



**Regulatory Bulletin Certification**

October 8, 2004

***By Electronic Mail and FedEx***

Ms. Jean A. Webb  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Rule Certification by NQLX LLC

Dear Ms. Webb,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Regulation 40.6, NQLX, LLC ("NQLX") hereby certifies the enclosed Regulatory Bulletin related to CTI codes, *Proper Use of Customer Type Indicator Codes 03-2004* (Oct. 11, 2004). This Regulatory Bulletin sets forth revisions to the requirements associated with using proper CTI codes when reporting trades on NQLX. These amendments are intended to conform the NQLX CTI code definitions to those agreed to by members of the Joint Compliance Committee.

The proposed adoption and effective date of this Regulatory Bulletin is October 8, 2004. This Regulatory Bulletin has been approved for adoption by management of NQLX pursuant to NQLX's rules. There were no substantive opposing views expressed as to its adoption. NQLX hereby certifies that *NQLX Regulatory Bulletin 03-2004* (Oct. 11, 2004) complies with the Commodity Exchange Act and the regulations thereunder.

Please contact me at (312) 553-4819 if you have any questions concerning the enclosed bulletin.

Sincerely,

Robert Ledvora  
Executive Vice President and  
Chief Financial Officer

CC: Richard Shilts  
De'Ana Dow  
Steven Braveman



1 North Franklin, Suite 2300, Chicago, Illinois 60606

October 8, 2004

## Proper Use of Customer Type Indicator Codes

Pursuant to NQLX Rule 408(c), for each order submitted to the trading system, a member or person associated with a member must ensure that, among other information, a **Customer Type Indicator** ("CTI") Code is recorded and retained on an order ticket. The Commodity Futures Trading Commission has established CTI Codes consisting of four, one character identifiers that describe transactions by the type of customer for which a trade is executed.<sup>1</sup> Entries for the CTI Code, and what each represents, are as follows:

- CTI 1 indicates a [person] member trading for his or her own account or for an account in which he or she has discretion. Therefore, a CTI 1 should never be used when a principle, employee, or other associated person of a member trades for the member firm's house account, and should only be used to indicate **personal** trading in a **personal** account of the principle, employee, or other associated person.
- CTI 2 indicates a person trading for his clearing or non-clearing member's house account. Therefore, a CTI 2 should be used when a principle, employee, or other associated person of a member trades for the member firm's house account. This type of trading includes market making or proprietary trading on behalf of the member firm.
- CTI 3 indicates a person trading for another member or an account controlled by another member. Therefore, a CTI 3 should be used when a principle, employee, or other associated person of a member trades for the account of another NQLX member.
- CTI 4 indicates a person trading for any other type of customer. Therefore, a CTI 4 should be used when a principle, employee, or other associated person of a member submits a trade for any customer **other than** for his or her own personal account or an account for which the person has discretion, for the member firm's house account, or for another NQLX member's account.

If you have any questions regarding this Bulletin, please contact Robert Ledvora, Executive Vice President and Chief Financial Officer, at (312) 553-4819.

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<sup>1</sup> See CFTC Rule 1.35, 17 C.F.R. §1.35.