-5/ZF1-5	\$1.00	\$4.00
Options on 2 Year US Treasury Note Futures	26/OZT Weekly: TW1-5/ZT1-5	\$1.00	\$7.00

The Exchange reviewed the designated contract market core principles (“DCM Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the issuance of RA1602-1 has some bearing on the following principles:

- Availability of General Information: As required by this Core Principle, the Exchange is publicly issuing RA1602-1 to ensure that market participants have updated information concerning the values associated with cabinet transactions in CBOT options products. RA1602-1 will also be available on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CBOT certifies that the issuance of RA1602-1 complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchanges’ website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact me at 212.299.2200 or you may contact us by email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: RA1602-1

EXHIBIT A

MARKET REGULATION ADVISORY NOTICE

Exchange	CBOT
Subject	Cabinet Transactions in Option Products
Rule References	CBOT Rule 542 and CBOT Option Product Chapters
Advisory Date	August 31, 2016
Advisory Number	CBOT RA1602-1
Effective Date	October 3, 2016

Effective Sunday, October 2, 2016, for trade date Monday, October 3, 2016, this Market Regulation Advisory Notice will supersede CBOT Market Regulation Advisory Notice RA0701-1 from December 3, 2007. It is issued in connection with changes to the values associated with cabinet transactions in certain CBOT option products transacted on the CME Globex electronic trading platform ("CME Globex").

A cabinet trade is a trade executed in a deep out-of-the-money option at a premium value smaller than the standard minimum price increment for such option product. A cabinet transaction may be executed to initiate or to liquidate a position. For each option product, the corresponding product chapter defines the standard minimum price increment and the allowable cabinet price levels.

For example, for options on 10 Year US Treasury Note futures the product rules (set forth in CBOT Rulebook Chapter 19A) define the standard minimum price increment to be 1/64 of one price point (equal to \$15.625 per option contract), with an allowance for cabinet trades to be executed at any premium level per option contract from Cab1 (\$1.00) to Cab15 (\$15.00), inclusive, in \$1.00 increments.

At present, all cabinet trades on CME Globex in any CBOT option product are valued at Cab 1 (\$1.00) per option contract. ***Effective October 3, cabinet transactions on CME Globex in the following CBOT Treasury option products shall be valued as set forth below:***

Product	Clearing/CME Globex Product Codes	CME Globex Cabinet Value as of October 3, 2016
Options on Ultra US Treasury Bond Futures	UBE/OUB Weekly: UL1-5/UB1-5	Cab 7 (\$7.00)

Options on US Treasury Bond Futures	17/OZB Weekly: US1-5/ZB1-5	Cab 7 (\$7.00)
Options on Ultra 10 Year US Treasury Note Futures	TN/OTN Weekly: TN1-5/TN1-5	Cab 7 (\$7.00)
Options on 10 Year US Treasury Note Futures	21/OZN Weekly: TY1-5/ZN1-5	Cab 7 (\$7.00)
Options on 5 Year US Treasury Note Futures	25/OZF Weekly: FV1-5/ZF1-5	Cab 4 (\$4.00)
Options on 2 Year US Treasury Note Futures	26/OZT Weekly: TW1-5/ZT1-5	Cab 7 (\$7.00)

This change shall affect only cabinet transactions on CME Globex in such options on Treasury futures.

Treasury options traded via open outcry or executed as Exchange of Options for Options (“EOOs”) pursuant to Rule 538 (“Exchange for Related Positions”) will remain tradable at any cabinet price level permitted under the corresponding product rules:

- Cabinet values at which options on 5 Year Treasury Note futures are eligible to trade, either in open outcry or as EOOs, will remain any integer multiple of \$1.00 per contract between Cab 1 (\$1.00) and Cab 7 (\$7.00), inclusive.
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- Cabinet values at which options on any other Treasury futures contract are eligible to trade, either in open outcry or as EOOs, will remain any integer multiple of \$1.00 per contract between Cab 1 (\$1.00) and Cab 15 (\$15.00), inclusive.

Moreover, standards for cabinet trades on CME Globex in any other CBOT option products will be unaffected, and will remain at their current value of Cab 1 (\$1.00) per option contract.

Additionally, simultaneous spread and combination trades shall remain subject to CBOT Rule 542, which permits any spread or combination transaction involving cabinet-priced options to trade only if the transacted price of such spread or combination is either a permissible cabinet price level or one standard minimum price increment, as defined for the pertinent option product(s).

Questions regarding this advisory may be directed to the following individual in Market Regulation:

Dave Reif, Executive Director, Interest Rate Products, 312.648.3839

Robert Sniogowski, Executive Director, Market Regulation, 312.341.5991

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.