SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 23-214

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): 06/01/23 Filing Description: Amendments to the CBOT Eris US Dollar Swap Futures Contracts to Incorporate USD London Inter-bank Offered Rate ("LIBOR") Fallback Provisions

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:

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

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: See filing.

Rule Numbers: See filing.

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 1, 2023

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. Amendments to the CBOT Eris US Dollar Swap Futures Contracts to Incorporate U.S. Dollar London Inter-bank Offered Rate ("LIBOR") Fallback Provisions.
CBOT Submission No. 23-214

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 Eris U.S. Dollar ("USD") Swap Futures contracts noted in Table 1. below (the "Contracts") to incorporate USD London Inter-bank Offered Rate ("LIBOR") fallback provisions (collectively, the "Rule Amendments"), effective June 16, 2023.

Table1.

Contract Title	CME Globex and CME ClearPort Code	CBOT Rulebook Chapter
2-Year Eris US Dollar Swap Futures	LIT	61
3-Year Eris US Dollar Swap Futures	LIC	61
4-Year Eris US Dollar Swap Futures	LID	61
5-Year Eris US Dollar Swap Futures	LIW	61
7-Year Eris US Dollar Swap Futures	LIB	61
10-Year Eris US Dollar Swap Futures	LIY	61
12-Year Eris US Dollar Swap Futures	LII	61
15-Year Eris US Dollar Swap Futures	LIL	61
20-Year Eris US Dollar Swap Futures	LIO	61
30-Year Eris US Dollar Swap Futures	LIE	61

CBOT ceased listing additional months of the Contracts such that June 2023 is the last listed month of the Contracts (see CME Submission 22-381 dated October 5, 2022).

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The Contracts reference 3-month US Dollar ICE LIBOR ("USD LIBOR")[1] as the Floating Rate Index as the basis for determining the interest rate of the quarterly Floating Rate Leg of the Contracts and the Rule Amendments are required to address the scheduled future circumstances in which USD LIBOR will be deemed unrepresentative of the underlying market or economic reality immediately after publication on June 30, 2023 (the "Scheduled Final Representative LIBOR Publication Date"), following the U.K. Financial Conduct Authority ("FCA") announcement of March 5, 2021[2], made in its capacity as supervisor of the administrator of USD LIBOR (the "FCA Announcement").

The Rule Amendments will operate to convert positions in the Contracts open at close of business on Friday, June 23, 2023 (the "Conversion Date") into equivalent positions in CBOT Eris SOFR Swap Futures (CBOT Chapter 62) ("Eris SOFR Swap Futures"), shortly after close of business on the Conversion Date (the "Conversion"). The Exchange provided notice of its intention to effect the Conversion on May 9, 2023 in Advisory Notice 23-144.[3] Following the Conversion, there will be no open interest in the Contracts and the Exchange will delist the Contracts.

The Conversion process is mandatory and shall apply to all open positions in the Contract at close of business on the Conversion Date. The Rule Amendments shall be binding on existing and new position holders in the Contracts from the effective date of the Rule Amendments.

1. Overview of and Rationale for the Rule Amendments

In February 2023, following a significant period of consultation with market participants and engagement with regulatory authorities, CME Group implemented amendments to Chicago Mercantile Exchange Inc. ("CME") Three-Month Eurodollar Futures and Options Contracts, following their deemed approval by the Commission under the Commission Regulation 40.5(a) process.[4] On April 23, 2023 CME then successfully converted certain open positions in such contracts into corresponding positions in CME Three-Month SOFR Futures and Options contracts, according to the methodology published by CME (the "Eurodollar Conversion"). This process was designed in order to transition CME Eurodollar futures and options contracts away from USD LIBOR by converting them into equivalent SOFR-referencing contracts ahead of the Scheduled Final Representative LIBOR Publication Date. Following the successful Eurodollar Conversion, the Exchange proposes that the Conversion process to be followed for the Contracts on the Conversion Date should share certain features and characteristics with the Eurodollar Conversion in order to achieve a similar objective to transition the Contracts away from USD LIBOR ahead of the Scheduled Final Representative LIBOR Publication Date.

The Contracts combine the cash flows and risk profile of traditional interest rate swaps, including accumulated interest on pledged mark-to-market collateral, into a listed futures contract by applying the

[1] The USD ICE LIBOR rate is administered by ICE Benchmark Administration Limited ("IBA"), which is regulated and supervised by the UK Financial Conduct Authority as administrator of the benchmark. USD LIBOR is designed to provide an average rate at which certain international banks can borrow funds in USD for certain tenors in the wholesale unsecured funding market.

[2] See FCA announcement on future cessation and loss of representativeness of the LIBOR benchmarks, available at: https://www.fca.org.uk/publication/documents/future-cessation-loss-representativeness-libor-benchmarks.pdf. The FCA noted that it would not require any panel banks to continue to submit USD LIBOR rates after publication on 30 June 2023 or to require IBA to continue to publish LIBOR on the basis of panel bank submissions beyond such date. While the FCA reserved its rights to require continued publication of USD LIBOR on a synthetic basis of the 1- month, 3-month and 6-month US dollar LIBOR settings for a further period after end-June 2023, the FCA noted that LIBOR settings published on this synthetic basis will no longer be representative of the underlying market and economic reality the setting is intended to measure. Consequently, the FCA concluded and announced that, in the case of three-month USD LIBOR, such rate will no longer be representative of the underlying market and economic reality that such setting is intended to measure and that representativeness will not be restored, immediately after publication on 30 June 2023. The Secured Overnight Financing Rate ("SOFR") is the relevant nominated successor risk-free rate ("RFR") for the purposes of industry contractual fallbacks, as described in more detail in this filing.

[3] See https://www.cmegroup.com/content/dam/cmegroup/notices/clearing/2023/05/Chadv23-144.pdf. In October 2022, the Exchange announced that the last listed contract month for the Contracts would be June 2023, with no additional contract months listed beyond that date. See SER 9063, available at: https://www.cmegroup.com/content/dam/cmegroup/notices/ser/2022/10/SER-9063.pdf

[4] See https://www.cmegroup.com/content/dam/cmegroup/notices/ser/2022/12/SER-9115.pdf

patented Eris Methodology. The Eris Methodology replicates the cash flows of a traditional interest rate swap as a simple, standardized and margin efficient futures contract that is easily accessible and tradeable. The Contracts reference USD LIBOR as the Floating Rate Index as the basis for determining the interest rate of the quarterly Floating Rate Leg of the Contracts. Under the current Contract terms, from the Scheduled Final Representative LIBOR Publication Date on June 30, 2023, the Contracts will reference a "non-representative" USD LIBOR rate. As a result, in December 2021 and during 2022, the Exchange consulted market participants on proposals to address fallback provisions for the Contracts ahead of the Scheduled Final Representative LIBOR Publication Date. Market participants agreed that the Contracts should not reference a "non-representative" USD LIBOR rate following June 30, 2023 and accepted the principle that USD interest rate exposures to USD LIBOR should transition to the relevant nominated successor, SOFR, in line with OTC and listed futures markets. Market participants further agreed that an amendment of the Contract terms to replace references to USD LIBOR with SOFR would be unsatisfactory as the resulting contracts would not be fungible with CBOT Eris SOFR Swap Futures and would therefore have an uncertain liquidity profile following the transition; in turn, this could cause operational difficulties for firms to process the resulting positions and create further difficulties for risk management or unwinding the positions. Market participant feedback therefore concluded that, in order to effect the transition of the Contracts away from USD LIBOR in an orderly manner, the Exchange should convert open positions in the Contracts into corresponding positions in CBOT Eris SOFR Swap Futures on or before the USD LIBOR rate becomes "unrepresentative", in a manner similar to the methodology successfully implemented by CME in relation to the Eurodollar Conversion in April 2023. The Exchange confirmed its approach to the Conversion in October 2022.[5]

As a result, in order to ensure that open positions in the Contracts are transitioned away from USD LIBOR in good time ahead of the Scheduled Final Representative LIBOR Publication Date, the Exchange proposes to amend the terms of the Contracts to implement contractual fallback provisions that will take effect on or shortly after close of business on the Conversion Date, June 23, 2023, to convert each open position in the Contracts into corresponding positions in CBOT Eris SOFR Swap Futures contracts, subject to the terms of the Contracts as amended by the Rule Amendments. The Conversion Date was selected by the Exchange in response to market participant requests that contractual fallbacks in relation to the Contracts should not occur at the same time as the implementation of the contractual fallbacks in uncleared bilateral derivative contracts, scheduled to take place shortly after the Scheduled Final Representative LIBOR Publication Date, in order to limit the amount of operational risk and processing throughput challenges faced by market participants subject to the bilateral OTC uncleared market transitions.

