CME Group

Special Executive Report

DATE: **December 29, 2021**

SER #: **8906**

SUBJECT: **Amendments to Convert Floating Rate from LIBOR to SOFR for all Treasury Invoice Swap Spreads**

Effective Sunday, January 23, 2022, for trade date Monday, January 24, 2022, and pending all relevant CFTC regulatory review periods, The Board of Trade of the City of Chicago, Inc. ("CBOT" or "the Exchange") will amend Rule 58101.B. ("Swap Elections") of CBOT Chapter 58 ("Treasury Invoice Swaps") to change the floating rate option for Treasury Invoice Swap spreads from US Dollar (USD) LIBOR (USD-LIBOR-BBA) to SOFR (USD-SOFR-COMPOUND) as noted in Exhibit 1 below.

Exhibit 1

Traded as Intercommodity Treasury Invoice Spread with Referenced Futures Contract	*Commodity Code for Swap Instrument*	*Floating Rate Option*	
		Current	Amended
Short Term US Treasury Note (2-Year)	T1A, T2A, T3A	USD-LIBOR-BBA	USD-SOFR-COMPOUND
Medium-Term US Treasury Note (5-Year)	F1A, F2A, F3A	USD-LIBOR-BBA	USD-SOFR-COMPOUND
Long -Term US Treasury Note (6 ½ to 10-Year)	N1A, N2A, N3A	USD-LIBOR-BBA	USD-SOFR-COMPOUND
10-Year US Treasury Note	TNA, TNB, TNC, TND, TNE, TNF	USD-LIBOR-BBA	USD-SOFR-COMPOUND
US Treasury Bond	B1A, B2A, B3A	USD-LIBOR-BBA	USD-SOFR-COMPOUND
Long-Term US Treasury Bond	U1A, U2A, U3A	USD-LIBOR-BBA	USD-SOFR-COMPOUND

Amendments to Rule 58101.B. are provided in Appendix A below in blackline format.

Please refer questions on this subject to:

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Appendix A

CBOT Rulebook

Chapter 58
Treasury Invoice Swaps

(additions **underscored**; deletions ~~struck through~~)

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58101. CONTRACT SPECIFICATIONS

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58101.B. Swap Elections

Any contract made under these Rules shall be an Interest Rate Swap Contract ("IRS Contract" per CME Rule 90002.J.) that is accepted for clearing by the Clearing House subject to CME Rulebook Chapters 8F, 8G, 900, and 901, and that is subject to the following Contract Elections (CME Rule 90002.F.):

1. Effective Date:	A specified Related Futures Delivery Date (Rule 58101.A.4.) for a specified Related Futures Contract (Rule 58101.A.2.).
2. Currency:	US dollars (CME Rule 90102.B.).
3. Notional Amount:	Any integer multiple of $0.01.
4. Business Day(s):	New York ~~and London~~.
5. Business Day Convention:	Modified Following.
6. Termination Date:	Maturity date of a given Related Treasury CUSIP (Rule 58101.A.3.).
7. Fixed Rate Payment Dates:	All semiannual period dates, made with reference to a given Termination Date (Rule 58101.B.6.), in the interval beginning with and not including the Effective Date (Rule 58101.B.1.) and ending with and including such Termination Date.
8. Fixed Rate:	See Rule 58102.C.
9. Fixed Rate Day Count:	30/360.
10. Float Rate Payment Dates:	All quarterly period dates, made with reference to a given Termination Date (Rule 58101.B.6.), in the interval beginning with and not including the Effective Date (Rule 58101.B.1.) and ending with and including such Termination Date.
11. Floating Rate Option:	~~USD-LIBOR-BBA~~ **USD-SOFR-COMPOUND** (CME Rule 90102.E.1.).
12. Designated Maturity:	Three (3) months, subject to Rule 58101.B.16.
13. Floating Rate Day Count:	Actual/360.
14. Spread:	None.
15. Compounding:	None.
16. Initial Float Rate Payment:	The floating rate for determination of the Initial Floating Rate Payment shall be set:

(a) by linear interpolation, on the basis of Actual/360 Floating Rate Day Count (Rule 58101.B.13.) with respect to New York ~~and London~~ Business Days (Rule 58101.B.4.) subject to the Modified Following Business Day Convention (Rule 58101.B.5.),

(b) applied to two (2) ~~USD-LIBOR-BBA~~ **USD-SOFR-COMPOUND** values for notional settlement on the Effective Date (Rule 58101.B.1.),

(c) where one such ~~USD-LIBOR-BBA~~ **USD-SOFR-COMPOUND** value is for the standardized Designated Maturity date next preceding the date of such Initial Floating Rate Payment, and the second such ~~USD-LIBOR-BBA~~ **USD-SOFR-COMPOUND** value is for the standardized Designated Maturity date next following the date of such Initial Floating Rate Payment.

Without limitation to the foregoing, such interpolation typically will be applied to pairs of ~~USD-LIBOR-BBA~~ **USD-SOFR-COMPOUND** values for Designated Maturities of two (2) months and three (3) months, or of one (1) month~~s~~ and two (2) months, or of one (1) week and one (1) month.

(End of Rule.)