

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-182

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: 05/17/24 Filing Description: Increase of Better Price or Volume Match ("BPVM") Parameters for the Committed Cross ("C-Cross") Protocol for all 30-Year UMBS TBA Futures on CME Globex

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: See filing.

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:

May 17, 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 40.6(a) Certification. Increase of Better Price or Volume Match (“BPVM”) Parameters for the Committed Cross (“C-Cross”) Protocol for all 30-Year UMBS TBA Futures on CME Globex.
CBOT Submission No. 24-182**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to CBOT Rule 539.C. Crossing Protocols Table (the “Table”) to increase the Better Price or Volume Match (“BPVM”) parameters for the Committed Cross (“C-Cross”) protocol from 0% to **40%** for all 30-Year Uniform Mortgage-Backed Securities (UMBS) To-Be-Announced (TBA) Futures contracts (CBOT Rulebook Chapter [75](#)) as noted in Exhibit B below (inclusive of the related inter-commodity spreads) (collectively, the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) effective Sunday, June 9, 2024, for trade date of Monday, June 10, 2024 (collectively, the “Rule Amendments”).

The C-Cross pre-execution communication protocol is currently available for CBOT financial products, including the Contracts. Increasing the BPVM parameter from 0% to 40% for the Contracts will allow market participants to match a percentage of a cross order before interacting with the remainder of orders, provided that certain price improvement conditions are satisfied. Specifically, the C-Cross pre-execution communication protocol improves the current market upon entry and the C-Cross price is equal to or better than the current market at end of the pre-cross period when the cross takes place.

Increasing the BPVM to 40% will encourage additional liquidity provision for market participants seeking access to pricing for instruments in certain circumstances when liquidity challenges may exist. The 40% BPVM parameter will more appropriately incentivize liquidity providers to match buyers and sellers for such instruments through the central limit order book.

Based upon feedback from market participants, the Exchanges are implementing the Rule Amendments to provide incentive to facilitate customer trading activity via C-Cross pre-execution communication protocol.

Exhibit A below provides amendments to the Table in blackline format.

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:

- **Compliance with Rules:** The Table codifies the available crossing protocols for transactions executed pursuant to pre-execution communications under Rule 539.C. (“Pre-Execution

Communications Regarding Globex Trades”) and as such the Rule Amendments are in compliance with this Core Principle.

- **Availability of General Information:** As required by this Core Principle the Exchange will issue a Special Executive Report (“SER”), Globex Notice, and update the Table. The SER and the Table will be posted publicly on CME Group’s website.
- **Execution of Transactions:** Following the Rule Amendments, trading in the Contracts will continue to remain a competitive means of execution on CME Globex based on the algorithm applied by the match engine to the handling of a Request for Cross (“RFC”). Upon entry of the RFC, CME Globex will display an indication that a cross has been committed to the market and will occur in five (5) seconds.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the Rule Amendments comply with the Act and rules thereunder. There were no substantive opposing views to the proposal.

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>.

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 539.C. (“Crossing Protocols Table”)
Exhibit B CBOT 30-Year UMBS TBA Futures and Related Inter-commodity Spreads

Exhibit A

**CBOT Rulebook
Chapter 5
("Trading Qualifications and Practices")
Rule 539.C. ("Pre-Execution Communications Regarding Globex Trades")
Crossing Protocols Table**

(additions underscored)

Product Class	DCM	Product Subgroup	Committed ("C") Cross	
			Current	Increased
Interest Rate	CBOT	30-Year UMBS TBA	0%	<u>40%</u>

Exhibit B

CBOT 30-Year UMBS TBA Futures and Related Inter-commodity Spreads

CBOT
30-Year UMBS TBA Futures - 2.0% Coupon
30-Year UMBS TBA Futures - 2.5% Coupon
30-Year UMBS TBA Futures - 3.0% Coupon
30-Year UMBS TBA Futures - 3.5% Coupon
30-Year UMBS TBA Futures - 4.0% Coupon
30-Year UMBS TBA Futures - 4.5% Coupon
30-Year UMBS TBA Futures - 5.0% Coupon
30-Year UMBS TBA Futures - 5.5% Coupon
30-Year UMBS TBA Futures - 6.0% Coupon
30-Year UMBS TBA Futures - 6.5% Coupon
30-Year UMBS TBA - 2.0% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 2.5% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 3.0% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 3.5% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 4.0% Coupon vs. 10-Year T-Note
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30-Year UMBS TBA - 5.0% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 5.5% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 6.0% Coupon vs. 10-Year T-Note
30-Year UMBS TBA - 6.5% Coupon vs. 10-Year T-Note