The proposed contractual fallbacks for the Contracts are intended to align, to the extent relevant and practicable, with CME Group's approach to fallbacks implemented in April 2023 for CME-cleared USD LIBOR-referencing OTC IRS contracts and CME Three-Month Eurodollar Futures and Options contracts, which in turn were broadly aligned with initiatives in the wider OTC cleared and uncleared derivatives market.[6]

On the Conversion Date, the Exchange therefore proposes that trading and clearing of the Contracts will terminate and the Exchange will convert open positions in the Contracts into positions in the corresponding Exchange Eris SOFR Swap Futures (CBOT Chapter [62](#)) (the "Eris SOFR Contracts"), as applicable, according to a methodology and procedure described in this submission.[7] The Exchange believes that this approach to conversion of open interest in the Contracts meets the needs of market participants and promotes market stability and an orderly transition to SOFR from USD LIBOR.

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[5] Following engagement with market participants on proposals for the Conversion, beginning December 2021, the Exchange finalized the plans for the Conversion in October 2022. See https://www.cmegroup.com/trading/interest-rates/files/cme-eris-libor-conversion-plan.pdf.

[6] Regulatory authorities have stressed the need for exchange traded derivatives ("ETDs") to include robust contractual fallbacks for IBORs, in a similar manner to OTC IRS. The basic principles of the conversion are designed to closely reflect the ISDA IBOR fallback provisions, through incorporation of the ISDA Spread Adjustment (explained further in this Submission).

[7] CBOT Eris SOFR Swap Futures (Chapter 62, CBOT Rulebook) utilize SOFR as the Floating Rate Index as the basis for determining the interest rate of the quarterly Floating Rate Leg of the Contracts.

2. Background to USD LIBOR Transition

“Non-representativeness” of USD LIBOR

Following industry consultations,[8] on March 5, 2021, ICE Benchmark Administration (“IBA”), the UK FCA regulated and supervised administrator of USD LIBOR, announced that in the absence of sufficient panel bank support and without the intervention of the FCA to compel continued contributions to USD LIBOR, it would not be possible for IBA to continue to publish the relevant USD LIBOR settings on a “representative” basis beyond June 30, 2023.[9] In coordination with the IBA announcement, on March 5, 2021, the FCA Announcement confirmed that the FCA would not require any panel banks to continue to submit USD LIBOR rates after publication on 30 June 2023 or to require IBA to continue to publish LIBOR on the basis of panel bank submissions beyond such date. While the FCA reserved its rights to require continued publication of the 1- month, 3-month and 6-month US dollar LIBOR settings on a “synthetic” basis for a further period after end-June 2023, the FCA noted that LIBOR settings published on this synthetic basis will no longer be representative of the underlying market and economic reality the setting is intended to measure. Consequently, the FCA concluded and announced that, in the case of three-month USD LIBOR, such rate will no longer be representative of the underlying market and economic reality that such setting is intended to measure and that representativeness will not be restored, immediately after publication on 30 June 2023. The FCA Announcement also confirmed that such statements were issued “in the awareness that it will engage certain contractual triggers for the calculation and future application of fallbacks that are activated by pre-cessation or cessation announcements made by the FCA (howsoever described) in contracts”.[10] Therefore, the FCA and other regulatory authorities have required that contractual fallbacks should be implemented in bilateral uncleared, cleared and exchange traded derivative markets, triggered by the confirmation of the scheduled date that the rate ceases to be representative. In April 2023, the FCA announced that it would publish a “synthetic” USD LIBOR after the Scheduled Final Representative LIBOR Publication Date. However, the FCA confirmed that such rate would not be “representative” of the economic reality and underlying market that USD LIBOR intends to measure and that such rate is not available for use in cleared derivatives or new contracts, requiring the Exchange to implement the proposed amendments to the Contracts.[11]

SOFR as Successor to USD LIBOR

In 2014, the Federal Reserve Board and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee (“ARRC”) tasked with the mandate of identifying a “nearly risk-free” successor reference rate (“RFR”) to the LIBOR benchmark interest rate for USD LIBOR. In 2017, the ARRC fulfilled this mandate by selecting SOFR, a reference rate administered by the Federal Reserve Bank of New York. SOFR provides a broad measure of the cost of borrowing USD cash overnight collateralized by US Treasury securities, which rate is based on overnight observable transactions in the active and liquid US Treasury repo market.

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[8] The consultation was published by IBA on December 4, 2020 and closed on January 25, 2021 and is available at: https://www.theice.com/publicdocs/ICE_LIBOR_Consultation_on_Potential_Cessation.pdf.

[9] See IBA Feedback Statement on consultation, March 5, 2021, available at: https://www.theice.com/publicdocs/ICE_LIBOR_feedback_statement_on_consultation_on_potential_cessation.pdf

[10] See p.2, FCA Announcement, available at https://www.fca.org.uk/publication/documents/future-cessation-loss-representativeness-libor-benchmarks.pdf

[11] On April 3, 2023, the FCA announced that it would require IBA to continue the publication of the 1-, 3- and 6-month US dollar LIBOR settings for a short period after 30 June 2023, using an unrepresentative ‘synthetic’ methodology using the relevant CME Term SOFR Reference Rate plus the respective ISDA fixed spread adjustment. The FCA stated that the synthetic rate would be published until 30 September 2024. The FCA confirmed that “Synthetic LIBOR is only a temporary bridge, and synthetic settings will not continue simply for the convenience of those who could have transitioned their contracts but have not done so.” The FCA has imposed limitations on usage on synthetic USD LIBOR, and has prevented use in cleared derivatives and in new contracts. See: https://www.fca.org.uk/news/news-stories/fca-announces-decision-synthetic-us-dollar-libor.

The ARRC identified SOFR as the rate that represents best practice for use in new USD derivatives and other financial contracts and the ARRC's Paced Transition Plan sets out milestones to promote and facilitate the transition away from USD LIBOR to SOFR.[12] SOFR is considered to be more resilient than panel-based IBOR rates because of how the SOFR rate is calculated and the liquidity and depth of the underlying market transactions that determine the rate. Transactions underlying SOFR regularly exceed $1 trillion in daily volumes, rendering the SOFR rate a transparent rate that is representative of the market across a broad range of market participants, which provides protection against attempted manipulation. Global regulatory authorities continue to encourage market participants with exposure to USD LIBOR to implement contractual fallback arrangements to ensure an orderly transition away from USD LIBOR and to minimize any risk of market disruption ahead of the Scheduled Final Representative LIBOR Publication Date.[13]

Since its first publication in April 2018, use of SOFR has grown significantly for a wide range of financial products, from loans and commercial paper to interest rate swaps and exchange traded futures contracts. CME has supported the key milestones of the ARRC's Paced Transition Plan, launching the SOFR Futures contract in May 2018, OTC SOFR swaps in October 2018 and Options on SOFR Futures in January 2020.

