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September 2, 2003

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

Reference File #2356.01  
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Rule 40.6, the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following:

- **Amendments to Regulation 450.02D per the attached text (additions underlined).**

Regulation 450.02D specifies how member firms in particular registration categories may designate "member firm affiliates" for Exchange transaction fee purposes. The referenced amendments add a provision whereby member firms in a recently-established new registration category (i.e., category (3) of Regulation 230.02) may designate such member firm affiliates.

The CBOT intends to implement these amendments 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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Additions are underlined.

**450.02D Affiliates of Member Firms** - The term "member firm affiliate" shall mean a non-Futures Commission Merchant, non-clearing entity which is wholly owned by one or more member firms, which wholly owns a member firm, or which is wholly owned by the same parent company(ies) as a member firm. For purposes of this regulation, the term "member firm" shall refer only to a firm registered with the Exchange pursuant to registration categories (1a), (1b), (2a) or (2b) of Regulation 230.02.

A. A member firm affiliate may lease a Full or Associate Membership on its own behalf, thereby qualifying for delegate fee treatment (i.e., the applicable member firm fee plus the applicable delegate fee) with respect to its transactions on the Exchange.

B. A member firm which owns one or more Full Memberships in addition to those required for its own registration under Rule 230.00, and/or any Associate Membership(s), (hereinafter "non-qualifying memberships") may designate such a non-qualifying membership to make its member firm affiliate eligible for member firm transaction fee treatment. Such designations shall be subject to the following provisions:

- (1) In order to become effective, the designation must be documented with, and approved by, the Exchange in such manner as the Exchange prescribes.
- (2) A non-qualifying membership may not be designated for more than one member firm affiliate at any given time.
- (3) Upon such designation, the member firm affiliate shall be subject to the Exchange's jurisdiction and to all duties and obligations imposed upon members, member firms, or other approved persons under the Rules and Regulations; provided, however, that the Exchange may exempt such member firm affiliates from any such duty or obligation which, in the Exchange's sole judgement, is incompatible or in conflict with, or is unrelated to, the activities of the member firm affiliate.
- (4) The Exchange may withdraw its approval of such designation for good cause.
- (5) A non-qualifying membership will be subject to sale by the Board for the acts or delinquencies of the member firm for which it is registered and/or for the acts or delinquencies of the member firm affiliate.
- (6) Upon the sale or transfer of a non-qualifying membership, claims may be filed pursuant to Rule 253.00 against the member firm for which the membership is registered and/or against the member firm affiliate.

C. Notwithstanding the preceding provisions of this regulation, a member firm registered with the Exchange pursuant to registration category (3) of Regulation 230.02 may designate, as its member firm affiliates, up to five additional entities which are wholly owned by, or under common trading control with, such member firm.