

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-389

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): 09/29/2016 Filing Description: Amendments to Increase Position Limits for the U.S. Treasury Bond Futures Contract

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.

September 29, 2016

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Increasing Position Limits for the U.S. Treasury Bond Futures Contract. CBOT Submission No. 16-389

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to increase the initial spot month position limits for the U.S. Treasury Bond Futures contract (Rulebook Chapter: 18; CME Globex: ZB; Commodity Code: 17) commencing with the March 2017 contract month and beyond. The initial spot-month limit for contract months up to and including the December 2016 contract month shall remain unchanged. This Submission shall become effective on Monday, October 17, 2016.

The CBOT seeks to amend these position limits commencing with the March 2017 contract month and beyond as follows:

<i>Contract Name</i>	<i>Position Limit up to and including December 2016</i>	<i>Position Limit commencing with March 2017 and beyond</i>
U.S. Treasury Bond Futures	25,000 contracts	30,000 contracts

The Exchange is providing market notification in October 2016 with application to March 2017 futures delivery months to afford the marketplace a full expiration cycle (three months’ time) to consider the impact of the amendments. This amount of advance notification is intended to minimize any potential disruptions to trading in futures delivery months with existing open interest.

The Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CBOT Rulebook (the “Table”) will be amended as described in Appendix A (attached under separate) on the effective date of this submission, Monday, October 17, 2016. The Table will be further amended to delete references to the U.S. Treasury Bond Futures (For delivery months up to and including December 2016) on Wednesday, January 3, 2017, the Exchange business day following the last delivery day of the December 2016 contract month.

The position limits for expiring CBOT Short-Term U.S. Treasury Note Futures (2-Year), 3-Year U.S. Treasury Note Futures, Medium-Term U.S. Treasury Note Futures (5-Year), Long-Term U.S. Treasury Note Futures (10-Year), 10-Year U.S. Treasury Note Futures (Ultra-10), and Long-Term U.S. Treasury Bond Futures (Ultra-Bond) will remain at current levels – i.e., 30,000, 20,000, 85,000, 70,000, 90,000, and 80,000 contracts, respectively – reflecting the Exchange’s determination that these limits are

appropriate to the characteristics and supply of contract-grade Treasury notes and bonds that are eligible for delivery into these futures contracts.

For any given Treasury futures contract, the Exchange establishes and periodically reevaluates the corresponding position limit in light of both market conditions and the structure of the basket of deliverable-grade securities for such contract. Among the factors taken into consideration are (a) the size distribution and supply of such deliverable-grade issues, (b) the proximity of market yields on deliverable grade issues to the 6% notional yield that the Exchange uses to set conversion factors for standardization of contract delivery invoice prices, and (c) the distribution of durations among Treasury issues eligible for delivery into the contract.

CBOT first implemented position limits in expiring Treasury futures in June 2005 in an effort to mitigate congested deliveries that might arise as a result of structural imbalances between the futures and cash markets. The position limits were last reevaluated and revised in July 2015. As in those earlier instances, the aim of the present reexamination and revision is to ensure that the position limits comport with both market conditions and scale of deliverable supply.

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

- Contracts Not Readily Subject To Manipulation: The proposed rule change is designed to set position limits in expiring Treasury futures at levels that are consistent with existing and expected deliverable supplies of cash Treasury securities. As such, the proposed rule will eliminate the potential for congested deliveries of cash securities during delivery periods and thus obviate the chance of manipulation by market participants.
- Position Limitations or Accountability: The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission’s guidance.
- Availability of General Information: The information contained herein will be disseminated to the marketplace via Market Surveillance Notice. The Exchange will publish information on the contracts’ specifications on its website, together with daily trading volume, open interest, and price information.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that these changes 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-filings.html>. Should you have any questions concerning the above, please contact me at (212) 299-2200 or via e-mail at CMEGSubmisisonInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CBOT Rulebook (attached under separate cover)

Appendix A

Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CBOT Rulebook

(attached under separate cover)