

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-431

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): October 11, 2023 Filing Description: Modifications to the Eris Swap Futures 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

October 11, 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 Eris Swap Futures Market Maker Program
CBOT Submission No. 23-431**

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 modify the Eris Swap Futures Market Maker Program ("Program"). The modifications to the Program will become effective on November 1, 2023.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underlined and deletions ~~overstruck~~.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). 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 does 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 the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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

If you require any additional information regarding this submission, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CBOT Submission No. 23-431 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Eris Swap Futures Market Maker Program

Program Purpose

The purpose of this Program is to incent participants to build liquidity in the Products listed below. The resulting increase in central limit order book liquidity on the CME Globex® Platform (“Globex”) benefits all participant segments in the market.

Product Scope

All Eris Swap Futures (“Products”).

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be CBOT members or non-members. Participants may not be enrolled in the International Incentive Program or International Cross-Asset Volume Incentive Program. Participants must have either: (i) an average daily volume (“ADV”) of at least 50 in the Products on Globex for one (1) full calendar month within six (6) months of entering the Program, or (ii) demonstrated the ability to meet quoting obligations in the Exchanges’ interest rates programs within the previous twelve (12) months prior to entering the Program.

Program Term

Start date is February 1, 2020. End date is ~~October 31, 2023~~ September 30, 2024.

Hours

Regular Trading Hours (“RTH”), 7:00AM – 4:00PM CT.

Obligations

Minimum Quoting Obligations: In order to be eligible to receive certain incentives, participants must quote two-sided markets in the Products on Globex at designated bid/ask spreads during a specified percentage of RTH in accordance with the tables below. ~~For the Eris SOFR Quoting Tiers, participants must quote five (5) of the all seven (7) products in Tier A and three (3) five (5) of the seven (7) products in Tier B. Notwithstanding the foregoing, the Exchange may vary the baseline quoting obligations as it deems necessary based on ongoing evaluations of the Program. For the Eris LIBOR Quoting Tiers, participants must quote five (5) of the seven (7) products in both Tiers A and B, and four (4) of the seven (7) products in Tier C. For the Eris BSBY Quoting Tier, participants must quote all three (3) products.~~

Tenor (Years)	Product	Tier A			Tier B			Time-in-Market	Time Period
		Width (USD)	Width (Minimum Price Increment “MPI”)	Size (Contracts)	Width (USD)	Width (MPI)	Size (Contracts)		
1	YIA	\$10	4	1,000	\$10	4	500	65%	RTH
2	YIT	\$15	6	600	\$17.50	7	400		
3	YIC	\$25	5	500	\$30	6	300		

4	YID	\$40	4	400	\$60	6	150		
5	YIW	\$40	4	300	\$40	4	150		
	EWV	\$20	2	300	\$20	2	150		
7	YIB	\$80	4	250	\$120	6	100		
	EBN	\$40	4	250	\$80	8	100		
10	YIY	\$100	5	300	\$120	6	75		
	EYT	\$60	6	300	\$80	8	75		

Eris SOFR Quoting Tiers

Tenor (Years)	Product	Width (USD)	Width (Ticks)	Time-in-Market	Time Period	Tier A	Tier B
						Minimum # of Contracts	Minimum # of Contracts
1	YIA	\$7.50	3	65%	RTH	1,000	300
2	YIT	\$15	6			450	150
3	YIC	\$30	6			300	100
4	YID	\$50	5			150	75
5	YIW	\$60	6			150	60
7	YIB	\$140	7			45	45
10	YIY	\$180	9			30	30

Eris LIBOR Quoting Tiers*

Tenor (Years)	Product	Width (USD)	Width (Ticks)	Time-in-Market	Time Period	Tier A	Tier B	Tier C
						Minimum # of Contracts	Minimum # of Contracts	Minimum # of Contracts
2	LIT	\$12	6	65%	RTH	1,500	300	60
3	LIC	\$16	8			750	125	40
4	LID	\$25	5			750	125	30
5	LIW	\$30	6			350	125	30
7	LIB	\$40	4			150	75	25
10	LIY	\$60	6			50	25	15
30	LIE	\$240	12			10	5	5

*Eris LIBOR will no longer be listed after the June 2023 contract month at which point these Quoting Tiers and the associated incentives will expire.

