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2004 FEB 23 PM 4:00

February 23, 2004

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

Reference File # 2429.01
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6, the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **Amendments to Regulations 444.01, 444.01B, 444.02, 1809.02, 2309.02, 2409.02 and 2509.02 per the attached texts (additions underlined; deletions bracketed and struck through).**

These amendments concern cross-references to Regulations 444.04 and 444.06, which respectively govern "Exchange for Swap" and "Exchange for Risk" transactions. The revisions to Regulations 444.01, 444.01B and 444.02 simplify relevant cross-references. The revisions to Regulations 1809.02, 2309.02, 2409.02 and 2509.02 add conforming cross-references for U.S. Treasury Bond, Short-Term, Long-Term and Medium-Term U.S. Treasury Note futures respectively.

The CBOT intends to implement these amendments no sooner than one day after the Commission's receipt of this filing.

There were no opposing views among the CBOT's Board of Directors concerning these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

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ATTACHMENT 1

Additions are underlined. [Deletions are bracketed and struck through.]

444.01 Transfer Trades; Exchange of Futures for Physicals and Give-up Transactions - Transfer trades, or office trades, are defined and limited to trades made upon the books of a commission merchant for the purpose of: (a) transferring existing trades from one account to another within the same office where no change in ownership is involved; or, (b) transferring existing trades from the office of one commission merchant to the office of another commission merchant where no change in ownership is involved, provided that no such transfer may be made for the purpose of evading and avoiding delivery on such trades and provided further that if such transfer is made after receipt from the Clearing Services Provider of a notice of intention to deliver applicable to such trades, then the notice of intention to deliver must be passed through the Clearing Services Provider along with the trades so transferred, and the Clearing Services Provider shall thereupon pass the notice of intention to deliver to the commission merchant to whom such transfer has been made and delivery shall be taken by such commission merchant; or, (c) exchanging futures for cash commodities or in connection with cash commodities transactions; or, (d) exchanging futures for, or in connection with, swap transactions involving those futures designated in Regulation 444.04 [~~Dow Jones AIG Commodity Indexsm futures, 10-Year Municipal Note Index futures, 10-Year Interest Rate Swap futures, 5-Year Interest Rate Swap futures and Long Term and Medium Term Fannie Mae[®] Benchmark and Freddie Mae Reference Notesm futures~~]; or, (e) exchanging futures for, or in connection with, over-the-counter derivative transactions involving those futures designated in Regulation 444.06; [~~Corn, Soybeans, Soybean Meal, Soybean Oil, Wheat, Oat and Rice futures,~~] or, (f) to establish the prices of cash commodities; or, (g) correcting errors on cleared trades, provided the original trade documentation confirms the error and the special clearing code or screen designated by the Board of Directors has been used to identify these transfers; or (h) reporting Block Trade transactions for any contract that is eligible for Block Trade transactions under Regulation 331.05; or (i) transferring trades executed on behalf of another commission merchant from the account of the executing commission merchant to the account of the other commission merchant customer where no change of ownership is involved, provided that the special clearing code or screen designated by the Board of Directors has been used to identify these transfers. The Business Conduct Committee ([~~"]BCC["~~]), or designated staff pursuant to delegated authority, may, in its discretion, upon written request, exempt a transfer trade from the requirements of this provision providing that the transfer trade is made for the purpose of combining the positions held by two or more commodity pools which are operated by the same commodity pool operator and traded by the same commodity trading advisor, pursuant to the same strategy, into a single account so long as the transfer does not result in the liquidation of any open positions, and the pro rata allocation of interests in the consolidating account does not result in more than a de minimis change in the value of the interest of any pool participant. Additionally, the BCC, or designated staff pursuant to delegated authority, in its discretion, upon written request, may exempt such other

transfers in connection with or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

Give-up transactions must be transferred in accordance with the procedure provided in subparagraph (h) above. In the case of give-up transactions, the commission merchant ("executing commission merchant") executing a trade on behalf of another commission merchant (the "carrying commission merchant") (including such carrying commission merchant's customers) must submit the trade to the Clearing Services Provider for clearing, and remains responsible for the clearing and settlement of such trade as prescribed by the Clearing Services Provider. Executing commission merchants and carrying commission merchants must utilize an automated invoicing system for commission payments resulting from give-up transactions, as determined by the Board of Directors. Notwithstanding the foregoing, the executing commission merchant, carrying commission merchant and, as applicable, the customer on the account at the carrying commission merchant for which the trade is executed, may by agreement set out their respective obligations and financial responsibility to one another relating to the transfer of the trade.