SOFR is an overnight rate only based on the funding cost of overnight transactions secured by US Treasuries. As a result, the Eris SOFR Contracts reference a rate (as the Floating Rate Index for the contract) equal to the compounded daily SOFR interest during the relevant accrual period). The Exchange has seen growth in CBOT Eris SOFR Swap Futures average daily volumes ("ADV") and open interest ("ADOI") and a corresponding decline in the equivalent measures for the Contracts since 2020, as illustrated in Table 1 below, demonstrating the voluntary migration of market participants away from the Contracts and into CBOT Eris SOFR Swap Futures.

Table 1: Quarterly ADV and ADOI of CBOT Eris SOFR Swap Futures and CBOT Eris USD Swap Futures

	ADV	**ADV**	**ADOI**	**ADOI**
	Eris LIBOR	**Eris SOFR**	**Eris LIBOR**	**Eris SOFR**
2020-Q1	5,509	0	228,829	0
2020-Q2	2,963	0	208,885	0
2020-Q3	1,317	0	187,307	0
2020-Q4	2,312	1,913	196,736	2,380
2021-Q1	4,010	3,930	219,345	5,505
2021-Q2	3,229	3,215	236,249	5,830
2021-Q3	4,739	3,966	286,650	7,600
2021-Q4	8,042	2,036	384,247	11,749
2022-Q1	11,013	3,137	353,181	15,715
2022-Q2	8,743	2,398	336,586	14,502
2022-Q3	6,133	1,458	251,810	27,856
2022-Q4	4,334	2,420	224,091	39,912
2023-Q1	3,308	3,838	163,838	46,338
2023-Q2*	33	2,680	101,651	86,420

*Measured through May 25, 2023

As demonstrated in the above data and supported by the feedback from engagement with market participants during consultation regarding the Conversion process, the Exchange considers that market participants are prepared for the Conversion of positions in the Contracts into CBOT Eris SOFR Swap Futures and there is strong support for, and liquidity in, these contracts among market participants.

[12] Details of the ARRC Paced Transition Plan for SOFR are available at https://www.newyorkfed.org/arrc/sofr-transition#pacedtransition.
[13] See, for example, statements from the Federal Reserve at https://www.federalreserve.gov/supervisionreg/libor-transition.htm and the FCA at https://www.fca.org.uk/markets/libor.

ISDA IBOR Fallback Rate for Three-Month USD LIBOR and Spread Adjustment

In response to the FCA Announcement, on March 5, 2021, ISDA confirmed that the FCA Announcement constitutes an "Index Cessation Event" under ISDA's IBOR Fallbacks Supplement[14] and IBOR Fallbacks Protocol[15] for all USD LIBOR settings, and further confirmed that, as a result, the fallback spread adjustment (which determines the fallback price of the resulting converted SOFR swap arising under the ISDA fallback methodology) published by Bloomberg Index Services Limited ("Bloomberg") was fixed as of the date of the announcement for such contracts.[16] Under the terms of the ISDA contractual fallbacks for uncleared derivatives, following final publication of a "representative" USD LIBOR on June 30, 2023, shortly after, on the relevant "Index Cessation Effective Date" under the relevant ISDA provisions, the fallbacks for USD LIBOR derivatives under ISDA's documentation would be implemented so that USD LIBOR swaps will be converted to reference forms of SOFR plus the fixed fallback spread adjustment – a term and spread adjusted rate. In response, Bloomberg issued a Technical Notice confirming that March 5, 2021 was the "Spread Adjustment Fixing Date" for all LIBOR rates and published the fixed Spread Adjustment for 3-month USD LIBOR of 0.26161% (the "Spread Adjustment").[17]

The tenor, term and spread adjusted SOFR rate (the "all-in" Fallback Rate) is calculated and published by Bloomberg based on the methodology prescribed by ISDA, as follows:

- Adjusted SOFR: the compounded setting in arrears SOFR for each relevant term – daily compounding of the publicly available SOFR rate.
- Spread Adjustment: the median of the historical differences between USD LIBOR for each tenor and the compounded SOFR for that tenor over a five-year lookback period, i.e. the Spread Adjustment, calculated by Bloomberg in accordance with the relevant methodology.
- Fallback Rate: the "all-in" fallback rate (i.e., the Adjusted SOFR plus the Spread Adjustment for each tenor).[18]

Coordination with Contractual Fallbacks in OTC IRS and Eurodollar Futures and Options

Market participants have been encouraged by regulatory authorities to adopt and adhere to consistent fallback provisions. CME Group also believes that a coordinated approach to triggers and fallbacks between

[14] The ISDA IBOR Fallbacks Supplement is titled "Amendments to the 2006 ISDA Definitions to include new IBOR fallbacks, Supplement number 70 to the 2006 ISDA Definitions, Final on October 23, 2020 and published and effective on January 25, 2021". The ISDA IBOR Fallbacks Supplement will have the effect of amending the 2006 ISDA Definitions to include new IBOR fallback provisions for new contracts entered into after the date of implementation. The ISDA IBOR Fallbacks Supplement is available at http://assets.isda.org/media/3062e7b4/23aa1658-pdf/.

[15] The ISDA 2020 IBOR Fallbacks Protocol is a voluntary protocol for market participants that wish to incorporate the ISDA IBOR Fallbacks into existing contracts with other adhering bilateral counterparties from the date of implementation of the ISDA IBOR Fallbacks Supplement. The Protocol is available at http://assets.isda.org/media/3062e7b4/08268161-pdf/.

[16] See ISDA announcement, available at https://www.isda.org/2021/03/05/isda-statement-on-uk-fca-libor-announcement/

[17] See Bloomberg Technical Notice, available at https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation_Announcement_20210305.pdf. Leadership from the Federal Reserve Board, the Federal Reserve Bank of New York and the CFTC applauded the developments represented by these announcements, noting that they provided a clear end-date for USD LIBOR and a clear path for the change to alternative reference rates and encouraged market participants to continue the transition to alternative reference rates. See Alternative Reference Rates Committee Press Release available at https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Press_Release_Endgame.pdf

[18] Further information on the calculations and rates performed by Bloomberg, for example, are available on the Bloomberg website at: https://data.bloomberglp.com/professional/sites/10/IBOR-Fallbacks-Fact-Sheet.pdf. Bloomberg maintains a publicly available rulebook (the "IBOR Fallback Rate Adjustments Rule Book", available at https://data.bloomberglp.com/professional/sites/10/IBOR-Fallback-Rate-Adjustments-Rule-Book.pdf) which sets out the processes utilized by Bloomberg to calculate the rate adjustments in line with the approach and methodology agreed by market participants under ISDA's extensive consultation process. To account for the (nearly) risk-free nature of the RFRs v. the liquidity characteristics and supply/demand factors affecting IBORs, a spread adjustment is calculated for each RFR/IBOR pair (per tenor) using a five year historical median calculation. These calculations are each generally referred to as the "Spread Adjustment".

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cleared and uncleared derivatives markets is positive for the marketplace.[19] In order to promote alignment with the ISDA IBOR Fallbacks and CME's approach to fallbacks for USD OTC IRS[20] and the Eurodollar Conversion, the fallback arrangements for the Contracts takes into account the Spread Adjustment rate published by Bloomberg in that, for the majority of affected contracts, the Fixed Rate of the replacement position in CBOT Eris SOFR Swap Futures will be 25 basis points[21] below the corresponding terminated CBOT Eris USD Swap Futures position (which provides the nearest approximation to the Spread Adjustment, given that the available Fixed Rates for the Contract are set by the Exchange at an integer multiple of 25 basis points), which will minimize any changes to duration, discounting risk and the effective coupon carry between the new Fixed Rate of the replacement position and the new Floating Rate Index (SOFR).

