

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 23-536

**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):** 12/22/23 **Filing Description:** Amendments to the Eris SOFR Swap Futures and MAC SOFR Swap Futures Contracts to Provide Clarification Regarding Effective Dates

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input 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:**

**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     |

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                                     |   |                      |
|-------------------------------------|---|----------------------|
| <input checked="" 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:** See filing.

**Rule Numbers:** See filing.

December 22, 2023

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
 Office of the Secretariat  
 Commodity Futures Trading Commission  
 3 Lafayette Center  
 1155 21<sup>st</sup> Street NW  
 Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Amendments to the Eris SOFR Swap Futures and MAC SOFR Swap Futures Contracts to Provide Clarification Regarding Effective Dates.  
 CBOT Submission No. 23-536**

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 the Eris SOFR Swap Futures and MAC SOFR Swap Futures contracts as noted in Table 1. below effective on Tuesday, January 9, 2024 for trade date Wednesday, January 10, 2024.

Specifically, CBOT will amend: Rule 62101.A.6. (“Effective Dates”) of the Eris SOFR Swap Futures contracts, and 63101.A.3. (“IRS Effective Date”), 63101.B. (“Physical Delivery”), 63102.F. (“Termination of Trading”), and 63103. (“Date of Delivery”) of the MAC SOFR Swap Futures contracts. In addition, effective immediately and until Tuesday, January 9, 2024 for trade date January 10, 2024, the Exchange will temporarily suspend trading and clearing of the June 2024 contract month of the Contracts (collectively, the “Rule Amendments”). There is no open interest in the June 2024 contract month of the Contracts.

**Table 1.**

Contract Title	Commodity Code	Rulebook Chapter
1-Year Eris SOFR Swap Futures	YIA	62
2-Year Eris SOFR Swap Futures	YIT	62
3-Year Eris SOFR Swap Futures	YIC	62
4-Year Eris SOFR Swap Futures	YID	62
5-Year Eris SOFR Swap Futures	YIW	62
7-Year Eris SOFR Swap Futures	YIB	62
10-Year Eris SOFR Swap Futures	YIY	62
12-Year Eris SOFR Swap Futures	YII	62
15-Year Eris SOFR Swap Futures	YIL	62

20-Year Eris SOFR Swap Futures	YIO	62
30-Year Eris SOFR Swap Futures	YIE	62
2-Year MAC SOFR Swap Futures	T1S	63
5-Year MAC SOFR Swap Futures	F1S	63
7-Year MAC SOFR Swap Futures	S1S	63
10-Year MAC SOFR Swap Futures	N1S	63
20-Year MAC SOFR Swap Futures	E1S	63
30-Year MAC SOFR Swap Futures	B1S	63

The Contracts are structured with an effective date aligning with the quarterly International Monetary Market (“IMM”) dates, traditionally defined as the 3rd Wednesday of each quarterly month (March, June, September, December). In order to account for a holiday which may fall on an IMM date, the International Swaps and Derivatives Association (“ISDA”) issued [guidance](#) specifying that IMM swaps should commence on the following business if the IMM date is a holiday. The Rule Amendments are intended to align the Contracts with the dynamics of the OTC swap market. CBOT shall utilize the US Government Securities Business Day calendar as it most closely aligns with market expectations for the OTC interest rate derivative market.

Notably, in June 2024, the 3rd Wednesday, June 19, 2024, coincides with Juneteenth, a U.S. federal holiday. In this instance, the effective date will change to Thursday, June 20, 2024, which adheres by the guidance set by ISDA. The suspension of trading and clearing of the June 2024 contract month and the Rule Amendments ensure alignment of the Contracts with the OTC IMM swap.

Appendix A and Appendix B provide amendments to CBOT Chapter 62 and 63, respectively, in blackline format.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

**Availability of General Information:** The Exchange shall disseminate a Special Executive Report (“SER”) regarding the Rule Amendments. The SER will also be posted on the CME Group website.

