

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 23-293 (2 of 4)

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): July 17, 2023 Filing Description: Modifications to the Latin America Fund Manager Incentive 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:



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

July 17, 2023

**VIA ELECTRONIC PORTAL**

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

**RE: Modifications to the Latin America Fund Manager Incentive Program  
CBOT Submission No. 23-293 (2 of 4)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") that they plan to modify the Latin America Fund Manager Incentive Program ("LAFMIP," "FMIP," or "Program"). The modifications to the Program will become effective on August 1, 2023.

Exhibit 1 sets forth the terms of the Program. The modifications appear below, with additions underscored and deletions ~~overstruck~~.

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

The Program does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will monitor trading in the products in order to prevent manipulative trading and market abuse. The incentives in the Program do not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules. The Program will be subject to the Exchanges' record retention policies which comply with the CEA.

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

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our CBOT Submission No. 23-293 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## LATIN AMERICA FUND MANAGER INCENTIVE PROGRAM

### Program Purpose

The purpose of this Program is to incentivize Fund Managers in Latin American countries to trade the products listed below. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

### Product Scope

Certain CME, CBOT, NYMEX, and COMEX products available for trading on the Globex Platform, and all CME Interest Rate Options traded via Open Outcry ("Products").

### Eligible Participants

There is no limit to the number of participants that may be selected in the Program. All approved CME, CBOT, NYMEX, and COMEX non-members may participate. Additionally, participants must meet the following criteria.

To qualify for LAFMIP, a Fund Manager must:

- Be located and operating in a Latin American country.
- Have assets under management of at least US \$5 million.
- Be registered and licensed by the government regulator in their respective country in Latin America and must submit to the Exchanges all related documentation of such registrations and licenses.
- Have all traders physically located in Latin America.
- Complete a LAFMIP application, pay an application fee, and be approved by the Exchanges.
- Register Approved Funds with the Exchanges. Approved Fund accounts will receive discounted fees only on fund accounts that are solely managed by the LAFMIP participating Fund Manager. The LAFMIP participant must submit documentation showing they are the authorized manager of the fund account applying for discounted fees.
- Trade the account of a hedge fund, certain specialized government-sponsored pension funds, commodity pool or other collective investment vehicle. Individual managed accounts and private pension funds do not qualify for the Program.
- Execute all trades in the name of the Approved Fund account managed by the qualified LAFMIP firm.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LAFMIP participant.

### Program Term

Start date is December 4, 2011. End date ~~July 31, 2023~~ January 31, 2024.

### Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

## **Obligations**

Participants must maintain a minimum average daily volume (“ADV”) of 100 sides, measured on a quarterly basis. All Micro contracts will be excluded from this ADV requirement.

## **Incentives**

*Fee Discounts:* Upon meeting all obligations, as determined by the Exchanges, participants will be eligible to receive discounted fees for the Products in accordance with the following:

### **GLOBEX**

<b>Product Category (For executed trades on Globex only)</b>	<b>FMP Fees (per side)</b>
<b>CME Products</b>	
E-mini Equity Index Futures – Outrights	\$1.07 <u>\$1.11</u>
E-mini Equity Index – Options	\$0.50 <u>\$0.51</u>
Micro E-Mini Equity Index Futures – Outrights	\$0.22 <u>\$0.24</u>
Micro E-Mini Equity Index Futures – Spreads	\$0.22 <u>\$0.24</u>
Micro E-mini Equity Index Options – Outrights	\$0.14 <u>\$0.15</u>
Micro E-mini Equity Index Options – Spreads	\$0.11 <u>\$0.12</u>
Bitcoin Futures – Outrights, Spreads	\$5.50 <u>\$5.60</u>
Bitcoin Options	\$4.85 <u>\$4.87</u>
Interest Rate Futures – <u>Front Months</u>	\$0.75 <u>\$0.83</u>
<u>Interest Rate Futures – Back Months</u>	\$0.78
Interest Rate Options	\$0.60 <u>\$0.64</u>
Foreign Exchange – Full Size Futures (excluding FX Link)	\$1.00 <u>\$1.09</u>
Foreign Exchange – Full Size Options	\$1.00 <u>\$1.09</u>
<b>CBOT Products</b>	

E-mini Dow/DJ U.S. Real Estate	\$ <del>1.07</del> <u>\$1.11</u>
Micro E-Mini Dow	\$ <del>0.22</del> <u>\$0.24</u>
Micro Treasury Yield Futures	\$ <del>0.27</del> <u>\$0.28</u>
2-Year & 3-Year U.S. Treasury Futures	\$ <del>0.61</del> <u>\$0.62</u>
5-Year U.S. Treasury Futures	\$ <del>0.61</del> <u>\$0.62</u>
10-Year & Ultra 10-Year U.S. Treasury Futures	\$ <del>0.70</del> <u>\$0.72</u>
All other U.S. Treasury Bond Futures	\$ <del>0.77</del> <u>\$0.79</u>
Ultra U.S. Treasury Bond Futures	\$ <del>0.80</del> <u>\$0.82</u>
TBA Futures	\$ <del>0.55</del> <u>\$0.57</u>
U.S. Treasury Options	\$ <del>0.53</del> <u>\$0.58</u>
Fed Fund Contracts	\$ <del>0.60</del> <u>\$0.65</u>
Full Size Agricultural Contracts*	\$ <del>1.72</del> <u>\$1.78</u>
<b>NYMEX Products</b>	
Energy Contracts (Physicals) on CME Globex (CL, LO, HO, OH, RB, OB, NG, LN, ON)*	\$1.27
NYMEX Metals (PL, PA)*	\$1.27
<b>COMEX Products</b>	
Metals Futures Contracts (Physicals) on CME Globex (GC, SI, HG)*	\$1.27
Gold (Enhanced Delivery) Futures	\$1.27

\*For the products denoted with an asterisk above, Globex TAS transactions will be excluded from the Program upon implementation by the Exchanges.

**OPEN OUTCRY**

<b>Product Category (For executed trades via Open Outcry only)</b>	<b>FMP Fees (per side)</b>
<b>CME Products</b>	
Interest Rate Options	<del>\$0.60</del> <u>\$0.62</u>

**Monitoring and Termination of Status**

The Exchanges shall monitor trading activity and participants' performance and shall retain the right to revoke participant status if it concludes from review that a participant no longer meets the requirements of the Program.