The actual transition / conversion processes for the Contracts will take place on the Conversion Date, shortly before the Scheduled Final Representative LIBOR Publication Date (similar to the approach taken by CME in relation to the Eurodollar Conversion and CME cleared OTC IRS transition). While OTC uncleared IRS fallbacks will be implemented under standard ISDA documentation after that date (and shortly after the Scheduled Final Representative LIBOR Publication Date), the trigger event for the conversion of the Contracts is common to all these processes, namely the FCA Announcement of the scheduled "non-representativeness" of USD LIBOR.

3. Implementation of Rule Amendments to implement USD LIBOR Fallbacks for the Contracts

In response to market participant feedback, the Exchange considers it necessary to implement the Rule Amendments, as described in this filing, into the rules applicable to open interest and new positions in the Contracts.

Subject to regulatory review periods, on the Conversion Date:

- trading in the Contracts will terminate; and
- open positions in the Contracts will be converted into positions in the corresponding CBOT Eris SOFR Swap Futures according to a methodology and procedure set out in this submission and published by the Exchange in October 2022.[22]

Subject to applicable regulatory review periods, the Rule Amendments to effect the Conversion will be incorporated into the Contract terms via a change to the Exchange Rulebook Chapter 61 setting out the contract terms for the relevant products, effective [June 16, 2023].

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[19] CME has fully supported the efforts of the official sector, ARRC and ISDA and their industry-wide working groups to improve and strengthen LIBOR fallbacks: https://www.cmegroup.com/education/articles-and-reports/cme-group-supports-isda-s-libor-fallback-provisions.html.

[20] Details of CME Clearing's implementation of contractual fallbacks for OTC IRS is available in CME Submission 23-082, see: https://www.cmegroup.com/content/dam/cmegroup/market-regulation/rule-filings/2023/1/23-082.pdf

[21] A number of exceptions apply to specific contracts that pre-date the FCA Announcement and the corresponding fixing of the Spread Adjustment, representing about 5% of remaining open interest in the Contracts (as at the date of this filing) and detailed further on page 8 of this document. For these exceptions, the coupon differential between the Fixed Rate for the Contract and the Fixed Rate for the Replacement Position in CBOT Eris SOFR Swap Futures is set at a level other than 25 basis points, determined on a per contract month basis, and based on conversations with market participants as described in more detail in this submission. In these exception cases, the relevant Fixed Rate of the Replacement Position, and the corresponding coupon differential, have been determined by the Exchange as the Contracts were listed to align with market rates. Where the setting was done prior to the FCA Announcement and the fixing of the Spread Adjustment, market rates may not have aligned with the known approximate 26 bps differential now established. In circumstances where the Fixed Rate of the Replacement Position is not 25 basis points lower than the original position in the Contract, there will be a representative difference in the final price of the corresponding contracts.

[22] The methodology is available at https://www.cmegroup.com/trading/interest-rates/files/cme-eris-libor-conversion-plan.pdf.

The Rule Amendments are summarized below and set out in Exhibit 1 and Exhibit 2 (with additions underscored and deletions struck through) and will be binding on all position holders and Clearing Members and shall be applicable to new positions and existing open positions in the affected Contracts from the effective date. The Rule Amendments will be published in a market notice / Special Executive Report ("SER") which will be made available to Clearing Members, market participants and the general public via the CME Group website.

Amendments to Contract terms for CBOT Eris SOFR Swap Futures

The Contracts directly reference Three-Month USD LIBOR as the Floating Rate Index basis for determining the interest rate of the quarterly Floating Rate Leg of the Contracts. The Rule Amendments are required to address future circumstances in which USD LIBOR is scheduled to cease to be representative by incorporating provisions which shall operate to terminate trading in the Contracts following close of business on June 23, 2023 and to convert open positions in the Contracts into positions in the corresponding CBOT Eris SOFR Swap Futures contract, according to the methodology and procedure set out in this submission.

Exchange Actions on the Conversion Date

As set out in the Rule Amendments at New Rule 61104. ("Floating Rate Index Fallback Event Procedure"), following close of business on the Conversion Date the Exchange shall:

- terminate trading in the Contracts; and
- convert each open position in the Contracts into a position in the corresponding CBOT Eris SOFR Swap Futures contract, by terminating each such open position at the most recent daily settlement price for the contract on the Conversion Date and replacing it with a position in the corresponding CBOT Eris SOFR Swap Futures contract, for Trade Date Monday, June 26, 2023, according to a methodology and procedure set out in this submission (a "Replacement Position").

The Replacement Position in the relevant CBOT Eris SOFR Swap Futures contract shall:

 - be equal in trading unit size and direction to the position in the relevant terminated CBOT Eris USD Swap Futures contract and with the same contract month, Effective Date, Maturity Date and Underlying Tenor; and
 - have a Fixed Rate equal to twenty five (25) basis points below the relevant position in the terminated CBOT Eris USD Swap Futures contract, except in relation to the following Contracts, where the relevant Fixed Rate for the Replacement Position and the coupon differential between the position in the Contract and the corresponding Replacement Position shall be as set out in the table below: [23]

[23] As noted above, in the majority of cases (corresponding to approximately 95% of open interest at the date of this submission), the Fixed Rate of the resulting Replacement Position will be 25 bps below that of the corresponding CBOT Eris USD Swap Futures contract subject to the Conversion process. This is designed to be approximately aligned with the Spread Adjustment of 26.161 bps for 3M USD ICE LIBOR and will minimize any changes to duration, discounting risk and the effective coupon carry between the new Fixed Rate of the Replacement Position and the new Floating Rate Index (SOFR) rate. In a small number of cases (around 5% of open interest as at the date of this submission), it is necessary to apply a different Fixed Rate coupon differential between the Fixed Rate of the relevant Contract and that of the Replacement Position, as determined by the Exchange based on discussions with market participants. In the few cases where contracts have a coupon difference other than 25 bps, the adjustment methodology incorporates the additional coupon difference when determining the value of the new Eris SOFR Replacement Position.

It is necessary to take in account the Spread Adjustment when designing the Conversion methodology in order to ensure that process is aligned with the ISDA IBOR Fallback methodology, which incorporates the Spread Adjustment published by Bloomberg on the basis that this is considered necessary to account for the differences between USD LIBOR and SOFR, including that USD LIBOR is an unsecured rate whereas SOFR constitutes a secured rate. Therefore, the Spread Adjustment seeks to incorporate bank credit premiums and other factors that are not applicable to SOFR as an overnight RFR. By taking into account the Spread Adjustment, the

Eris USD Swap Futures Contract Month / Contract Code	LIBOR Coupon (Fixed Rate %)	Corresponding Eris SOFR Swap Futures Replacement Position Contract Month / Contract Code	SOFR Coupon (Fixed Rate %)	Coupon Differential (%)
LIBM21	0.5	YIBM21	0.5	0
LIBZ20	1	YIBZ20	0.25	0.75
LICU21	0.25	YICU21	0.25	0
LICZ20	0.75	YICZ20	0	0.75
LIDM21	0.25	YIDM21	0.25	0
LIDZ20	1	YIDZ20	0	1
LIYZ20	1	YIYZ20	0.5	0.5

On the Conversion Date, the Exchange will conduct the final mark-to-market calculation for CBOT Eris USD Swap Futures in accordance with the ISDA IBOR Fallbacks Pricing Methodology, using the CBOT Eris SOFR settlement curve to value the position.

