

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 18-216 (3 of 3)

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): 07/26/2018 Filing Description: Basis Trade at Index Close (BTIC) Eligibility for the Bloomberg Commodity Index Futures and Bloomberg Commodity Index Swaps (Cleared OTC) Contracts

**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: See filing.

Rule Numbers: CBOT Rulebook Chapters 29 & 29A.



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

July 26, 2018

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Basis Trade at Index Close (BTIC) Eligibility for the Bloomberg Commodity Index Futures and Bloomberg Commodity Index Swaps (Cleared OTC) Contracts. CBOT Submission No. 18-216 (3 of 3)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME”) and The Board of Trade of the City of Chicago, Inc. (“CBOT”) (collectively, the “Exchanges”) hereby notify the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they will permit Basis Trade at Index Close (“BTIC”) transactions for the contracts noted in the table below (the “Contracts”) effective Sunday, August 12, 2018, for trade date of Monday, August 13, 2018.

Contract Title	Rulebook Chapter	CME Globex Code	Clearing and CME ClearPort Code	BTIC
Bloomberg Commodity Index Futures	CBOT Rulebook Chapter 29	AW	70	AWT
Bloomberg Commodity Index Swaps (Cleared OTC)	CBOT Rulebook Chapter 29A	n/a	DGS	DGT

The Bloomberg Commodity Index Futures contract is listed for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort. The Bloomberg Commodity Index Swaps (Cleared OTC) contract is available for submission for clearing via CME Clearing. Effective on trade date Monday, August 13, 2018, BTIC eligibility will be permitted on the venues for which they are listed for trading and clearing.

The Exchanges are adopting new Rule 29106. (“Basis Trade at Index Close (“BTIC”) Transactions”) and Rule 29A107. (“Basis Trade at Index Close (“BTIC”) Transactions”) to permit BTIC transactions on the Contracts. Rules 29106. And 29A107. are set forth in blackline format in Exhibits A and B, respectively.

CBOT is amending CBOT Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) table (the “NRR Table”) to include the Bloomberg Commodity Index Futures contract to the Table. The NRR Table is set forth in blackline format in Exhibit C.

Additionally, the Exchanges will amend the Trading at Settlement (“TAS”) table (the “TAS Table”) located in Chapter 5 (“Trading Qualifications and Practices”) to add the Contracts to the list of BTIC eligible products. The amendments to the TAS Table are set forth in blackline format in Exhibit D.

## Trading and Clearing Hours:

CME Globex (Bloomberg Commodity Index Futures only):

Monday-Friday 9:15 a.m.-2:30 p.m. Eastern Time/ET (8:15 a.m.-1:30 p.m. Central Time/CT).

CME ClearPort (Bloomberg Commodity Index Futures and Bloomberg Index Swaps (Cleared OTC):

Sunday-Friday 6:00 p.m.-5:00 p.m. ET (5:00 p.m.-4:00 p.m. CT) with a 60-minute clearing halt each day beginning at 5:00 p.m. ET (4:00 p.m. CT).

## BTIC Fees:

Type	Account Owner	Trading Rights of Individual Executing Trade	Venue/ Transaction Type	Bloomberg Commodity Index (70)	Bloomberg Commodity Index (DGS)
				Futures	Swaps
1	Individual Members	Member Account Owner	BTIC	\$1.31	\$1.31
	Individual Delegates	Delegate Account Owner	BTIC	\$1.31	\$1.31
<b>EQUITY MEMBERS (Individual Equity Members, Clearing Equity Member Firms and Equity Member Firms)</b>					
2	Rule 106.J Equity Member Firms Rule 106.I Affiliate Equity Member Firms Individual Equity Members (Other Member/Delegate executing the trade) Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Member or Delegate	BTIC	\$1.31	\$1.31
	Rule 106.S. Family of Funds Equity Member Firms	Non-Member	BTIC	\$1.31	\$1.31
		Member, Delegate or Non-Member	BTIC	\$1.31	\$1.31
<b>TRADING MEMBERS (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)</b>					
3	Individual Non-Equity Members (Other Member/Delegate executing the trade) Clearing Non-Equity Member Firms Rule 106.H Member Firms	Member, Delegate or Non-Member	BTIC	\$1.31	\$1.31
	Individual Delegates (Other Member or Delegate executing the trade) Rule 106.I Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	BTIC	\$1.31	\$1.31
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	BTIC	\$1.31	\$1.31
4	Rule 106.R Electronic Corporate Member Firms (For other than Globex - See Non-Members)	Member, Delegate or Non-Member	Globex - BTIC	\$1.31	n/a
5	International Incentive Program (IIP) International Volume Incentive Program (IVIP) (For other than Globex - See Non-Members)	Member, Delegate or Non-Member	Globex - BTIC	\$1.32	n/a
	Central Bank Incentive Program (CBIP) Emerging Markets Bank Incentive Program (EMBIP) Latin American Fund Manager Incentive Program (FMIP) (For other than Globex - See Non-Members)	Member, Delegate or Non-Member	Globex - BTIC	\$1.32	n/a
	Non-Members	N/A	BTIC	\$1.32	\$1.32