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

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

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachments:   Appendix A    Amendments to CBOT Rulebook 62 (blackline format)  
                  Appendix B    Amendments to CBOT Rulebook 63 (blackline format)

**Appendix A**  
**CBOT Rulebook**

**Chapter 62**  
**Eris SOFR Swap Futures**  
(additions underscored)

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**62101. CONTRACT SPECIFICATIONS**

**62101.A Contract Structure**

\$100,000 (U.S. dollar) notional principal whose value is based upon the difference between a stream of annual fixed interest payments and a stream of annual floating interest payments based on a daily compounded Secure Overnight Financing Rate (SOFR) fixing. 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. **Underlying Swap Tenors:** 1-Year, 2-Year, 3-Year, 4-Year, 5-Year, 7-Year, 10-Year, 12-Year, 15-Year, 20-Year, 30-Year
4. **Currency:** US Dollars
5. **Notional Amount:** \$100,000
6. **Effective Dates:** Quarterly IMM Dates (3rd Wednesday of each March, June, September, December, unless such Wednesday is not a US Government Securities Business Day<sup>1</sup> then it shall be the next US Government Securities Business Day)

[Remainder of Rule unchanged.]

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<sup>1</sup> A US Government Securities Business Day is defined as follows: 2021 ISDA Interest Rate Derivatives Definitions (“2021 Definitions”) “U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for the purpose of trading in U.S. government securities.

**Appendix B**  
**CBOT Rulebook**

**Chapter 63**  
**MAC SOFR Swap Futures**  
(additions underscored)

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**63101. CONTRACT SPECIFICATIONS**

**63101.A. Contract Grade**

The contract grade for delivery on expiring futures made under these Rules shall be an Interest Rate Swap Contract ("IRS Contract" per CME Rule 90002.J.) that is accepted for clearing by the Clearing House (CME Rulebook Chapters 8F, 8G, 900, and 901) and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Fixed Rate Payer: Subject to CBOT Rules 63104., an account required to deliver on a short position in such expiring futures contract shall be the Fixed Rate Payer to the Clearing House. Where such account is required to accept delivery on a long position in such expiring futures contract, the Clearing House shall be the Fixed Rate Payer to such account.
2. Floating Rate Payer: Subject to CBOT Rules 63104., an account required to accept delivery on a long position in such expiring futures contract shall be the Floating Rate Payer to the Clearing House. Where such account is required to deliver on a short position in such expiring futures contract, the Clearing House shall be the Floating Rate Payer to such account.
3. IRS Effective Date: Third (3<sup>rd</sup>) Wednesday of futures contract delivery month, unless such Wednesday is not a US Government Securities Business Day<sup>1</sup> then it shall be the next US Government Securities Business Day (CBOT Rules 63102. and 63103.A.).
4. Currency: US dollars (CME Rule 90102.B.).
5. Notional Amount: \$100,000.
6. Business Day(s): New York
7. Business Day Convention: Modified Following.
8. Termination Date: Anniversary of the IRS Effective Date as determined by the contract tenor. (CBOT Rule 63101.A.3.).
9. Initial Payment Amount: See CBOT Rule 63101.B.
10. Initial Amount Payer: See CBOT Rule 63101.B.
11. Fixed Rate Payment Dates: Annually from IRS Effective Date (CBOT Rule 63101.A.3.) subject to CBOT Rules 63101.A.6. and 63101.A.7.
12. Fixed Rate: Futures contract fixed interest rate set by the Exchange at an integer multiple of 25 basis points (ie, one quarter of one percent) per annum when such futures contract is initially listed for trading (CBOT Rule 63102.).
13. Fixed Rate Day Count: Actual/360.
14. Floating Rate Payment Dates: Annually from IRS Effective Date (CBOT Rule

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<sup>1</sup> A US Government Securities Business Day is defined as follows: 2021 ISDA Interest Rate Derivatives Definitions ("2021 Definitions") "U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for the purpose of trading in U.S. government securities.

- 63101.A.3.) subject to CBOT Rules 63101.A.6. and 63101.A.7.
15. Floating Rate Option: USD-SOFR-COMPOUND  
(CME Rule 90102.E.1.).
16. Designated Maturity: Overnight
17. Floating Rate Day Count: Actual/360.
18. Spread: None.
19. Compounding: Daily.

### 63101.B. Physical Delivery

Each individual futures contract lot that is delivered shall be an IRS Contract (CME Rule 90002.J.) that meets Contract Grade (CBOT Rule 63101.A.).

For an IRS Clearing Member carrying an account that is required to make or accept delivery on an expiring futures contract (CBOT Rules 63104.), the IRS Initial Payment Amount (CBOT Rule 63101.A.9.) due upon delivery (CBOT Rule 63103.) of such IRS Contract, and the Initial Amount Payer (CBOT Rule 63101.A.10.), shall be determined as follows:

Define  $P$  as the Final Settlement Price (CBOT Rule 812.) of an expiring futures contract, as determined by the Exchange at such contract's Termination of Trading (CBOT Rule 63102.F.), where such Final Settlement Price is expressed in points and fractions of points, with par on the basis of 100 points (Rule 63102.C.).