The Exchange shall establish each Replacement Position utilizing the ISDA Fallback Protocols for the purposes of valuation following the Conversion Date.

The termination of the CBOT Eris USD Swap Futures position and the establishment of the Replacement Position shall be priced by the Exchange at the settlement price on the last day of trading on the Conversion Date.

Following the Conversion, for the purposes of calculation of the Daily Settlement Price and Final Settlement Price of the Replacement Position, the Exchange will utilize the values for historical fixed and floating amounts (B) and Eris Price Alignment Amount (PAA) (C) corresponding to the CBOT Eris SOFR Swap Futures contracts.

The below example illustrates the Conversion process from the day prior to the Conversion Date to the first trade date following the Conversion (Monday, June 26, 2023):

methodology better reflects the spread between USD LIBOR and SOFR and promotes alignment with the ISDA IBOR Fallback procedure for determination of a Fallback Rate for OTC IRS.

Date	Position | Contract | Coupon	Settlement
Thursday, June 22, 2023	Original Position +100 | LIYU19 | 3%	• LiborSwapNPV is marked-to-market using the Eris LIBOR settlement curve • Settlement Price = 100 + LiborSwapNPV + $B_L - C_L$
Friday, June 23, 2023	Original Position +100 | LIYU19 | 3%	• LiborSwapNPV is based on the Eris SOFR settlement curve and will incorporate the ISDA IBOR Fallback spread • Settlement Price = 100 + LiborSwapNPV + $B_L - C_L$
Sunday, June 25, 2023	Original Position +100 | LIYU19 | 3% Offset Position -100 | LIYU19 | 3% Onset Position +100 | YIYU19 | 2.75%	• The Offset and Onset positions are priced using the prior day's settlements, resulting in no variation margin when compared to Friday
Monday, June 26, 2023	Post-Conversion Position +100 | YIYU19 | 2.75%	• SOFRSwapNPV is marked-to-market using the Eris SOFR settlement curve • Settlement Price = 100 + SOFRSwapNPV + $B_S - C_S$

[2]

Given the alignment in the underlying interest rate periods of CBOT Eris SOFR Swap Futures and CBOT Eris USD Swap Futures, each position in the Contract will be replaced by a position in the corresponding CBOT Eris SOFR Swap Future. For example, on the Conversion Date a position in a March 2022 CBOT Eris USD Swap Futures contract would be terminated and the position holder would be assigned a position in the March 2022 CBOT Eris SOFR Swap Futures contract.

The Exchange's Conversion methodology ensures that the change in value represented by the final CBOT Eris USD Swap Future price is economically neutral such that there are no "winners or losers" arising from the Conversion process.

Termination of Trading of the Contracts

The Exchange will add Rule 61104.D. to the Exchange Rulebook such that on the Conversion Date Trading in CBOT Eris USD Swap Futures will terminate. As a result of the termination of trading in the Contracts, the Exchange will cease to accept bids or offers in respect of the Contracts and the relevant contracts will be removed from trading on the Exchange.

Rationale for Conversion of Open Interest into Positions in CBOT Eris SOFR Swap Futures

The Exchange's approach to convert open interest in the Contracts into positions in corresponding CBOT Eris SOFR Swap Futures meets the needs of market participants, promotes market stability and an orderly transition away from USD LIBOR. Also, the Exchange believes that its approach appropriately aligns with the approach to fallbacks that will be followed by ISDA and have been implemented by CME Group for OTC IRS and conversion of CME Three-Month Eurodollar Futures and Options contracts.

The conversion of open interest in CBOT Eris USD Swap Futures into the corresponding CBOT Eris SOFR Swap Futures ensures that there will be a single pool of liquidity in Exchange Eris USD futures directly referencing SOFR following the conversion process. The Exchange's conversion of Contract open interest ahead of the Scheduled Final Representative LIBOR Publication Date supports the operational implementation schedules of the majority of market participants, is in the interests of financial stability and promotes an orderly transition from USD LIBOR ahead of the Scheduled Final Representative LIBOR Publication Date. The Exchange's proposed approach to the conversion is widely supported by market participants, as detailed further below.

CBOT Eris SOFR Swap Futures are highly liquid and widely traded. Based on market participant feedback, market participants actively trading the Contracts are well positioned to accept an assigned position in CBOT Eris SOFR Swap Futures under the conversion process. The Rule Amendments will come into force with sufficient time before the Conversion Date so that any market participants that would not wish to be subject to the amended conversion process prescribed by the Rule Amendments may choose to attempt to close out any open positions ahead of the Conversion Date.

Operational Processing of Conversion Process

The Exchange has provided market participants with detailed operational information on the timelines for processing of the conversion in due course ahead of the Conversion Date. CME Clearing has scheduled two rounds of operational testing for Clearing Members and market participants prior to the Conversion Date in order to promote operational readiness, further details of which are provided in CME Clearing Advisory 23-144.

4. Governance, Industry Consultation, Comments/Opposing Views:

There were no substantive opposing views raised by market participants during the Exchange's engagement with industry market participants in relation to the approach represented by the Rule Amendments. The Exchange engaged in extensive public consultation with market participants in designing and implementing the proposed fallback arrangements, leveraging the widespread market participant and regulatory authority support for CME's approach to USD LIBOR transition for CME Three-Month Eurodollar Futures and Options and OTC IRS for the ISDA IBOR Fallbacks in respect of fallback trigger events and the term and spread adjustment methodologies for covered IBORs. [24] From December 2021, and during the course of 2022, the Exchange discussed conversion mechanics with market participants. The Exchange publicly announced the final approach in October 2022 confirming the June 23, 2023 date for the conversion process and outlining the relevant methodology.[25]

The Conversion Date has been chosen to ensure the conversion process is effected shortly ahead of the scheduled implementation of the ISDA USD LIBOR fallbacks following the Scheduled Final Representative LIBOR Publication Date. CME's methodology for contractual fallbacks proposed in the Rule Amendments for the Contracts is designed to be broadly consistent with the industry approach in cleared and uncleared OTC derivatives contracts markets, the CME approach to conversion of CME Three-Month Eurodollar Futures, and in line with the goals of global regulatory authorities.

CME Clearing has scheduled two rounds of operational testing for Clearing Members and market participants prior to the Conversion Date in order to promote operational readiness, further details of which are provided in CME Clearing Advisory 23-144.

Based on the extensive market participant engagement conducted by CME Group, Exchange staff understands that its approach to implementation of fallbacks in relation to the Contracts is in line with the expectations of market participants, industry groups and also global regulatory authorities. [26]

[24] The FSB's Global Transition Roadmap for LIBOR confirmed that the FSB expects that providers of cleared and exchange traded products linked to LIBOR should also ensure that they incorporate fallback provisions equivalent to the ISDA IBOR Fallbacks, as appropriate. FSB Global Transition Roadmap for LIBOR, 16 October 2020, see https://www.fsb.org/wp-content/uploads/P161020-1.pdf.

[25] See https://www.cmegroup.com/trading/interest-rates/files/cme-eris-libor-conversion-plan.pdf.

