

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-083

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): 01/22/24 Filing Description: Amendments to Rule 15108. ("Premium Charges") to Increase the Maximum Premium Charges of the Oat Futures Contract Commencing with the Conclusion of the July 2024 Delivery Period and Beyond

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

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

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 checked="" 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: See filing.

Rule Numbers: See filing.

January 22, 2024

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.4(b)(5). Amendments to Rule 15108. (“Premium Charges”) to Increase the Maximum Premium Charges of the Oat Futures Contract Commencing with the Conclusion of the July 2024 Delivery Period and Beyond.
CBOT Submission No. 24-083**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or the “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to Rule 15108. (“Premium Charges”) to increase the maximum premium charges of the Oat Futures contract (CME Globex Code: ZO; [Rulebook Chapter: 15](#)) (the “Contract”) commencing with the conclusion of the July 2024 delivery period (July 19, 2024) and beyond (collectively, the “Rule Amendments”). This submission shall become effective on February 6, 2024.

Specifically, the maximum premium charges for the Contract will increase from 20.5/100s of one cent per bushel per day to 26.5/100s of one cent per bushel per day. This is a change from approximately 6 cents per bushel per month to approximately 8 cents per bushel per month. This maximum premium charge increase will take effect following expiration of the July 2024 contract month.

Oats:	Present – July 18, 2024	Commencing July 19, 2024
	20.5/100 of one cent per bushel per day	26.5/100 of one cent per bushel per day

The Exchange considered both spreads relative to full carry and levels of open interest when determining an implementation date for the change to the maximum premium charges. The Exchange determined that the spread market of the Contract commencing in July 2024 is well within full carry. In addition, the Exchange notes that currently there is minimal open interest in the portion of the curve beyond the July 2024 contract month.

The Rule Amendments seek to further align the Contract with the related cash market. The storage economics of CBOT’s Corn and Soybean Futures contracts are similar to that of Oat Futures. The Rule Amendments shall align the maximum premium charges across these similar and related contracts. The Exchange has conducted comprehensive market participant outreach. Market participants are in favor of the Rule Amendments.

Non-Material Rule Change

The Exchange believes that the Rule Amendments are not material and will not affect a market participant's decision to either enter into an existing position or make or take delivery of the Contract. Moreover, the Exchange believes that the Rule Amendments will not have a material impact on the economic value of existing positions in the new crop year.

The Exchange considers a variety of factors when making implementation decisions pertaining to the terms and conditions of enumerated agricultural contracts:

- **Levels of Open Interest** – Per CFTC Regulation 40.4, an exchange can self-certify changes to an enumerated agricultural contract if those changes are implemented on contracts without open interest. However, since the listing cycle, as of January 12, 2024, extends through July 2026, the Exchange needs to balance its obligation to resolve conditions interfering with cash-futures convergence against any potential impact on the value of existing positions. Under these circumstances, the Exchange evaluates the structure of existing open interest to identify a time period where a contract change would make minimal impact. At the close of trade date January 12, 2024, 4 percent of open interest for oats would be impacted by the change.
- **Historical Precedent** – Changes to storage and premium rates have typically been implemented after expiration of new crop months to coincide with the beginning of the storage rate assessment period (the 19th of the delivery month) with the rationale being that the supply and demand dynamics for the new crop would be the principal determining factors for the price, as opposed to any adjustment to storage rates. Given this historical precedent of implementing storage and premium rate changes after new crop contract months expire, any other choice of implementation date could be considered somewhat arbitrary. In addition, the Exchange notes that information about planting estimates and demand for the subject commodities is not yet available. As a result, in addition to the storage rate changes, there are a number of variables that may impact the prices – and spreads – for oats but cannot be accurately assessed at this time.
- **Spreads Relative to Financial Full Carry** – The Exchange looks at calendar spreads relative to full storage and financial full carry. Spreads inside full storage and inside financial full carry are not being constrained by storage rates, and an increase in storage should theoretically not materially affect prices. All calendar spreads out of the July 2024 Oats Futures contract are inside both storage and financial full carry as of January 12, 2024.

Exhibit A provides the amendments to Rule 15108, in blackline format, effective on February 6, 2024. Exhibit B provides the amendments to Rule 15108, in blackline format, effective on July 19, 2024.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Availability of General Information:** To comply with this Core Principle and to ensure that market participants are apprised of the Rule Amendments, the Exchange will make publicly available the details of the Rule Amendments herein by publishing a Special Executive Report (“SER”) to the market. The SER will also be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.4(b)(5), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. As previously noted, market participants are in favor of the proposal. There were no substantive opposing views to the Rule Amendments.

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>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: Amendments to CBOT Rule 15108. [Effective February 6, 2024] (blackline format)
Exhibit B: Amendments to CBOT Rule 15108. [Effective July 19, 2024] (blackline format)

Exhibit A

CBOT Rulebook

Chapter 15

Oat Futures

(additions underscored)

[Effective February 6, 2024]

15108. PREMIUM CHARGES

(FOR ALL CONTRACT MONTHS UP TO AND THROUGH THE CONCLUSION OF THE JULY 2024 DELIVERY PERIOD (JULY 18, 2024))

To be valid for delivery on futures contracts, all shipping certificates covering oats under obligation for shipment must indicate the applicable premium charge. No shipping certificate shall be valid for delivery on futures contracts unless the premium charges on such oats shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the shipping certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including the date of delivery.

The premium charges on Oats shall not exceed 20.5/100 of one cent per bushel per day.

15108. PREMIUM CHARGES

(FOR ALL CONTRACT MONTHS COMMENCING FOLLOWING THE CONCLUSION OF THE JULY 2024 DELIVERY PERIOD (JULY 19, 2024))

To be valid for delivery on futures contracts, all shipping certificates covering oats under obligation for shipment must indicate the applicable premium charge. No shipping certificate shall be valid for delivery on futures contracts unless the premium charges on such oats shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the shipping certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including the date of delivery.

The premium charges on Oats shall not exceed 26.5/100 of one cent per bushel per day.

[End of Rule.]

Exhibit B

CBOT Rulebook

Chapter 15 Oat Futures

(deletions struck through)

[Effective on July 19, 2024]

~~15108.~~ **PREMIUM CHARGES**

~~(FOR ALL CONTRACT MONTHS UP TO AND THROUGH THE CONCLUSION OF THE JULY 2024 DELIVERY PERIOD (JULY 18, 2024))~~

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The premium charges on Oats shall not exceed 26.5/100 of one cent per bushel per day.

[End of Rule.]