

November 7, 2013

**VIA E-MAIL**

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

**RE: CFTC Regulation 40.6(a) Rule Certification. Issuance of CBOT & KCBT Market Regulation  
Advisory Notice RA1301-8  
CBOT/KCBT Submission No. 13-530**

Dear Ms. Jurgens:

The Board of Trade of the City of Chicago, Inc. ("CBOT") and the Board of Trade of Kansas City, Missouri, Inc. ("KCBT") (collectively, the "Exchanges") are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying the issuance of CBOT & KCBT Market Regulation Advisory Notice RA1301-8 ("RA1301-8") to the marketplace on November 8, 2013. RA1301-8 concerns the disciplinary procedures that will apply to violations of KCBT rules subsequent to the transfer of open interest in KCBT products to CBOT and the subsequent vacation of KCBT's registration as a designated contract market ("DCM").

Upon CFTC approval of the joint KCBT and CBOT pending petition to the CFTC to transfer the open interest and vacate the KCBT DCM, the KCBT Rulebook will be eliminated in its entirety as of the effective date of the vacation. RA1301-8 notifies the marketplace that from the date of the transfer of open interest forward, any KCBT disciplinary processes, including any investigations that are ongoing and any activity which potentially violates KCBT rules that is discovered after the transfer date, will be subject to investigation, enforcement and sanctioning by CBOT, including but not limited to the use of a panel of the CBOT Probable Cause Committee to issue charges for violations of former KCBT Rules and the use of a panel of the CBOT Business Conduct Committee to consider any settlement offers or to conduct any hearings on charges issued. RA1301-8 is being issued to ensure that the marketplace and KCBT market participants have an accurate understanding of the manner in which violations of KCBT rules will be handled subsequent to the vacation of the KCBT DCM.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or the "Act"). During the review, we have identified that the issuance of RA1301-8 may have some bearing on the following Core Principles:

Compliance with Rules: The Market Regulation Advisory Notice being issued provides information to market participants concerning the manner in which violations of KCBT rules will be handled after the KCBT DCM has been vacated. By clarifying that CBOT will discharge any investigatory or sanctioning activity required as a result of a violation of KCBT rules after the KCBT DCM has been vacated, CBOT is in compliance with this Core Principle.

Disciplinary Procedures: As required by this Core Principle, CBOT will have available to it the full panoply of its disciplinary procedure rules with respect to any violations of KCBT rules that occur

prior to the time the KCBT DCM is vacated, including rules concerning the investigation of violative conduct and appropriate sanctioning authority. As a result of CBOT assuming responsibility for the handling of KCBT rule violations, CBOT will remain in compliance with this Core Principle.

CBOT and KCBT certify that the issuance of RA1301-8 complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal. RA1301-8 appears as Exhibit A.

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

If you have any questions regarding this Submission, please contact Robert Sniegowski, Market Regulation, at 312-341-5991 or via e-mail at [Robert.Sniegowski@cmegroup.com](mailto:Robert.Sniegowski@cmegroup.com). Alternatively, you may contact me at 212-299-2200. Please reference CBOT/KCBT Submission No. 13-530 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – RA1301-8

## **Exhibit A**

### **MARKET REGULATION ADVISORY NOTICE**

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|------------------------|---|
| <b>Exchange</b>        | <b>CBOT &amp; KCBT</b>  |
| <b>Subject</b>         | <b>Disciplinary Procedures Applicable to Violations of KCBT Rules</b> |
| <b>Rule References</b> | <b>Chapter 4 (“Enforcement of Rules”)</b>                             |
| <b>Advisory Date</b>   | <b>November 8, 2013</b>   |
| <b>Advisory Number</b> | <b>CBOT &amp; KCBT RA1301-8</b>                                       |

On July 1, 2013, the Board of Trade of Kansas City, Missouri, Inc. (“KCBT”) adopted new Chapter 4 (“Enforcement of Rules”) setting forth the Exchange’s rules with respect to conducting disciplinary investigations and the manner in which violations of KCBT Rules would be sanctioned. The rules in Chapter 4 were harmonized with the existing disciplinary process rules located in Chapter 4 of the Board of Trade of the City of Chicago, Inc.’s (“CBOT”) Rulebook.

Upon CFTC approval of the joint KCBT and CBOT pending petition to the CFTC to transfer the open interest in KCBT products to CBOT and for approval for KCBT to vacate its registration as a designated contract market, the KCBT Rulebook will be eliminated in its entirety as of the effective date of the vacation.

Market participants are advised that from the date of the transfer of open interest forward, any KCBT disciplinary processes, including any investigations that are ongoing and any activity which potentially violates KCBT rules that is discovered after the transfer date, will be subject to investigation, enforcement and sanctioning by CBOT, including but not limited to the use of a panel of the CBOT Probable Cause Committee to issue charges for violations of former KCBT Rules and the use of a panel of the CBOT Business Conduct Committee to consider any settlement offers or to conduct any hearings on charges issued.

Questions regarding this Advisory Notice may be directed to Robert Sniegowski, Senior Director, Market Regulation, at 312.341.5991.

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or [news@cmegroup.com](mailto:news@cmegroup.com).