

June 16, 2004

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

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Reference File #2463.01  
Rule Certification

Dear Ms. Webb:

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

- **Amendments to Rule 221.00(d) and Regulations 221.09 and 230.02 per the attached texts (additions underlined; deletions bracketed and struck through).**

Regulation 230.02 presently specifies that e-cbot member firm status is available only to firms which are members of a foreign (non-United States) exchange. The revisions will remove this restriction, and thus expand the eligibility standards for this member firm registration category. The amendments to Rule 221.00(d) and Regulation 221.09 simply represent conforming cross-references.

The CBOT intends to implement these amendments one day after the Commission's receipt of this filing.

When the Board of Directors considered this proposal, one Director voted against it, expressing the view that the revisions would not advance the Exchange's business purposes. (Thirteen Directors voted in favor of the proposal and one abstained from voting.)

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

Sincerely,

Paul Draths  
Vice President and Secretary

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Additions underlined' Deletions bracketed and struck through.

**221.00 Delegation** - An individual member may delegate the rights and privileges of Full and/or Associate Memberships to an individual (a "delegate") upon the following terms and conditions:

\* \* \* \*

(d) A delegate shall not be entitled to register under Rule 230.00 for an eligible business organization, except as otherwise provided in Rule 230.00 and Regulation 230.02;

\* \* \* \*

**221.09 Delegation of Firm-Owned Memberships and Membership Interests** - An eligible business organization registered as a member firm under Rule 230.00 may delegate the rights and privileges of a firm-owned membership or membership interest to an individual ("delegate") upon the terms and conditions set forth in Rule 221.00, but only if the membership being leased is not necessary to satisfy the requirements for registration as a member firm or, if applicable, as a clearing member firm, except as otherwise provided in Rule 230.00 and Regulation 230.02.

**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) e-cbot member firm. (Solely for purposes of Chapter 9B, the owner of an Associate Membership or the delegate of a Full or Associate Membership shall be entitled to

register under Rule 230.00 for an eligible business organization, solely to conduct non-clearing business on e-cbot. [~~Except for firms which already were registered under this category as of September 1, 2003, e-cbot member firm status shall be available only to firms which are members of an exchange which is legally organized in a jurisdiction outside of the United States.~~]

(5) Sole Proprietor – Clearing

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