



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

June 14, 2013

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Modifications to the CBOT Agricultural Progressive Volume Tier Discount Program for Firms and Individuals  
CBOT/KCBT Submission No. 13-241**

Dear Ms. Jurgens:

Board of Trade of the City of Chicago, Inc. ("CBOT") and the Board of Trade of Kansas City, Missouri, Inc. ("KCBT") (CBOT and KCBT collectively the "Exchanges") hereby notify the Commodity Futures Trading Commission ("Commission") that they plans to modify and extend the CBOT Agricultural Progressive Volume Tier Discount Program for Firms and Individuals ("Program"). The proposed modifications to the Program will become effective on July 1, 2013.

Modifications to Exhibit 1 are set forth below with additions underscoring and deletions ~~overstruck~~.

CBOT and KCBT business staff responsible for the Program and the CBOT/KCBT legal department collectively reviewed the designated contract market core principles ("Core Principles"). During the review, the Exchanges' staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules.

The Program and proposed modifications will not impact the Exchanges' ability to perform their trade practice and market surveillance obligations under the Commodity Exchange Act ("CEA") and the Exchanges' market regulation staff will continue to 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 under the Program to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. The Exchanges' Rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices. These rules will apply to the Program.

The Exchanges certify that the proposed 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 Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at [robert.lev@cmegroup.com](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our CBOT Submission No. 13-241 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

# EXHIBIT 1

## CBOT Agricultural Progressive Volume Tier Discount Program for Firms and Individuals

### Program Purpose

The purpose of this Program is to incentivize CBOT Individual Members and Member Firms to increase their volume and thus market liquidity for the products listed below on Globex and on the CBOT trading floor. A more liquid contract benefits all participants in the market.

### Product Scope

All CBOT full sized Agricultural futures contracts that are traded on the CBOT trading floor and on Globex and KCBT Hard Red Winter Wheat Futures that are traded on Globex ("Products").

### Eligible Participants

There is no limit to the number of participants that may apply for the Program.

1. To be eligible for participation in the CBOT Member Firm incentives below, a participant must:
  - i. Be a CBOT Equity Member Firm (excluding a family of hedge funds). Execution may be conducted by a member or non-member; and
  - ii. Register all participating account owners with the Exchange; and
  - iii. Be a Proprietary Trading Firm which is defined as a firm whose primary means of revenue generation is trading with the firm's own capital. The Exchange, in its sole determination and based on a variety of factors, will have the final decision regarding disputes of eligibility.
2. To be eligible for participation for the CBOT Individual Member Firm Incentives below a participant must:
  - i. Be a CBOT Individual Member (with or without equity) trading for their own account or, Individual CBOT Equity Members where execution is done on the Individual CBOT Equity Member's behalf by another member or delegate.

### Program Term

Start date is July 19, 2012. End date is ~~June 30, 2013~~ December 31, 2013.

### Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

### Qualifications

1. **CBOT Member Firm Participants.**
  - a. *Standard Progressive Tiers.* To qualify for participation in the standard progressive tier discounts for an applicable calendar quarter ("Participating Quarter"), a participant, for the entirety of the calendar quarter immediately preceding the Participating Quarter ("Qualifying

Quarter”) must have traded a minimum of forty percent (40%) of the participant’s volume in the Products on Globex as resting volume.

- b. *Accelerated Progressive Tiers.* In addition to meeting the requirements above, to qualify for the accelerated progressive tier discounts for a Participating Quarter, a participant, during the relevant Qualifying Quarter, must have; (i) maintained a combined average daily volume of one hundred (100) contract sides traded in CBOT and Chicago Mercantile Exchange Inc. agricultural emerging products, as determined by the Exchange, or (ii) traded a minimum of sixty percent (60%) of the participants combined volume in the Products on Globex as resting volume, or (iii) maintained an average daily volume in Products of at least 10,000 contract sides traded on Globex as resting volume.

**Incentives**

- 1. **CBOT Individual Member Participants.** For each calendar month of participation in the Program CBOT Individual Member participants will receive progressive tiered discounts on exchange fees for trades executed on the CBOT trading floor and on Globex based on an applicable participant’s combined average daily volume (“ADV”) in the Products, such ADV to be calculated over an applicable calendar month in accordance with the following:

Monthly Average Daily Threshold (sides)	Exchange Fee Discount (per side)
0 to 2,500	None
2,501 to 5,000	\$0.02
5,001 to 10,000	\$0.04
10,001 +	\$0.06

- 2. **CBOT Member Firm Participants.**

- a. *Standard Progressive Tiers.* For each Participating Quarter, CBOT Member Firm participants will receive progressive tiered discounts on exchange fees for trades executed on the CBOT trading floor and on Globex based on an applicable participant’s combined average daily volume (“ADV”) in the Products, such ADV to be calculated over an applicable calendar month in accordance with the table below. For the purpose of the standard progressive tiered discount incentive the first Qualifying Quarter will be considered a Participating Quarter for legacy participants of the former CBOT Agricultural Volume Incentive Program.

Monthly Average Daily Threshold (sides)	Exchange Fee Discount (per side)
0 to 10,000	None
10,001 to 25,000	\$0.02
25,001 +	\$0.04

- b. *Accelerated Progressive Tiers.* For the first Qualifying Quarter and for each subsequent Participating Quarter thereafter, CBOT Member Firm participants will receive progressive tiered discounts on exchange fees for trades executed on the CBOT trading floor and on Globex based on an applicable participant’s combined average daily volume (“ADV”) in the Products, such ADV to be calculated over an applicable calendar month in accordance with the following:

<b>Monthly Average Daily Threshold (sides)</b>	<b>Exchange Fee Discount (per side)</b>
0 to 5,000	None
5,001 to 12,500	\$0.04
12,501 +	\$0.06

**Monitoring and Termination of Status**

The Exchange shall monitor trading activity and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.