The exchange of futures in connection with cash commodity transactions, or the exchange of futures for cash commodities, or the exchange of futures for, or in connection with, swap transactions involving those futures designated in Regulation 444.04 [Dow Jones AIG Commodity IndexSM futures, 10-Year Municipal Note Index futures, 10-Year Interest Rate Swap futures, 5-Year Interest Rate Swap futures and Long Term and Medium Term Fannie Mae[®] Benchmark and Freddie Mac Reference NoteSM futures], or the the exchange[ing] of futures for, or in connection with, over-the-counter derivative transactions involving those futures designated in Regulation 444.06, [Corn, Soybeans, Soybean Meal, Soybean Oil, Wheat, Oat and Rice futures] may be made at such prices as are mutually agreed upon by the two parties to the transaction.

All transfer trades made between the offices of two commission merchants and all office trades made in connection with cash commodity transactions, or the exchange of futures for cash commodities, or the exchange of futures for, or in connection with, swap transactions involving those futures designated in Regulation 444.04, [Dow Jones AIG Commodity IndexSM futures, 10-year Municipal Note Index futures, 10-Year Interest Rate Swap futures, 5-Year Interest Rate Swap futures and Long Term and Medium Term Fannie Mae[®] Benchmark and Freddie Mac Reference NoteSM futures] or the exchange of futures for, or in connection with, over-the-counter derivative transactions involving those futures designated in Regulation 444.06, [Corn, Soybeans, Soybean Meal, Soybean Oil, Wheat, Oat and Rice futures] shall be designated by proper symbol as transfer or office trades and must be cleared through the Clearing Services Provider in the regular manner.

Transfer trades must be made at the same price or prices which appear on the books of the transferring commission merchant, and the transfer must also show the date when such trade or trades were originally made. However, the BCC, or designated staff pursuant to delegated authority, in its discretion, upon written request, may permit the transfer of positions at settlement price if such transfer is made as a result of, or in

connection with, a merger, asset purchase, consolidation, or similar non-recurring transaction where the entity to which the positions are transferred becomes the successor in interest to the entity from which the transfer originated. All such transfers shall retain the original trade date of the positions. Additionally, those transfers involving a debtor as defined by and in accordance with Regulation 272.02 shall retain the original trade date for purposes of delivery but shall be entered on the books of the transferee at the settlement price on the day of the transfer. In addition, each party to transfer trade transactions shall file with the Clearing Services Provider a memorandum stating the nature of the transaction, whether the transaction has resulted in a change of ownership, the kind and quantity of cash commodity swap, or over-the-counter derivative if any is involved, the kind, quantity and price of the commodity future, the name of the opposite Clearing member, if any, and such other information as the Clearing Services Provider may require.

444.01B Prohibition on Exchange of Futures for Cash Commodities, on Exchange of Futures for, or in Connection with, Swap Transactions, and on Exchange of Futures for, or in Connection with, OTC [Agricultural] Transactions Involving Multi-Parties - The exchange of futures for cash commodities or in connection with cash commodity transactions, or the exchange of futures for, or in connection with, swap transactions involving those futures designated in Regulation 444.04 [Dow Jones-AIG Commodity Indexsm futures, 10-Year Municipal Note Index futures, 10-Year Interest Rate Swap futures, 5-Year Interest Rate Swap futures Long Term and Medium Term Fannie Mae[®] Benchmark and Freddie Mac Reference Notesm futures] may [only] occur only when the buyer of the futures contracts is the seller of the cash commodity or swap and the seller of the futures contracts is the buyer of the cash commodity or swap. However, a Member Firm[s] may facilitate, as principal, the cash commodity component of an Exchange for Physical (EFP) on behalf of a customer, provided that the Member Firm can demonstrate that the cash commodity transaction was passed through to the customer that received the futures position as part of the EFP transaction. The exchange of futures for, or in connection with, over-the-counter derivative transactions involving those futures designated in Regulation 444.06 [Corn, Soybeans, Soybean Meal, Soybean Oil, Wheat, Oat and Rice futures] may occur only when the buyer and seller of the futures contracts are the opposing sides to the OTC transaction and have, respectively, the short and long market exposure associated with the OTC transaction. All such transactions must be submitted to the [clearing house] Clearing Services Provider by a clearing firm acting on its own behalf or for the beneficial account of a customer who is a party to the transaction.