[26] The Exchange will effect the Rule Amendments under the authority of CBOT under Chapter 2 (Government) of the CBOT Rulebook which provides (at Rule 230.(j)) that the Board of Directors shall "make and amend the Rules; provided the Board may also delegate

5. Analysis of the Rule Amendments under DCM Core Principles

The Exchange reviewed the designated contract market core principles ("DCM Core Principles") as set forth in the Commodity Exchange Act (the "CEA"). During the review, the Exchange identified the following DCM Core Principles as potentially being impacted:

DCM Core Principle 3 – Contracts Not Readily Subject to Manipulation

The Exchange expects that the Contracts will continue to meet the risk management needs of market participants and will continue to promote price discovery up to the Conversion Date. CBOT Eris SOFR Swap Futures are expected to continue to provide an actively traded and liquid market to support trading by participants subject to conversion from the Conversion Date. While the Exchange will continue to monitor the market, the Exchange does not have any concerns regarding liquidity, manipulation or the ability of CME Clearing to default manage a defaulter's portfolio containing these products.

DCM Core Principle 4 – Prevention of Market Disruption

The Rule Amendments are designed to address the needs of market participants as they prepare for an orderly transition away from USD LIBOR. The objective of the timing of the conversion set out in the Rule Amendments is to support market participants subject to bilateral conversion processes in uncleared IRS under the ISDA Fallbacks scheduled to take place on or around the Scheduled Final Representative USD LIBOR Publication Date. The Exchange considers that the contractual fallbacks for the Contracts will not give rise to market disruption.

DCM Core Principle 7 – Availability of General Information:

The Rule Amendments will be binding on all position holders and Clearing Members and applicable to new positions and open positions in the affected Contracts from the effective date, subject to regulatory review.

The implementation of the Rule Amendments will take place through changes to the relevant contract chapters within the Exchange Rulebook, which will be made publicly available and will also be distributed to Clearing Members and market participants through publication in a market notice / Special Executive Report ("SER"), available to recipients of CME Group advisory notices and also publicly available on the CME Group website. Market participants will be reminded in the advisory notices that position holders that do not wish to hold open cleared trades in affected Contracts that would be subject to the conversion processes set out in the Rule Amendments must close out any open position in the Contracts prior to the Conversion Date. The Exchange has taken appropriate steps to provide market participants with sufficient notice of the Conversion process, together with information to enable those market participants to identify and evaluate the changes to the CBOT Rulebook and the effect of the implementation of the Rule Amendments in respect of affected Contracts. The Rule Amendments will be made available on the CME Group website on the effective date of this submission.

The relevant USD LIBOR fallback triggers and processes for the Contracts are consistent with those previously applied to CME cleared USD OTC IRS and CME Three-Month Eurodollar Futures contracts in April 2023, and informed by those applicable to bilateral uncleared USD OTC IRS in the ISDA IBOR Fallback Supplement. The fallback to CBOT Eris SOFR Swap Futures ensures a fallback of open positions in the Contract to a futures contract referencing the industry determined successor SOFR rate, which is publicly available, using a published replacement position assignment methodology, incorporating

authority to make and amend the rules as it deems appropriate". The Rule Amendments have been approved in accordance with CME Group's Commitment and Signing Authority Policy.

consideration of the Spread Adjustment calculated by Bloomberg according to the industry agreed ISDA methodology and made publicly available on the Bloomberg website.[27]

The legal basis for the implementation of the relevant changes to the CBOT Rulebook is set out in this filing.

DCM Core Principle 9 – Execution of Transactions:

The proposed Rule Amendments set out the conversion procedure, through which procedure open positions in the Contracts will be terminated and replaced with positions in the corresponding CBOT Eris SOFR Swap Futures, without trade execution on the Exchange. Subsequently, the termination or offsetting of these positions and the establishment of new positions (and their offset) in CBOT Eris SOFR Swap Futures will be carried out in accordance with the terms of the relevant contract Chapters, as amended by the Rule Amendments.

Core Principle 9 requires a DCM to provide "a competitive, open and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade." Core Principle 9 also permits a board of trade to authorize, under its rules, certain non-competitive trades for bona fide business purposes.

The fallbacks for the Contracts set out in the Rule Amendments are not inconsistent with the responsibility of a DCM to provide for meaningful price discovery. The assignment process for the replacement position will be determined based on the most recent settlement price for the relevant CBOT Eris USD Swap Futures contract, and incorporating consideration of the Spread Adjustment, both of which are publicly available. The replacement position in CBOT Eris SOFR Swap Futures will be marked-to-market along with other open positions in those contracts.

The Rule Amendments implementing the relevant contractual fallbacks will serve a bona fide business purpose, and furthers the important policy objective of implementing robust contractual fallbacks for contracts referencing USD LIBOR, as endorsed and promoted by global regulatory authorities as part of LIBOR transition planning for market participants. The Rule Amendments will ensure that all existing and new positions in the Contracts will incorporate robust contractual fallbacks that will take effect prior to the Scheduled Final Representative LIBOR Publication Date. This will ensure that market participants will not be required to take further action in respect of open positions in the Contracts as part of their USD LIBOR cessation planning and that the timing of such conversion will take place shortly before the corresponding proposed OTC IRS transition in uncleared derivatives markets.

DCM Core Principle 19 – Antitrust Considerations:

CME Group previously engaged with regulatory authorities, market participants and industry groups regarding its approach for the implementation of fallbacks for OTC IRS and CME Three-Month Eurodollar Futures and Options, upon which methodology the proposed conversion process and Rule Amendments are closely based. The Exchange has also consulted directly with market participants on the specific proposals for the conversion of the Contracts, starting in December 2021 and continuing during 2022 with the final plan being made public in October 2022. During those discussions, the Exchange did not receive any comments regarding any antitrust/fair competition concerns. The absence of such concerns is expected given that it is well-established that the transition away from IBORs to alternative reference rates that are supported by a sufficiently liquid market was initiated and strongly encouraged by government authorities in the United States, including the Financial Stability Oversight Council, and across the globe, including the

[27] See https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation_Announcement_20210305.pdf. Further information on the calculations and rates calculated by Bloomberg (in accordance with the industry agreed ISDA methodology) are available on the Bloomberg website at: https://data.bloomberglp.com/professional/sites/10/IBOR-Fallbacks-Fact-Sheet.pdf together with the Bloomberg IBOR Fallback Rate Adjustments Rulebook available at https://data.bloomberglp.com/professional/sites/10/IBOR-Fallback-Rate-Adjustments-Rule-Book.pdf.

FSB and the UK FCA. The pervasive government role in this initiative, and the transparent process that CME Group and other stakeholders have followed to address international regulators' concerns and objectives, make clear that the approach to implementation of fallbacks for IBORs, including USD LIBOR, is designed to mitigate risks to financial stability identified by regulators and not to harm competition.

Guided by the principles of maintaining market stability and promoting effective risk management, the Exchange believes that its approach to conversion of open interest in the Contracts will meet the needs of market participants, promote market stability and an orderly transition away from USD LIBOR whilst ensuring appropriate alignment with the approach to contractual fallback implementation followed by CME, CME Clearing and other major CCPs for OTC USD LIBOR IRS, as well as the approach in bilateral uncleared markets under ISDA documentation.

The Rule Amendments are provided in Exhibit 1 and Exhibit 2 with additions underscored and deletions struck through.

Pursuant to Section 5c(c) of the CEA and CFTC Regulation 40.6(a), CBOT certifies that the Rule Amendments in the form of Exhibit 1 and Exhibit 2 comply with the CEA and the regulations thereunder.

CBOT certifies that this submission has been concurrently posted on CME Group'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 (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director & Chief Regulatory Counsel

Attachments: Exhibit 1 – Amendments to CBOT Chapter 61 (blackline format) (effective June 16, 2023)
Exhibit 2 – Amendments to CBOT Chapter 61 (blackline format) (effective June 26, 2023)

Exhibit 1
CBOT Rulebook
(additions underscored)

[Effective June 16, 2023]

Chapter 61

Eris US Dollar Swap Futures

[Rules 61100. – 61103. remain unchanged.]

