

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 24-131

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): February 26, 2024 Filing Description: Implementation of the Micro Treasury Futures Market Development 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:



Timothy Elliott  
Managing Director and Chief Regulatory Counsel  
Legal Department

February 26, 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: Implementation of the Micro Treasury Futures Market Development Program  
CBOT Submission No. 24-131**

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 implement the Micro Treasury Futures Market Development Program ("Program"). The proposed Program will become effective on March 25, 2024.

Exhibit 1 sets forth the terms of this Program.

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: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, Availability of General Information, and Recordkeeping

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

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](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. 24-131 in any related correspondence.

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Enclosure: Exhibit 1

# EXHIBIT 1

## Micro Treasury Futures Market Development Program

### Program Purpose

The purpose of this Program is to encourage participants to support the launch and development of the products listed below. More liquid contracts on the central limit order book benefit all participants in the marketplace.

### Product Scope

Micro Ultra 10-Year U.S. Treasury Note Futures (“MTN”) and Micro Ultra U.S. Treasury Bond Futures (“MWN”) traded on the CME Globex Platform (“Products”).

### Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants must be CBOT members.

### Program Term

Start date is March 25, 2024. End date is August 31, 2024.

### Hours

7:00AM – 4:00PM CT (“RTH”) and 5:00PM – 7:00AM CT (“ETH”).

### Obligations

*Minimum Quoting Obligations:* In order to be eligible to receive incentives, participants must quote continuous two-sided markets in the Products at maximum bid/ask spreads and minimum quote sizes in accordance with the baseline quoting obligations table below. Notwithstanding the foregoing, CBOT may vary the quoting obligations and/or the time-in-market as it deems necessary based on ongoing evaluations of the Program.

Product	Width (32nds)	Width (Display Width)	Size (Contracts)	Time-in-Market	Time Period (CT)
MTN	1.5	0.046875	200	65%	RTH
	2	0.0625	100	75%	ETH
MWN	3	0.09375	100	65%	RTH
	4	0.125	50	75%	ETH

*Extreme Events Clause:* If the 10-Year CME Group Volatility Index (“CVOL”) is 170 or greater for at least three (3) trading days in a calendar month, the following quoting obligation modifications may be implemented by the Exchange:

- (i) Width (32nds) increased by 1/32<sup>nd</sup> for MTN and 2/32<sup>nd</sup> for MWN

If 10-Year CVOL is 230 or greater on any day in a given calendar month, the Exchange may reduce the time-in-market across all Products. The time-in-market reduction is subject to a floor of 20%.

Notwithstanding the foregoing, the Exchange may further reduce the bid/ask spreads, sizes, or time-in market obligations based on ongoing evaluations of market conditions and volatility. Participants will be given notice that the Extreme Events Clause has taken effect.

Holiday Quoting Schedule: There will be no quoting obligations on 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.

Date	Holiday
3/29/2024	Good Friday
5/27/2024	Memorial Day
6/19/2024	Juneteenth
7/4/2024	Independence Day

## Incentives

Monthly Volume Incentive Pools: Upon meeting the obligations, as determined by the Exchange, participants will be eligible to participate in the RTH Volume Incentive Pool, ETH Volume Incentive Pool, or both. Each Volume Incentive Pool will be based on Globex total market average daily volume (“ADV”) measured in round-turns (“RTs”). Each Volume Incentive Pool will be allocated pro-rata among all eligible participants based on their share of total Globex volume in the respective Volume Incentive Pool over the month. Participants will be subject to a monthly cap of 25% for each Volume Incentive Pool.

### **RTH Volume Incentive Pool**

Total Market Volume (ADV in RTs)	1,000 <= ADV < 5,000	5,000 <= ADV < 10,000	ADV >= 10,000
March 25-29, 2024	\$7,500	\$16,875	\$26,250
April 2024	\$15,000	\$33,750	\$52,500
May 2024	\$15,000	\$33,750	\$52,500
June 2024	\$15,000	\$33,750	\$52,500
July 2024	\$7,500	\$16,875	\$26,250
August 2024	\$7,500	\$16,875	\$26,250

### **ETH Volume Incentive Pool**

Total Market Volume (ADV in RTs)	1,000 <= ADV < 5,000	5,000 <= ADV < 10,000	ADV >= 10,000
March 25-29, 2024	\$2,500	\$5,625	\$8,750
April 2024	\$5,000	\$11,250	\$17,500
May 2024	\$5,000	\$11,250	\$17,500
June 2024	\$5,000	\$11,250	\$17,500
July 2024	\$2,500	\$5,625	\$8,750
August 2024	\$2,500	\$5,625	\$8,750

### **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 has failed to meet its obligations or no longer meets the eligibility requirements of the Program.

If the Exchange determines that a participant has not met its quoting obligations during one (1) calendar month 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 that applicable month.

If the Exchange determines that a participant has not met its quoting obligations during one (1) additional calendar month over the course of the Program, the participant will be eligible to receive the incentives for that applicable month. Participants must meet quoting obligations for all subsequent months in order to continue to be eligible to receive the 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.