Eris BSBY Quoting Tier

Tenor (Years)	Product	Width (USD)	Width (Ticks)	Time-in-Market	Time Period	Minimum # of Contracts
1	KXA	\$15	6	65%	RTH	300
2	KXT	\$27.50	11			150
3	KXC	\$50	10			100

Extreme Events Clause: If the 10-Year CME Group Volatility Index (CVOL) as published on the Exchange's website reaches or surpasses 145 170 for at least three (3) days in a given calendar month, the Exchange may increase the bid/ask spreads by 1.5X. the following obligations may be implemented by the Exchange. Participants will be given notice that the Extreme Events Clause has taken effect.

- (i) Bid/Ask for All Instruments: Increased by 2X
- (ii) Size for All Instruments: Decreased by 1X

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

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

Holiday Quoting Schedule: There will be no quoting obligations on the dates listed below. The Holiday Quoting Schedule may be adjusted by the Exchange. Participants will be given notice of any adjustments to the Holiday Quoting Schedule.

Date	Holiday
11/11/2022	Veterans Day
11/24/2022	Thanksgiving
11/25/2022	Post-Thanksgiving
12/26/2022	Christmas (Observed)
1/2/2023	New Year's (Observed)
1/16/2023	Birthday of Dr. Martin Luther King, Jr.
2/20/2023	Presidents' Day
4/7/2023	Good Friday
5/29/2023	Memorial Day
6/19/2023	Juneteenth
7/4/2023	Independence Day
9/4/2023	Labor Day
10/15/2023	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
5/27/2024	Memorial Day
6/19/2024	Juneteenth
7/4/2024	Independence Day
9/2/2024	Labor Day

Incentives*

Tier A & B LIBOR Fee Waivers (CBOT Members): Upon meeting the Tier A or Tier B Eris LIBOR Quoting Obligations, as determined by the Exchange, participants that are CBOT members will receive transaction fee waivers for all LIBOR-based Eris Swap Futures traded on Globex.

Tier A & B SOFR Fee Waivers (CBOT Members): Upon meeting the Tier A or Tier B Eris SOFR Quoting Obligations, as determined by the Exchange, participants that are CBOT members will receive transaction fee waivers for all SOFR-based Eris Swap Futures the Products traded on Globex.

BSBY Fee Waivers (CBOT Members): Upon meeting the Eris BSBY Quoting Obligations, as determined by the Exchange, participants that are CBOT members will receive transaction fee waivers for all BSBY Eris Swap Futures traded on Globex.

LIBOR Fee Credits: Participants meeting the Eris LIBOR Tier A Quoting Obligations and trading over 500 ADV each month, as determined by the Exchange, will be eligible to receive fee credits. Eligible participants will receive \$0.10 per side on all Globex ADV in the Products above 500. The fee credits will be capped at \$2,500 per participant, per month.

~~**SOFR Fee Credits:** Participants meeting the Eris SOFR Tier A Quoting Obligations and trading over 500 100 ADV each month, as determined by the Exchange, will be eligible to receive fee credits. Eligible participants will receive \$0.10 per side on all Globex ADV in the Products above 500 100. The fee credits will be capped at \$17,500 \$20,000 per participant, per month.~~

~~**Progressive Fee Discounts:** Upon meeting the Eris LIBOR Tier C Quoting Obligations, as determined by the Exchange, participants that are CBOT members will receive the Quoting Discounts set forth below. CBOT members or non-members that do not meet the respective Eris SOFR or Eris LIBOR Quoting Obligations will receive the respective Non-Quoting Discounts set forth below. Non-member participants will only be eligible to receive the Non-Quoting Discounts set forth below.~~

Progressive ADV Tier (Sides)	Non-Quoting Discounts (Per Side) – LIBOR-based Eris Swap Futures	Non-Quoting Discounts (Per Side) SOFR-based Eris Swap Futures	Quoting Discounts (Per Side)
0 – 50	N/A	N/A	N/A
51 – 250	\$0.12	\$0.20	\$0.20
251 – 500 250 +	\$0.14	\$0.24	\$0.25
501 – 750	\$0.16	\$0.24	\$0.30
751 – 1,000	\$0.18	\$0.24	\$0.35
1,001+	\$0.20	\$0.24	\$0.45

~~*Eris LIBOR will no longer be listed after the June 2023 contract month at which point the incentives associated with the Eris LIBOR Quoting Tiers will expire.~~

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 requirements of the Program.

If the Exchange determines that a participant has not met its quoting obligations during two (2) calendar months over the course of the Program, but is within twenty percent (20%) of the time-in-market obligations for an individual Tier, the participant will be eligible to receive the incentives for each applicable month for that Tier.

If the Exchange determines that a participant has not met its quoting obligations for an individual Tier during one (1) additional calendar month, the participant will be eligible to receive the incentives for that applicable month for that Tier. 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.