61104. FLOATING RATE INDEX FALLBACK EVENT PROCEDURE

61104.A. Fallback Announcement

With respect to the Floating Rate Index in Rule 61101.A.22., on March 5, 2021, the U.K. Financial Conduct Authority, the regulatory supervisor for the administrator of the rate, made a public statement and publication of information to the effect that:

(i) it had determined that immediately following publication on June 30, 2023 (the "Scheduled Final Representative LIBOR Publication Date"), such rate will no longer be representative of the underlying market and economic reality that such rate is intended to measure and that representativeness will not be restored, and

(ii) such public statement and publication of information was made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts,

(the "USD 3M LIBOR Fallback Announcement").

Following the USD 3M LIBOR Fallback Announcement the Exchange shall utilize the process in Rule 61104.B.

61104.B. Fallback Procedure

Following close of business on June 23, 2023 (the "Conversion Date"), the Exchange shall convert all open positions in the contract (each, a "Conversion Position"), according to the methodology published by the Exchange, such that:

(i) each Conversion Position shall be terminated at the most recent daily settlement price for the contract on the Conversion Date, valued in accordance with the ISDA IBOR Fallbacks Pricing Methodology, using the Eris SOFR settlement curve; and

(ii) such position shall be replaced with a corresponding open position in CBOT Eris SOFR Swap Futures (Chapter 62) (a "Replacement Position") which shall be determined and assigned by the Exchange to a position holder such that the Replacement Position:

a. is of equal size and direction to the Conversion Position;

b. contains the same effective date and underlying tenor as the Conversion Position; and

c. has a Fixed Rate 25 basis points below the Fixed Rate of the corresponding Conversion Position contract, except in the case of Conversion Positions in contracts listed in the table below, with respect to which the Fixed Rate of the Replacement Position shall be as set out in the table below:

Eris USD Swap Futures Contract Month / Contract Code	LIBOR Coupon (Fixed Rate %)	Corresponding Eris SOFR Swap Futures Replacement Position Contract Month / Contract Code	SOFR Coupon (Fixed Rate %)	Coupon Differential (%)
LIBM21	0.5	YIBM21	0.5	0
LIBZ20	1	YIBZ20	0.25	0.75
LICU21	0.25	YICU21	0.25	0

LICZ20	0.75	YICZ20	0	0.75
LIDM21	0.25	YIDM21	0.25	0
LIDZ20	1	YIDZ20	0	1
LIYZ20	1	YIYZ20	0.5	0.5

61104.C. Clearing of the Replacement Position

Clearing of each Replacement Position shall be subject to the Rules for CBOT Eris SOFR Swap Futures (Chapter 62), including for the avoidance of doubt the determination of daily and final settlement prices, in respect of each Replacement Position, in accordance with the methodology published by the Exchange.

61104.D. Termination of Trading

On the Conversion Date trading in the contract shall be terminated and the contract shall no longer be available for trading on the Exchange with immediate effect.

Exhibit 2
CBOT Rulebook

[Effective June 26, 2023]

Chapter 61

Eris US Dollar Swap Futures

~~61100. SCOPE OF CHAPTER~~

~~This chapter is limited in application to trading of Eris US Dollar ("USD") Swap futures ("futures" or "contract"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.~~

~~Unless otherwise specified, times referenced herein shall indicate Chicago time.~~

~~61101. CONTRACT SPECIFICATIONS~~

~~61101.A Contract Structure~~

~~$100,000 notional principal whose value is based upon the difference between a stream of semi-annual fixed interest payments and a stream of quarterly floating interest payments based on USD 3-month ICE LIBOR®, over a term to maturity. The contract structure is subject to the following contract elections:~~

1. ~~**Long Futures Position Holder:** Fixed Rate Receiver, Floating Rate Payer~~
2. ~~**Short Futures Position Holder:** Fixed Rate Payer, Floating Rate Receiver~~
3. ~~**Fixed Rate:** Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (i.e., one quarter of one percent) per annum when such futures contract is initially listed for trading~~
4. ~~**Underlying Swap Tenors:** 2-Year, 3-Year, 4-Year, 5-Year, 7-Year, 10-Year, 12-Year, 15-Year, 20-Year, 30-Year~~
5. ~~**Currency:** US Dollars~~
6. ~~**Notional Amount:** $100,000~~
7. ~~**Fixed Rate Leg Reset Frequency:** Semi-Annual~~
8. ~~**Fixed Rate Day Count Convention:** 30/360~~
9. ~~**Floating Rate Leg Reset Frequency:** Quarterly~~
10. ~~**Floating Rate Day Count Convention:** Actual/360~~
11. ~~**Business Days:** New York and London~~
12. ~~**Business Day Convention:** Modified Following, with adjustment of period end dates~~
13. ~~**Effective Dates:** Quarterly IMM Dates (3rd Wednesday of each March, June, September, December)~~
14. ~~**Cash Flow Alignment Date ("CFAD"):** The date determined by adding the number of Underlying Swap Tenor years to the Effective Date, used for aligning all fixed and floating Reset Dates, and for determination of the Maturity Date.~~
15. ~~**Maturity Date:** The final date to which fixed and floating amounts accrue. The last date of the contract. Maturity Date is determined by applying the Modified Following rule to the Cash Flow Alignment Date. Eris Price Alignment Amount (PAA) accrues up to and including the Maturity Date. The Maturity Date may also be referred to as Termination Date.~~
16. ~~**Last Trading Day:** Exchange business day immediately preceding Maturity Date~~
17. ~~**Underlying Tenor:** The duration of time from the Effective Date to the Cash Flow Alignment Date.~~
18. ~~**Remaining Tenor:** The duration of time from today to the Cash Flow Alignment Date.~~
19. ~~**Reset Dates:** Dates utilized to determine fixed and floating amounts throughout the life of the Contract. Reset Dates define the beginning and end of fixed and floating interest accrual periods. Floating Rate Reset Dates facilitate the determination of the USD 3-month ICE LIBOR® Fixing Dates. Reset Dates will be the day of the month of Cash Flow Adjustment Date each March, June, September and December, subject to adjustment according to the Business Day Convention (Modified Following).~~

20. ~~**First USD 3-month ICE LIBOR® Fixing Date:** 2 London business days prior to the Effective Date.~~
21. ~~**Other USD 3-month ICE LIBOR® Fixing Dates:** For all periods other than the first floating rate period, the LIBOR Fixing Date is 2 London business days prior to each Reset Date.~~
22. ~~**Floating Rate Index:** USD 3-month ICE LIBOR® announced by the ICE Benchmark Administration Limited (IBA).~~

~~61102. TRADING SPECIFICATIONS~~

~~61102.A. Trading Schedule~~

~~Contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.~~

~~61102.B. Trading Unit~~

~~The unit of trading shall be contracts that meet Contract Structure (CBOT Rule 61101.A.) having notional amount of one hundred thousand US dollars ($100,000) or multiples thereof.~~

~~61102.C. Price Increments~~

~~Par shall be on the basis of 100 points, with each point equal to $1,000 per contract.~~
~~The minimum price fluctuations for each available tenor shall be:~~