444.02 Clearance of Exchanges of Futures for Physicals Transactions, of Exchanges of Futures for, or in Connection with, Swap or OTC Transactions - With respect to the futures portion of an exchange of futures for physical transaction, or an exchange of futures for swap transaction involving those futures designated in Regulation 444.04, [Dow Jones-AIG Commodity Indexsm futures, 10-Year Municipal Note Index futures, 10-Year Interest Rate Swap futures, 5-Year Interest Rate Swap futures and Long Term and Medium Term (Fannie Mae[®] Benchmark and Freddie Mac

Reference) Notesm futures,] or an exchange of futures for over-the-counter derivative transaction involving **those futures designated in Regulation 444.06 [Corn, Soybeans, Soybean Meal, Soybean Oil, Wheat, Oat or Rice futures]**, clearing firms on opposite sides of the transaction must subsequently approve the terms of the transaction, including the clearing firm (division), price, quantity, commodity, contract month, and date prior to submitting the transaction to the Clearing Services Provider.

ATTACHMENT 2

Additions are underlined.

1809.02 Liquidation in the Last Seven Days of Delivery Months - After trading in contracts for future delivery in the current delivery month has ceased in accordance with Regulation 1809.01 of this chapter, outstanding contracts may be liquidated by the delivery of book-entry U.S. Treasury bonds (Regulation 1842.01), or by mutual agreement by means of a bona fide exchange of such current futures for actual U.S. Treasury bonds or comparable instruments, or by mutual agreement by means of a bona fide exchange of such current futures for, or in connection with, a swap transaction (per Regulation 444.04). Such exchange must, in any event, be made no later than the fifth business day immediately preceding the last business day of the delivery month.

ATTACHMENT 3

Additions are underlined.

2309.02 Liquidation after Trading Has Ceased - After trading in contracts for future delivery in the current delivery month has ceased in accordance with Regulation 2309.01 of this chapter, outstanding contracts may be liquidated by the delivery of book-entry U.S. Treasury notes (Regulation 2342.01), or by mutual agreement by means of a bona fide exchange of such current futures for actual U.S. Treasury notes or comparable instruments, or by mutual agreement by means of a bona fide exchange of such current futures for, or in connection with, a swap transaction (per Regulation 444.04). Such exchange must, in any event, be made no later than 12:00 p.m. Chicago time on the second business day immediately preceding the last business day of the delivery month, as defined in Regulation 2346.01.

ATTACHMENT 4

Additions are underlined.

2409.02 Liquidation in the Last Seven Days of Delivery Months - After trading in contracts for future delivery in the current delivery month has ceased in accordance with Regulation 2409.01 of this chapter, outstanding contracts may be liquidated by the delivery of book-entry U.S. Treasury notes or bonds (Regulation 2442.01), or by mutual agreement by means of a bona fide exchange of such current futures for actual U.S. Treasury Notes or Bonds or comparable instruments, or by mutual agreement by means of a bona fide exchange of such current futures for, or in connection with, a swap transaction (per Regulation 444.04). Such exchange must, in any event, be made no later than the fifth business day immediately preceding the last business day of the delivery month.

ATTACHMENT 5

Additions are underlined.

2509.02 Liquidation in the Last Seven Days of Delivery Months - After trading in contracts for future delivery in the current delivery month has ceased in accordance with Regulation 2509.01 of this chapter, outstanding contracts may be liquidated by the delivery of book-entry U.S. Treasury notes (Regulation 2542.01), or by mutual agreement by means of a bona fide exchange of such current futures for actual U.S. Treasury notes or comparable instruments, or by mutual agreement by means of a bona fide exchange of such current futures for, or in connection with, a swap transaction (per Regulation 444.04). Such exchange must, in any event, be made no later than the fifth business day immediately preceding the last business day of the delivery month.