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 RECORDS SECTION

June 10, 2004

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Jean Webb  
 Office of the Secretariat  
 Commodity Futures Trading Commission  
 Three Lafayette Centre  
 1155 21<sup>st</sup> Street, NW  
 Washington, DC 20581

Re: Large Trader Reporting Rules

**COMMENT**

Dear Ms. Webb:

U.S. Futures Exchange, L.L.C. ("Eurex US") welcomes the opportunity to comment on the Commodity Futures Trading Commission's (the "Commission") request for comments in connection with its proposed changes to reporting levels and recordkeeping requirements.<sup>1</sup>

Eurex US is a newly designated contract market regulated by the Commission. Eurex US currently offers futures and options contracts on U.S. Treasury Notes and Bonds for trading on its electronic platform.

Of particular relevance to Eurex US, the Commission is proposing to increase the reporting levels for U.S. Treasury Notes and Bonds as follows:

Contract	Current Reporting Level	Proposed Reporting Level
2-Year Notes	500	1000
5-Year Notes	800	2000
10-Year Notes	1000	2000
30-Year Bonds	1000	1500

Generally, Eurex US applauds the Commission's willingness to increase reporting levels. However, the proposed reporting levels remain too low and should be increased even further. This opinion is based on: 1) the existence of a huge amount of deliverable supplies; 2) the continuing increase in trading volumes in U.S. Treasury contracts; and 3) the increase in average transaction sizes since the reporting levels were first set. As a result of these facts, market manipulation has become less likely. Accordingly, Eurex US recommends an increase in reporting levels to the 5000 contract range for all U.S. Treasury contracts.

The Commission is also proposing to change its existing rules on how such data is reported by contract markets and reporting firms in order to reflect changes in technology. As an electronic marketplace, Eurex US supports any changes that embrace electronic methods of

<sup>1</sup> 69 FR 26333 (May 12, 2004).

publishing information and making regulatory filings, especially in this case where current rules require the furnishing of hardcopy reports and forms. All Eurex US information that must be publicly accessible is posted either on Eurex US' website (<http://www.eurexus.com>) or on the website of one of its service providers, in particular The Clearing Corporation (<http://www.clearingcorp.com>), which provides Eurex US' Part 16 data.

Nonetheless, Eurex US would caution the Commission in its approval of electronic methods of reporting and filing by ensuring that a consistent electronic protocol is adopted to facilitate the ease of use for all exchanges and market participants. Eurex US is concerned that, without proper foresight and restrictions, varying electronic methods may proliferate throughout the futures industry. Thus, a host of different method of reporting, filing or verification would be developed. This would be more, not less, burdensome than current rules provide.

Eurex US thanks the Commission for the opportunity to comment on the proposed changes.

Sincerely,



Satish Nandapurkar  
CEO