1. ~~2-Year Eris USD Swap Futures~~
   a. ~~0.002 of one point, equal to $2 per contract~~
   b. ~~0.001 of one point, equal to $1 per contract for the 4 quarterly IMM contract months that are closest to the Maturity Date~~
2. ~~3-Year Eris USD Swap Futures~~
   a. ~~0.002 of one point, equal to $2 per contract~~
   b. ~~0.001 of one point, equal to $1 per contract for the 6 quarterly IMM contract months that are closest to the Maturity Date~~
3. ~~4-Year Eris USD Swap Futures~~
   a. ~~0.005 of one point, equal to $5 per contract~~
   b. ~~0.001 of one point, equal to $1 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date~~
4. ~~5-Year Eris USD Swap Futures~~
   a. ~~0.005 of one point, equal to $5 per contract~~
   b. ~~0.001 of one point, equal to $1 per contract for the 12 quarterly IMM contract months that are closest to the Maturity Date~~
5. ~~7-Year Eris USD Swap Futures~~
   a. ~~0.010 of one point, equal to $10 per contract~~
   b. ~~0.002 of one point, equal to $2 per contract for the 12 quarterly IMM contract months that are closest to the Maturity Date~~
6. ~~10-Year Eris USD Swap Futures~~
   a. ~~0.010 of one point, equal to $10 per contract~~
   b. ~~0.002 of one point, equal to $2 per contract for the 12 quarterly IMM contract months that are closest to the Maturity Date~~
7. ~~12-Year Eris USD Swap Futures~~
   a. ~~0.010 of one point, equal to $10 per contract~~
   b. ~~0.002 of one point, equal to $2 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date~~
8. ~~15-Year Eris USD Swap Futures~~
   a. ~~0.010 of one point, equal to $10 per contract~~
   b. ~~0.002 of one point, equal to $2 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date~~
9. ~~20-Year Eris USD Swap Futures~~
   a. ~~0.020 of one point, equal to $20 per contract~~
   b. ~~0.005 of one point, equal to $5 per contract for the 10 quarterly IMM contract months that are closest to the Maturity Date~~
10. ~~30-Year Eris USD Swap Futures~~
   a. ~~0.020 of one point, equal to $20 per contract~~
   b. ~~0.005 of one point, equal to $5 per contract for the 20 quarterly IMM contract months that are closest to the Maturity Date~~

~~Contracts shall not be made on any other price basis.~~

~~**61102.D. Special Price Fluctuation Limits**~~

~~At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.~~

~~**61102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels** The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.~~

~~A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

~~**61102.F. Termination of Trading**~~

~~Trading in an expiring contract shall terminate at the close of trading on the Business Day immediately preceding the Maturity Date of the contract delivery month.~~

~~61103. SETTLEMENT PROCEDURES~~

~~Delivery shall be by cash settlement.~~

~~**61103.A. Maturity Date Final Settlement Price**~~

~~The Final Settlement Price on the Maturity Date of each contract shall be as follows:~~

~~$S_{final} = 100 + B_{final} - C_{final}$~~

~~S_{final} = Settlement price at maturity~~

~~B_{final} = Historical fixed and floating amounts since contract inception through maturity~~

~~C_{final} = Eris PAA, at maturity~~

~~The Exchange and CME Clearing calculate Final Settlement Price to 4 decimals of precision (e.g., 100.1234).~~

~~Eris PAA is a cumulative value calculated daily by applying the secured overnight financing rate (SOFR) to the contract's NPV, using an Actual/360 day-count convention.~~

~~Eris PAA will start accruing on the first trade date.~~

~~**61103.B. Final Settlement**~~

~~Clearing members holding open positions in a contract at the time of termination of trading in such contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.~~

~~**61103.C. Daily Settlement Price**~~

~~The Daily Settlement Price shall be as follows:~~

~~$S_t = 100 + A_t + B_t - C_t$~~

~~S_t = Settlement Price at time t~~

~~A_t = Net Present Value (NPV) of the future cash flows at time t, based on discounting~~

~~B_t = Value of the historical fixed and floating amounts since contract inception~~

~~C_t = Eris Price Alignment Amount (or Eris PAA)~~

~~The Exchange and CME Clearing calculate Daily Settlement Price to 4 decimals of precision (e.g., 100.1234).~~

~~61104. FLOATING RATE INDEX FALLBACK EVENT PROCEDURE~~

~~**61104.A. Fallback Announcement**~~

~~With respect to the Floating Rate Index in Rule 61101.A.22., on March 5, 2021, the U.K. Financial Conduct Authority, the regulatory supervisor for the administrator of the rate, made a public statement and publication of information to the effect that:~~

~~(iii) it had determined that immediately following publication on June 30, 2023 (the "Scheduled Final Representative LIBOR Publication Date"), such rate will no longer be representative of the underlying market and economic reality that such rate is intended to measure and that representativeness will not be restored, and~~

~~(iv) such public statement and publication of information was made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts,~~

~~(the "USD 3M LIBOR Fallback Announcement").~~

~~Following the USD 3M LIBOR Fallback Announcement the Exchange shall utilize the process in Rule 61104.B.~~

~~61104.B. Fallback Procedure~~

~~Following close of business on June 23, 2023 (the "Conversion Date"), the Exchange shall convert all open positions in the contract (each, a "Conversion Position"), according to the methodology published by the Exchange, such that:~~

~~(iii) each Conversion Position shall be terminated at the most recent daily settlement price for the contract on the Conversion Date, valued in accordance with the ISDA IBOR Fallbacks Pricing Methodology, using the Eris SOFR settlement curve; and~~

~~(iv) such position shall be replaced with a corresponding open position in CBOT Eris SOFR Swap Futures (Chapter 62) (a "Replacement Position") which shall be determined and assigned by the Exchange to a position holder such that the Replacement Position:~~

~~a. is of equal size and direction to the Conversion Position;~~

~~b. contains the same effective date and underlying tenor as the Conversion Position; and~~

~~c. has a Fixed Rate 25 basis points below the Fixed Rate of the corresponding Conversion Position contract, except in the case of Conversion Positions in contracts listed in the table below, with respect to which the Fixed Rate of the Replacement Position shall be as set out in the table below:~~

~~Eris USD Swap Futures Contract Month / Contract Code~~	~~LIBOR Coupon (Fixed Rate %)~~	~~Corresponding Eris SOFR Swap Futures Replacement Position Contract Month / Contract Code~~	~~SOFR Coupon (Fixed Rate %)~~	~~Coupon Differential (%)~~
~~LIBM21~~	~~0.5~~	~~YIBM21~~	~~0.5~~	~~0~~
~~LIBZ20~~	~~1~~	~~YIBZ20~~	~~0.25~~	~~0.75~~
~~LICU21~~	~~0.25~~	~~YICU21~~	~~0.25~~	~~0~~
~~LICZ20~~	~~0.75~~	~~YICZ20~~	~~0~~	~~0.75~~
~~LIDM21~~	~~0.25~~	~~YIDM21~~	~~0.25~~	~~0~~
~~LIDZ20~~	~~1~~	~~YIDZ20~~	~~0~~	~~1~~
~~LIYZ20~~	~~1~~	~~YIYZ20~~	~~0.5~~	~~0.5~~

~~61104.C. Clearing of the Replacement Position~~

~~Clearing of each Replacement Position shall be subject to the Rules for CBOT Eris SOFR Swap Futures (Chapter 62), including for the avoidance of doubt the determination of daily and final settlement prices, in respect of each Replacement Position, in accordance with the methodology published by the Exchange.~~

~~61104.D. Termination of Trading~~

~~On the Conversion Date trading in the contract shall be terminated and the contract shall no longer be available for trading on the Exchange with immediate effect.~~

~~INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 61~~

~~The Exchange has entered into an agreement with ICE Benchmark Administration Limited which permits the Exchange to use ICE LIBOR as the Floating Rate Index as the basis for determining the interest rate~~

~~of the quarterly Floating Rate Leg of Eris US Dollar Swap futures contracts and to refer to ICE LIBOR in connection with creating, marketing, trading, clearing, settling and promoting Eris US Dollar Swap futures contracts. ICE LIBOR® is a registered trademark of Intercontinental Exchange Holdings, Inc. and is used under licence.~~

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