

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 22-186

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): 04/22/22 Filing Description: Amendments to Rule 25101.A. ("Contract Grade") of the 20-Year U.S. Treasury Bond Futures Contract Commencing with the September 2022 Contract Month and Beyond and Temporary Suspension of the September 2022 and December 2022 Contract Months

**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: 20-Year U.S. Treasury Bond Futures.

Rule Numbers: CBOT Rulebook Chapter 25.

April 22, 2022

**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 Rule 25101.A. (“Contract Grade”) of the 20-Year U.S. Treasury Bond Futures Contract Commencing with the September 2022 Contract Month and Beyond and the Temporary Suspension of the September 2022 and December 2022 Contract Months.  
CBOT Submission No. 22-186**

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 Rule 25101.A. (“Contract Grade”) of the 20-Year U.S. Treasury Bond Futures contract (Commodity Code TWE; Rulebook Chapter 25) (the “Contract”) commencing with the September 2022 contract month and beyond effective on Sunday, May 8, 2022 for trade date Monday, May 9, 2022.

Currently, there are three (3) listed contract months of the Contract: June 2022, September 2022, December 2022. Effective immediately, the Exchange will suspend trading and clearing of the September 2022 and December 2022 contract months of the Contract, and related spreads until trade date Monday, May 9, 2022, the effective date of this submission (collectively, the “Rule Amendments”). There is no open interest in the September 2022 and December 2022 contract months of the Contract.

The Rule Amendments shall limit the terms to maturity to include bonds with remaining terms to maturity of less than 19 years 11 months. The Rule Amendments are intended ensure an effective delivery basket for a variety of interest rate environments and bond issuance scenarios and allow all U.S. Treasury Bonds to be eligible for the delivery. Specifically, the Rule Amendments shall permit aging original issue 30-year U.S. Treasury bonds with remaining terms to maturity of at least 19 years 2 months and less than 19 years 11 months to be eligible for delivery.

Appendix A below provides amendments to Rule 25101.A. in blackline format effective on May 9, 2022 (the effective date of this submission). Appendix B below provides amendments to Rule 25101.A. in blackline format effective on July 1, 2022 (the day immediately following the last delivery day of the June 2022 contract month).

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:

- **Contract Not Readily Subject to Manipulation:** The Exchange initially certified the Contract via [CBOT Submission No. 22-006](#) dated February 17, 2022. At that time, the Contract consisted of four

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(4) bonds with a cumulative face value of \$188 billion. Following this Rule Amendments, it will consist of six (6) bonds (three (3) recently auctioned 20-year bonds and three (3) aging 30-year bonds). These six (6) bonds are projected to have a cumulative face value of \$279 billion. Expanding the deliverable grade to include original issue 30-year bonds that will compete with 20-year bonds for cheapest-to-deliver status will additionally decrease the Contract's susceptibility for manipulation.

- **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 Regulation 40.6(a), the Exchange certifies that the Rule Amendments comply with the Act, including all regulations thereunder. 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 (212) 299-2200 or [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A Amendments to CBOT Rule 25101.A. ("Contract Grade") (blackline format) (Effective May 9, 2022)  
Appendix B Amendments to CBOT Rule 25101.A. ("Contract Grade") (blackline format) (Effective July 1, 2022)

**Appendix A**  
**CBOT Rulebook**  
**Chapter 25**  
**20-Year U.S. Treasury Bond Futures**  
(additions underscored)

[Effective May 9, 2022]

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**25101. CONTRACT SPECIFICATIONS**

**25101.A. Contract Grade**

**(ALL CONTRACT MONTHS UP TO AND INCLUDING THE JUNE 2022 CONTRACT MONTH)**

The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed-principal bonds which have fixed semi-annual coupon payments, and which have:

- (a) an original term to maturity (i.e., term to maturity at issue) of not more than 20 years; and
- (b) a remaining term to maturity of not less than 19 years 2 months.

For the purpose of determining a U.S. Treasury bond's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's named month of expiration. New issues of U.S. Treasury bonds that satisfy the standards in this Rule shall be added to the contract grade as they are issued.

Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.

**25101.A. Contract Grade**

**(ALL CONTRACT MONTHS COMMENCING WITH THE SEPTEMBER 2022 CONTRACT MONTH AND BEYOND)**

The contract grade for delivery on futures made under these Rules shall be U.S. Treasury fixed-principal bonds which have fixed semi-annual coupon payments, and which have: a remaining term to maturity of greater than or equal to 19 years 2 months; but less than 19 years 11 months.

For the purpose of determining a U.S. Treasury bond's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's named month of expiration. New issues of U.S. Treasury bonds that satisfy the standards in this Rule shall be added to the contract grade as they are issued.

Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.

[Remainder of Rule unchanged.]

**Appendix B**  
**CBOT Rulebook**  
**Chapter 25**  
**20-Year U.S. Treasury Bond Futures**  
(deletions struck through)

[Effective July 1, 2022]

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**25101. CONTRACT SPECIFICATIONS**

**25101.A. ~~Contract Grade~~**

**~~(ALL CONTRACT MONTHS UP TO AND INCLUDING THE JUNE 2022 CONTRACT MONTH)~~**

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~~(c) an original term to maturity (i.e., term to maturity at issue) of not more than 20 years; and~~

~~(d) a remaining term to maturity of not less than 19 years 2 months.~~

~~For the purpose of determining a U.S. Treasury bond's eligibility for contract grade, its remaining term to maturity shall be calculated from the first day of the contract's named month of expiration. New issues of U.S. Treasury bonds that satisfy the standards in this Rule shall be added to the contract grade as they are issued.~~

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Notwithstanding the foregoing, the Exchange shall have the right to exclude any new issue from the contract grade or to further limit outstanding issues from the contract grade.

[Remainder of Rule unchanged.]