

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-508

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): December 5, 2014 Filing Description: Modifications to CBOT Market Maker Program for Electronic Treasury Options

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

December 5, 2014

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 CBOT Market Maker Program for Electronic Treasury Options
CBOT Submission No. 14-508**

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") that it plans to modify the CBOT Electronic Treasury Options Market Making Program ("Program"). The modifications to the Program will become effective on January 1, 2015.

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

CBOT 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; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does 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 all 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 or the proposed modifications.

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 CME Submission No. 14-508 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Market Maker Program for CBOT Electronic Treasury Options

Program Purpose

The purpose of this Program is to enhance liquidity in Treasury Options products during RTH and ETH in order to increase the percentage of Treasury Options executed electronically. A more liquid contract benefits all participants in the market.

Product Scope

Options on CBOT Treasury futures, including 2, 5, and 10 year U.S. Treasury Notes, 30 Year U.S. Treasury Bonds, and Long Term U.S. Treasury Bonds ("Products").

Eligible Participants

The Program participants can be CBOT member or non-member firms. All firms that have a relationship with a clearing member firm and can meet CBOT established quoting requirements, including the ability to stream quotes in outright options and option strategies, may qualify for the Program. There is no limit to the number of Program participants.

Program Term

Start date is March 2008. End date is ~~December 31, 2014~~ December 31, 2015.

Hours

Extended and Regular Trading Hours (ETH and RTH)

Obligations

Quoting Requirements. Participants are required to respond to Globex electronic Requests-for-Quotes ("RFQs") in strategies of all or a subset of the Products.

Program Incentives

1. Mass Quote Message. CBOT shall permit the market maker to submit quotes for the Product using the Mass Quote message under an assigned identification granted by CBOT staff.
2. Order Flow Allocation. The five (5) most highly ranked Program participants in each Treasury option product ~~and each time period (RTH/ETH)~~ shall receive order flow allocations in the applicable Treasury option product, per the schedule of "Evaluation and Incentive Allocation Periods." In order to receive the allocation, the top five (5) participants must respond to at least 60% of RFQ's in a specific product ~~and time period~~ or at least 50% of their Treasury options volume must be executed on Globex. The total order flow allocations shall not exceed 30% of total order flow in the applicable Treasury option product.

The Exchange shall evaluate and rank Program participants quarterly with assignments of attendant rank-related Program incentives to take effect per the following schedule:

Evaluation and Incentive Allocation Periods

<u>Evaluation Period</u>	<u>Incentive Allocation Period</u>
16 September – 15 December 2013 <u>2014</u>	1 January – 31 March 2014 <u>2015</u>
16 December 2013 – 15 March 2014 <u>2015</u>	1 April – 30 June 2014 <u>2015</u>
16 March – 15 June 2014 <u>2015</u>	1 July – 30 September 2014 <u>2015</u>
16 June – 15 September 2014 <u>2015</u>	1 October – 31 December 2014 <u>2015</u>

Program participants shall be ranked on the basis of the speed of their responses, the width of their bid-offered price spreads, the sizes of their bids and offers, time persistence of their quoting in options, and their electronic volume within the weeklies, serial, and quarterly expiration months.

Monitoring and Termination of Status

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