



## Special Executive Report

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**DATE:** August 21, 2024  
**SER#:** 9421  
**SUBJECT:** Eligibility of Basis Trade at Index Close (“BTIC”) for Bloomberg U.S. Corporate Investment Grade Index Futures and Bloomberg U.S. Corporate High Yield Very Liquid Index Futures

Effective Sunday, September 15, 2024, for trade date Monday, September 16, 2024, and pending all relevant Commodity Futures Trading Commission (“CFTC”) regulatory review periods, The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) will implement various rule amendments to provide Basis Trade at Index Close (“BTIC”) eligibility for the Bloomberg U.S. Corporate Investment Grade Index Futures and Bloomberg U.S. Corporate High Yield Very Liquid Index Futures contracts (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing on CME ClearPort as more specifically described below.

| <b>UNDERLYING FUTURES CONTRACT</b>            | <b>Bloomberg U.S. Corporate Investment Grade Index Futures</b>   | <b>Bloomberg U.S. Corporate High Yield Very Liquid Index Futures</b> |
|---|--|--|
| <b>BTIC Code</b>                              | IQBT   | HYBT   |
| <b>RULEBOOK CHAPTER</b>                       | 90   | 91   |
| <b>TRADING AND CLEARING HOURS</b>             | <b>CME Globex Pre-open:</b> Sunday 4:00 p.m. - 5:00 p.m. Central Time (CT) Monday – Thursday 4:45 p.m. - 5:00 p.m. CT<br><b>CME Globex:</b> Sunday 5:00 p.m. - Friday - 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT<br><b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. - 6:00 p.m. CT |  |
| <b>BLOCK TRADE MINIMUM / REPORTING WINDOW</b> | 100 contracts / RTH – 15 minutes; ETH/ATH – 15 minutes   |  |

Specifically, CBOT will adopt 9X106.A. (“Basis Trade at Index Close (“BTIC”) Transactions”) in both futures product rulebook chapters (see Exhibit A), amend the related Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table (the “Table”) (see Exhibit B). The related Exchange fees are provided in Exhibit C. (collectively, the “Rule Amendments”).

By way of background, CBOT initially listed the underlying futures contracts for trading on the CME Globex and for submission for clearing via CME ClearPort effective on June 17, 2024 (see [SER 9362R](#) dated May 24, 2024).

Please refer questions on this subject to:

### **Business Line Management**

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**Exhibit A**  
**CBOT Rulebook**

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

**Chapter 90**  
**Bloomberg U.S. Corporate Investment Grade Index Futures**

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**90104.-35. [RESERVED]**

**90106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS**

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

**90106.A. Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index on a given Trading Day, the corresponding futures price shall be made by reference to the closing Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index, the corresponding futures price shall be made by reference to the closing Index value for the next Trading Day.

**90106.B. Price Assignment Procedures**

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

**90106.C. Minimum Price Increments**

The valid basis or price increment applied to the closing Index value to establish the BTIC futures price shall be 0.25 Index points, equal to \$7.50 per contract.

**90106.B. Market Disruption Events**

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

**Chapter 91**

**Bloomberg U.S. Corporate High Yield Very Liquid Index Futures**

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**91104.-35. [RESERVED]**

**91106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS**

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

**91106.A. Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index on a given Trading Day, the corresponding futures price shall be made by reference to the closing Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index, the corresponding futures price shall be made by reference to the closing Index value for the next Trading Day.

**91106.B. Price Assignment Procedures**

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

**91106.C. Minimum Price Increments**

The valid basis or price increment applied to the closing Index value to establish the BTIC futures price shall be 0.05 Index points, equal to \$7.50 per contract.

**91106.B. Market Disruption Events**

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

**Exhibit B**  
**CBOT Rulebook**  
**Chapter 5**  
**(“Trading Qualifications and Practices”)**

**Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table**

(additions underscored)

| <u>CME and CBOT Interest Rate Futures Products Eligible for Basis Trade at Index Close (“BTIC”) Pricing</u> |                    |                         |
|---|--------------------|-------------------------|
| <u>Interest Rate Futures</u>  | <u>BTIC Symbol</u> | <u>Rulebook Chapter</u> |
| <u>CBOT</u>   |                    |                         |
| Bloomberg U.S. Corporate Investment Grade Index Futures   | IQBT               | <u>90</u>               |
| Bloomberg U.S. Corporate High Yield Very Liquid Index Futures   | HYBT               | <u>91</u>               |

**Exhibit C**  
**Exchange Fees**

| Level  | Account Owner   | Execution Type                 | Venue/<br>Transaction Type | Fee    |
|--|---|--------------------------------|----------------------------|--------|
| 1  | Individual Members  | Member Account Owner           | BTIC                       | \$0.45 |
|  | Individual Delegates  | Delegate Trading Own Account   | BTIC                       | \$0.46 |
| <b>Equity Members (Individual Equity members, Clearing Equity Member Firms and Equity Member Firms)</b>              |   |                                |                            |        |
| 2  | Rule 106.J Equity Member Firms<br>Rule 106.I Affiliate Equity Member Firms<br>Individual Equity Members (Other Member/Delegate executing trade)<br>Clearing Equity Member Firms<br>Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate | Member or Delegate             | BTIC                       | \$0.45 |
|  |   | Non-Member                     | BTIC                       | \$0.45 |
|  | Rule 106.S. Family of Funds Equity Member Firms   | Member, Delegate or Non-Member | BTIC                       | \$0.45 |
| <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 trade)<br>Clearing Non-Equity Member Firms<br>Rule 106.H. Member Firms<br>Rule 106.I. Affiliate Trading Member Firms (w/ an owned seat) | Member,<br>Delegate or<br>Non-Member | BTIC               | \$0.50 |
|   | Individual Delegates (Other Member/Delegate executing trade)<br>Rule 106.I. Affiliate Trading Member Firms (w/ a leased seat)  | Member,<br>Delegate or<br>Non-Member | BTIC               | \$0.60 |
|   | Rule 106.S. Family of Funds Trading Member Firms   | Member,<br>Delegate or<br>Non-Member | BTIC               | \$0.50 |
| <b>Electronic Corporate Member Firm</b> |  |                                      |                    |        |
| 4                                       | Rule 106.R Electronic Corporate Member Firms<br>(For other than CME Globex – See Non-Members)  | Member,<br>Delegate or<br>Non-Member | CME Globex<br>BTIC | \$0.60 |
| <b>Non-Members</b>                      |  |                                      |                    |        |
| 5                                       | International Incentive Program (IIP)<br>International Volume Incentive Program (IVIP)   | Member,<br>Delegate or<br>Non-Member | BTIC               | \$1.25 |
|   | Latin American Fund Manager Incentive Program (FMIP)   | Member,<br>Delegate or<br>Non-Member | BTIC               | \$1.25 |
|   | Non-Members  | N/A                                  | BTIC               | \$1.25 |

| Processing Fees  | Fee                  |
|--|----------------------|
| Exchange Fees for Non-Trades<br>(Member/Delegate/Non-Member) | \$0.10/\$0.25/\$0.55 |
| Exchange Fees for Non-Trades - Expired Options               | \$0.10               |
| Position Adjustment/Position Transfer                        | \$0.10               |
| Give-Up Surcharge  | \$0.06               |
| Facilitation Fee   | \$0.00               |