

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-403

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): September 12, 2023 Filing Description: Implementation of the Ultra 10 Options Market Maker 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

September 12, 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: Implementation of the Ultra 10 Options Market Maker Program
CBOT Submission No. 23-403**

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 Ultra 10 Options Market Maker Program ("Program"). The Program will become effective on October 1, 2023.

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

CBOT certifies that the Program complies with 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 or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CBOT Submission No. 23-403 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Ultra 10 Options Market Maker Program

Program Purpose

The purpose of the Program is to incent market makers to enhance liquidity in the products listed below. More liquid contracts benefit all participants in the market.

Product Scope

All CBOT Ultra 10 Year Note Options that are traded on the CME Globex Platform (“Globex”) or cleared through CME ClearPort (“Products”).

Eligible Participants

The Exchange may designate up to eight (8) participants in the Program. Participants must be CBOT members. Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive application process which is used to determine eligibility. In determining whether or not a prospective participant is selected to participate in the Program, Exchange staff may take into account a variety of factors including the strength of the quoting obligations the prospective participant is willing to commit to provide, whether Exchange staff believes that the prospective participant can maintain such obligations, and historical volume trading similar contracts. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

Program Term

Start date is October 1, 2023. End date is March 31, 2024.

Hours

RTH, ETH, and ATH.

Obligations

Minimum Quoting Obligations: In order to be eligible to receive the incentives, participants must quote continuous two-sided markets at maximum bid/ask spreads and minimum quote sizes during a certain percentage of time-in-market as set forth in the baseline quoting obligations listed in the table below. Notwithstanding the foregoing, the Exchange may vary the baseline quoting obligations as it deems necessary based on ongoing evaluations of the Program.

Products	Relative Volatility Width	Size (Contracts)	Time-in-Market (“TIM”)	Time Period (CT)
All Ultra 10 Year Note Options	.05 in strikes with two sided markets and minimum bid is the minimum tick increment of .015625	50	4,000%	7:20AM – 4:00PM

Request-for-Quotes (“RFQ”) Responses: In order to be eligible to receive certain incentives, participants must respond to RFQs each month in accordance with the following:

- (i) Request is responded to within 60 seconds
- (ii) Have a bid and an ask in the market for at least 5 seconds during the following 60 seconds
- (iii) Bid/ask spread no more than 4 ticks wide
- (iv) Bid/ask order size of at least 50 contracts
- (v) Bid/ask spread and quantity are both based on a time weighted average

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
10/9/2023	Columbus Day
11/10/2023	Veterans Day
11/23/2023	Thanksgiving
11/24/2023	Post-Thanksgiving
12/25/2023	Christmas
1/1/2024	New Year’s
1/15/2024	Birthday of Dr. Martin Luther King, Jr.
2/19/2024	Presidents’ Day
3/29/2024	Good Friday

Incentives

Fee Waivers: Upon meeting the Minimum Quoting Obligations, as determined by the Exchange, participants will receive fee waivers for up to 60,000 sides per month in the Products.

Monthly Volume Pool: Upon meeting the Minimum Quoting Obligations and RFQ Responses, as determined by the Exchange, participants will be eligible for the volume pool. Each month, all eligible participants will be ranked by RFQ points and volume, determined as follows:

- (i) RFQ points will account for 50% of the ranking determination (each participant’s RFQ points divided by total RFQ points)
- (ii) Globex volume will account for 50% of the ranking determination (each participant’s volume divided by total volume)
- (iii) 3X multiplier for activity between 5:00PM and 11:59PM CT
- (iv) 2X multiplier for activity between 12:00AM and 7:00AM CT
- (v) 2X multiplier for straddle responses
- (vi) Points will receive a 2X or 3X multiplier only once, utilizing the greatest factor achieved
- (vii) Points will be awarded for both outrights and strategies

The top six (6) participants will receive a pro-rata share of the volume pool, in accordance with the following:

ADV (Round Turns)	Pool Amount	Participant Cap*
0 – 2,499	\$100,000	\$25,000
2,500+	\$200,000	\$50,000

*If a participant reaches the cap, the excess amount will not be re-allocated.

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 no longer meets the eligibility requirements or fails to meet the obligations 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, the participant will be eligible to receive incentives for that applicable month, with the exception of the Monthly Volume Pool. Participants must meet quoting obligations for all subsequent months in order to continue 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.