

RECEIVED
C.F.T.C.

2005 JAN -5 PM 3:04



20 South Wacker Drive
Chicago, IL 60606-7499
www.cme.com

312/930.1000 tel
312/466.4410 fax

January 5, 2005

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Section 5c(c)(1), Part 40.6 – Clarification of Rule 557.B.,
Execution of Orders. CME Submission# 05-02.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission of a technical clarification to Chapter 5, Rule 557.B., Execution of Orders.

The Exchange certifies that this action neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules thereunder.

On December 3, 2004, the Exchange filed CME Submission# 04-114 regarding amendments to the CME Globex® order entry quantity limits. Following is clarification of this rule which will become effective on January 9, 2005. The text of the rule amendments is provided below in Appendix A. A clean copy of the amended rules is provided below in Appendix B.

Ms. Jean A. Webb
January 5, 2005
Page 2 of 4

If you require any additional information regarding this action, please do not hesitate to contact Ms. Ariel Hantin, Senior Research Analyst at 312-559-4951 or via e-mail at ahantin@cme.com. Please reference our CME Submission #05-02 on all future correspondence regarding this notification.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski". The signature is fluid and cursive, with a large, sweeping initial "J".

John W. Labuszewski, Director
Research & Product Development

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton
CFTC Division of Market Oversight, Product Review & Analysis Section

Appendix A: Text of Rule Amendments
(Additions are underlined, deletions are bracketed and overstruck.)

**CHAPTER 5: FLOOR PRIVILEGES –
TRADING QUALIFICATIONS AND PRACTICES**

557.B. Execution of Orders

1. Orders of any quantity may be accepted for stock index futures and options on stock index futures for entry on the GLOBEX system. However, orders exceeding a specified number of contracts as indicated in the table below must be entered on the GLOBEX system as multiple entries, each of which must not exceed the specified number of contracts. This restriction shall not apply to TRAKRS contracts where orders of any quantity may be entered, within normal GLOBEX System limitations.

Market	Futures Order Entry Quantity Restriction	Options Order Entry Quantity Restriction	Futures Calendar Spread Order Entry Quantity Restriction
E-Mini S&P 500 and E-Mini Nasdaq-100 Futures	1,500	1,500	5,000
All Other Stock Index Futures	500	500 <u>NA</u>	5,000

6. Reserved