

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-021 (2 of 2)

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 2, 2024 Filing Description: Modifications to the US Index Adjusted Interest Rate ("AIR") Total Return 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:**



Timothy Elliott  
Managing Director and Chief Regulatory Counsel  
Legal Department

January 2, 2024

**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 US Index Adjusted Interest Rate ("AIR") Total Return Futures Market Maker Program  
CBOT Submission No. 24-021 (2 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the US Index AIR Total Return Futures Market Maker Program ("Program"). The modifications to the Program will become effective on February 1, 2024.

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

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

The Program does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA and the Exchanges' market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchanges have implemented systems to track Program participants' obligations to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchanges' order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchanges in which each participant will expressly agree to comply with and be subject to applicable regulations and the Exchanges' rules. The Program is subject to the Exchanges' record retention policies which comply with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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 e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our CBOT Submission No. 24-021 in any related correspondence.

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## US Index AIR Total Return Futures Market Maker Program

### Program Purpose

The purpose of this Program is to support development of the products listed below. The resulting increase in liquidity on the central limit order book benefits all participant segments in the market.

### Product Scope

Adjusted Interest Rate S&P 500 Total Return Index Futures (“ASR”), Basis Trade at Index Close (“BTIC”) on Adjusted Interest Rate S&P 500 Total Return Index Futures (“AST”), Adjusted Interest Rate Russell 1000 Total Return Futures (“ARR”), BTIC on Adjusted Interest Rate Russell 1000 Total Return Futures (“ART”), Adjusted Interest Rate Russell 2000 Total Return Futures (“A2R”), BTIC on Adjusted Interest Rate Russell 2000 Total Return Futures (“A2T”), Adjusted Interest Rate Nasdaq-100 Total Return Futures (“AQR”), BTIC on Adjusted Interest Rate Nasdaq-100 Total Return Futures (“AQT”), Adjusted Interest Rate Dow Jones Industrial Average Total Return Index Futures (“ADR”), and BTIC on Adjusted Interest Rate Dow Jones Industrial Average Total Return Index Futures (“ADT”) that are traded on the CME Globex Platform or cleared through CME ClearPort (the “Products”).

### Eligible Participants

CME and CBOT may designate up to seven (7) participants in the Program. Participants must be members of both CME and CBOT. Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive selection 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 similar products. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

### Program Term

Start date is September 21, 2020. End date is ~~January 31, 2024~~ January 31, 2025.

### Hours

8:00AM – 2:45PM CT.

### Obligations

In order to be eligible to receive the incentives, participants must quote two-sided markets in the Products, at predetermined average bid/ask spreads and minimum quote sizes.

### Incentives

Upon meeting the obligations, as determined by the Exchange, participants will be eligible to receive predetermined incentives.

### **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 eligibility requirements or fails to meet the obligations of the Program.