1. If  $P$  is greater than 100 points, then the long IRS Clearing Member taking delivery shall pay to the Clearing House, and the short IRS Clearing Member making delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

$(\$1,000 \text{ per point}) \times (P \text{ points minus } 100 \text{ points}) \text{ per contract.}$

2. Else, if  $P$  is less than or equal to 100 points, then the short IRS Clearing Member making delivery shall pay to the Clearing House, and the long IRS Clearing Member taking delivery shall receive from the Clearing House, an Initial Payment Amount equal to:

$(\$1,000 \text{ per point}) \times (100 \text{ points minus } P \text{ points}) \text{ per contract.}$

3. For each individual contract lot that is delivered, such Initial Payment Amount shall be rounded to the nearest cent, with half-cents rounded up to the nearest cent.

*Example:* For a hypothetical expiring futures contract, assume the final settlement price  $P$  is 100-205 (ie, 100 and  $20.5/32^{\text{nds}}$  or 100.640625 points). On the third Wednesday of the contract Delivery Month, **unless such Wednesday is not a US Government Securities Business Day then it shall be the next US Government Securities Business Day**, the holder of a long futures position taking delivery (the Floating Rate Payer in the delivered IRS Contract) shall pay to the Clearing House an Initial Payment Amount of \$640.63 per contract, equal to  $(\$1,000 \text{ per point}) \times (100.640625 \text{ points minus } 100 \text{ points})$ , or \$640.625 (CBOT Rule 63101.B.1.) rounded up to the nearest penny (CBOT Rule 63101.B.3.). Conversely, the holder of a short futures position making delivery (the Fixed Rate Payer in the delivered IRS Contract) shall receive from the Clearing House an Initial Payment Amount of \$640.63 per contract.

## 63102. TRADING SPECIFICATIONS

The number of contract delivery months open for trading at a given time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures contracts for delivery in at least each of the two nearest months in the March-June-September-December quarterly cycle.

For a given futures contract for a given delivery month, the Exchange shall determine the value of the Fixed Rate that shall standardize the Contract Grade for such futures contract (CBOT Rule 63101.A.12.). The Exchange also shall determine whether, and when, to list for trading any additional futures contract(s) for such delivery month that are standardized to Fixed Rate value(s) different from the Fixed Rate value of such futures contract.

### 63102.A. Trading Schedule

The hours of trading shall be determined by the Exchange. On the last day of trading in an expiring contract (CBOT Rule 63102.F.), the close of the expiring contract shall begin at 1:59 pm, and trading shall be permitted thereafter for a period not to exceed one minute.

**63102.B. Trading Unit**

The unit of trading shall be IRS Contracts that meet Contract Grade (CBOT Rule 63101.A.) having notional amount of one hundred thousand US dollars (\$100,000) or multiples thereof.

**63102.C. Price Increments**

Par shall be on the basis of 100 points, with each point equal to \$1,000 per contract. The minimum price fluctuation shall be one-half of one thirty-second ( $1/2$  of  $1/32^{\text{nd}}$ ) of one point (equal to \$15.625 per contract), except for intermonth spreads for which the minimum price fluctuation shall be one-quarter of one thirty-second ( $1/4$  of  $1/32^{\text{nd}}$ ) of one point (equal to \$7.8125 per contract). Contracts shall not be made on any other price basis.

**63102.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.

**63102.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.

**63102.F. Termination of Trading**

Trading in an expiring futures contract shall terminate no later than 2:00 pm (CBOT Rule 63102.A.) on the second **US Government Securities Business Day** ~~London business day~~ before the **IRS Effective Date (CBOT Rule 63101.A.3.)** ~~third Wednesday of the contract delivery month.~~

**63103. DATE OF DELIVERY**

Subject to CBOT Rules 63104., delivery on an expiring futures contract shall be made by a short IRS Clearing Member, and shall be taken by a long IRS Clearing Member, on the **IRS Effective Date (CBOT Rule 63101.A.3.)** ~~third Wednesday~~ of the futures delivery month (CBOT Rule 63102.).

[Remainder of Rule unchanged.]