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September 22, 2003

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

Reference File #2364.01
Rule Certification

Dear Ms. Webb:

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

- **Amended Regulations 230.02 and 285.05 per the attached texts (additions underlined; deletions bracketed).**

These amendments will update and modify CBOT financial filing requirements with respect to non-FCM member firms and sole proprietor clearing members as summarized below:

- Require non-FCM clearing member firm applicants to submit a certified financial statement in connection with their application and on an annual basis thereafter, as well as quarterly unaudited financial statements for the other quarters of their fiscal year;
- Require sole proprietor clearing member applicants to submit a financial statement on a form designated by the Exchange, and to file unaudited financial statements on a quarterly basis thereafter; and
- Modify the requirements for non-clearing, non-FCM member firm applicants to provide for Exchange discretion in determining the necessary financial filings.

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

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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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230.02 Registration of Membership for Eligible Business Organizations - An individual desiring to register a membership for an eligible business organization under Rule 230.00, shall submit an application giving the name of the eligible business organization and the business in which it is engaged, and any other information requested by the Exchange. The application must also show that the member is a principal or employee of the eligible business organization. In addition, the application must designate the type of business activity, as measured by the following list, for which registration is requested:

- (1a) Registered Futures Commission Merchant (“FCM”) – Clearing.
- (1b) Registered FCM – Non-clearing.
- (2a) Non-FCM – Clearing.
- (2b) Non-FCM – Non-clearing. (Must be wholly-owned by members or members and employees of the firm; or must have a business purpose deemed appropriate by the Exchange, including cash grain firms, financial institutions, market makers designated by the Exchange, proprietary trading firms, or other forms of business approved by the Exchange.)
- (2c) Non-FCM – Non-clearing Associate member affiliate of another member firm (“member firm affiliate”).
- (3) Other Non-FCM – Non-clearing. (Commodity pools, hedge funds, or other collective investment vehicles.)
- (4) Sole Proprietor – Clearing.

If activity level (1a), [or] (1b), or (2a) has been designated, the member shall submit the following financial information of the eligible business organization: a certified financial statement prepared by an independent Certified Public Accountant as of the most recent fiscal year end, and a financial statement (which need not be certified) which is current as of the most recent preceding calendar month end. If activity level [(2a),] (2b), (2c) or (3) is designated, the member shall submit [the following] such financial information of the eligible business organization[: its most recent certified financial statement (if applicable) and a financial statement (which need not be certified) which is current as of the most recent preceding calendar month end.] that may be required, in the discretion of the Exchange. A member who is applying to be a Sole Proprietor CBOT Clearing Member shall submit a financial statement in the form designated by the Exchange.

The Exchange may in its discretion waive or modify the foregoing requirements in the case of changes in registration necessitated by reorganization of firms currently registered with the Exchange.

Approval is required for a registered eligible business organization changing or expanding its type of business to a higher level of business activity as set forth above. An eligible business organization requesting approval to operate as a type (1a), [or] (1b), or (2a) firm which was previously registered as any other type of firm must first submit the financial information required for approval as a type (1a), [or] (1b), or (2a) firm as specified above.

The Exchange may in its discretion grant temporary approval in the case of changes in registration necessitated by reorganization of firms currently registered with the Exchange.

Upon receipt of an application for new firm registration for an eligible business organization, the Secretary shall, within fifteen days thereafter, make available to the membership the name of the eligible business organization, and shall post the same information on the bulletin board for a period of at least ten days after such notification to the Membership.

No member may register his or her membership for more than one eligible business organization.

No membership registered for any eligible business organization under Rule 230.00, may be delegated under the provisions of Rule 221.00.

An eligible business organization which has been conditionally approved for member firm status shall have six (6) months after the date that it was notified of such approval, or within such extension of said period as may be granted by the Exchange, to satisfy any conditions or contingencies imposed on such approval. If the conditions or contingencies are not satisfied by the applicable deadline, the Committee's approval of the eligible business organization for member firm status shall be deemed void.

285.05 Financial Requirements -

A. All member firms that are registered as Futures Commission Merchants must comply with the requirements set forth in the following CFTC Regulations:

1. 1.10 - Financial reports;

a. In addition to the requirements set forth in CFTC Regulation 1.10, each member FCM must:

1. File with the Exchange unaudited monthly financial statements, including an unaudited monthly financial statement as of the firm's fiscal year-end; and
2. Submit with the certified year-end financial statement a reconciliation between the certified financial statement and the unaudited monthly financial statement as of the firm's fiscal year end; and
3. For all financial statement filings, submit a Statement of Income (Loss) for the period between the date of the most recent financial statement or, at the option of the member FCM, the most recent certified financial statement filed with the Exchange; and
4. Each member FCM must promptly submit to the Exchange, unless specifically exempted, copies of any financial statements (for example, Focus Reports) submitted to any other futures or securities exchange, self-regulatory organization, Clearing Services Provider, or federal government agency.

* * * *

B. [For] Each Non-FCM Clearing Member firm[s, see Appendix 4C] must file with the Exchange a certified year-end financial statement within 90 days of the firm's year-end. In addition, such a firm is also required to file within 45 days of the statement dates, unaudited quarterly financial statements for each of the three quarters that do not end on the firm's year-end.

- C. [For] Sole Proprietor Clearing Members[, see Appendix 4D] must file with the Exchange unaudited quarterly financial statements within 45 days of the statement dates.
- D. For firms that are regular to deliver agricultural products see Appendix 4E.
- E. For firms that are regular to deliver Rough Rice see Appendix 37D.

In addition, any FCMs, Non-FCMs, or Sole Proprietors who are CBOT Clearing Members must comply with any additional minimum financial requirements or financial statement filing requirements imposed on such members by the Exchange, or by the Clearing Services Provider, pursuant to a Clearing Services Agreement.

Exchange staff may grant exceptions to the financial requirements imposed by this Regulation, unless required by the Commodity Futures Trading Commission, for good cause, if it is determined that such exceptions will not jeopardize the financial integrity of the Exchange, or the Clearing Services Provider, as applicable.