



2004 MAY 11 AM 3:02

May 11, 2004

Via Electronic Mail

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CBOE Futures Exchange, LLC Rule Certification
Submission Number CFE-2004-13

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission ("Commission") under the Act, CBOE Futures Exchange, LLC ("CFE") hereby submits an amendment to CFE Rule 516 ("Amendment").

The Amendment makes a technical change to CFE Rule 516 to make it consistent with Commission Regulation § 1.49. The Amendment will become effective on May 13, 2004. CFE is not aware of any substantive opposing views to the Amendment.

CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder.

The Amendment, marked to show deletions in [bracketed] text, consists of the following:

* * * * *

Rule 516. Customer Margin

(a) – (c) No change

(d) *Acceptable Margin Deposits.* Clearing Members may accept from Customers as margin the following: cash currencies of any denomination, readily marketable securities (as defined by Exchange Act Rule 15c3-1(c)(11) and applicable Securities and Exchange Commission interpretations), money market mutual funds allowable under Commission Regulation § 1.25, and letters of credit issued by a bank or trust company.

Securities that have been issued by the Customer or an affiliate of the Customer shall not be accepted as margin unless the Clearing Member files a petition with, and receives permission from, the Exchange. Bank-issued and trust-issued letters of credit must be drawable in the United States and in a form acceptable to the Exchange. Letters of credit in a form approved by the

Ms. Jean A. Webb

Page 2 of 2

Clearing Corporation are deemed a form acceptable to the Exchange. Letters of credit issued by the Customer, an affiliate of the Customer, the Clearing Member, or an affiliate of the Clearing Member shall not be accepted by Clearing Members as margin. All Customer assets accepted by Clearing Members as margin deposits must be and remain unencumbered by third party liens against the depositing Customer. Cash currency margin deposits shall be valued at market value, unless the Exchange has prescribed otherwise. Clearing Members must comply with Commission Regulation § 1.49 when accepting and holding foreign currencies as a margin deposit on any Contract[, including its requirement to obtain a Subordination Agreement from the depositing Customer]. All other margin deposits shall be valued at an amount not to exceed market value less applicable deductions, as set forth in Exchange Act Rule 15c3-1.

(e) – (o) No change

* * * * *

Questions regarding this submission may be directed to Richard Lewandowski at (312) 786-7183 or David Doherty at (312) 786-7466. Please reference our submission number CFE-2004-13 in any related correspondence.

CBOE Futures Exchange, LLC

By: 
Edward J. Joyce
President

cc: Mark Baumgardner (OCC)