The Exchanges reviewed the designated contract market core principles (“DCM Core Principles”) and the derivatives clearing organization core principles (“DCO Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified the following Core Principles as being potentially impacted:

- **DCM Core Principle 1 – Compliance with Rules:** CBOT shall continue its normal practice to establish, monitor, and enforce compliance with the rules for the Contracts, including the

amendments for the contracts.

- **DCM Core Principle 4 - Prevention of Market Disruption**: CBOT has the capacity to detect abnormal price movements and unusual trading volumes, including such abnormal price movements or trading volumes as may be associated with bilaterally negotiated trades, and it holds the authority to take remedial action as appropriate.
- **DCM Core Principle 7 - Availability of General Information**: CBOT shall publish the details of actions certified herein by issuing a Special Executive Report (“SER”), which shall be made timely and publicly available on the Exchange website.
- **DCM Core Principle 8 – Daily Publication of Trading Information**: Trading volume, open interest and price information will be published daily on the CME Group website and via quote vendors.
- **DCM Core Principle 9 - Execution of Transactions**: The minimum block trade size certified herein for BTIC transactions is commensurate with the minimum block trade size applicable to the Bloomberg Commodity Index futures product listed for trading on CBOT.
- **DCO Core Principle L – Public Information**: The amendments will be added to the publicly available CME Rulebook available on the CME Group website. In addition, CME will release notices to the marketplace regarding the details certified herein in advance of the effective date.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges hereby certify that the amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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

If you require any additional information regarding this action, please contact me at 212-299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com)

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - CBOT Rule 29106. (“Basis Trade at Index Close (“BTIC”) Transactions”) (blackline format)  
Exhibit B - CBOT Rule 29A107. (“Basis Trade at Index Close (“BTIC”) Transactions”) (blackline format)  
Exhibit C - CBOT Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table (blackline format)  
Exhibit D - Amendments to Trading at Settlement (“TAS”) Table (blackline)

## Exhibit A

### **CBOT Rulebook Chapter 29 Bloomberg Commodity Index Futures**

(additions are underlined)

#### 29106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

##### 29106.A. BTIC Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

##### 29106.B. BTIC Price Assignment Procedures

The futures price of a BTIC transaction shall be determined by the Exchange at 3:30 p.m. Chicago time (2:30 p.m. Eastern time) (or according to the requirements of Rule 29104 in the case of final settlement). Such price determination shall be deemed final.

##### 29106.C. BTIC Minimum Price Increment

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.010 index points.

## Exhibit B

### **CBOT Rulebook Chapter 29A Bloomberg Commodity Index Swaps (Cleared OTC)**

(additions are underlined)

#### 29A107. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

##### 29A107.A. BTIC Price Assignment Procedures

The cleared swap price of a BTIC transaction shall be determined by the Exchange at 3:30 p.m. Chicago time (2:30 p.m. Eastern time) (or according to the requirements of Rule 29A103 in the case of final settlement). Such price determination shall be deemed final.

##### 29A107.B. BTIC Minimum Price Increment

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.0001 index points.

**Exhibit C**

**CBOT Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

**CBOT Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table**

(additions are underlined)

Outright					Spreads	
Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
<u>BTIC on Bloomberg Commodity Index Futures</u>	<u>AWT</u>	<u>1 index point</u>	<u>10</u>	<u>10</u>	<u>N/A</u>	<u>N/A</u>

**Exhibit D**

**CME/CBOT Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

**Trading at Settlement ("TAS") Table**

(additions are underlined)

<b>Index Futures Products</b>	<b>BTIC Ticker</b>	<b>Product Chapter</b>	<b>Minimum Tick Increment</b>
<b>CBOT</b>			
<u>Bloomberg Commodity Index Futures*</u>	<u>AWT</u>	<u>29</u>	<u>0.01</u>
<b><u>Index Swaps Products</u></b>	<b><u>BTIC Ticker</u></b>	<b><u>Product Chapter</u></b>	<b><u>Minimum Tick Increment</u></b>
<b><u>CBOT</u></b>			
<u>Bloomberg Commodity Index Swaps (Cleared OTC)</u>	<u>DGT</u>	<u>29A</u>	<u>0.0001</u>

\* BTIC on CME Globex available