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February 17, 2005

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

Reference File #2531.02
Rule Certification

Dear Ms. Webb:

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

- **Amendments to Regulation 425.01 and Rulebook Appendices 4E and 4F per the attached texts (additions are bold face and underlined; deletions are bracketed and struck through).**

Amended Regulation 425.01 will establish position limits and reportable position levels for CBOT Denatured Fuel Ethanol futures. Amended Appendices 4E and 4F will establish minimum financial requirements and letter of credit standards applicable to firms which are regular for delivery against these futures.

The CBOT intends to implement these amendments concurrently with the launch of trading in Denatured Fuel Ethanol futures (targeted for launch April 8, 2005)..

There were no opposing views among the CBOT's Board of Directors regarding these amendments.

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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Ch4 Position Limits and Reportable Positions

425.01 Position Limits -

(a) For the purposes of this Regulation, the following are definitions of titles used in position limit chart-

Spot Month- Spot month futures-equivalent position limit net long or net short effective at the start of trading on the first business day prior to the first trading day of the spot month.

Single Month- Futures-equivalent position limit net long or net short in any one month other than the spot month.

All Months -Position limit net long or net short in all months and all strike prices combined. Note: Long futures contracts, long call options, and short put options are considered to be on the long side of the market while short futures contracts, long put options, and short call options are considered to be on the short side of the market. For each commodity, the futures-equivalents for both the options and futures contracts are aggregated to determine compliance with the net long or net short same side position limits.

Reportable Futures Level-Reportable futures position in any one month.

Reportable Options Level-Reportable options position in any one month in each option category. Note:Option categories are long call, long put, short call, and short put.

Net Equivalent Futures Position-Each option contract has been adjusted by the prior day's risk factor, or delta coefficient, for that option which has been calculated by the Board of Trade Clearing Corporation.

For the purpose of this Regulation:

- (i) An option contract's futures-equivalency shall be based on the prior day's delta factor for the option series, as published by the Board of Trade Clearing Corporation. For example, 8 long put contracts, each with a delta factor of 0.5, would equal 4 futures-equivalent short contracts.
- (ii) Long futures contracts shall have a delta factor of +1, and short futures contracts shall have a delta factor of -1.
- (iii) Long call options and short put options shall have positive delta factors.
- (iv) Short call options and long put options shall have negative delta factors.
- (v) An eligible option/option or option/futures spread is defined as an intra-month or inter-month position in the same Chicago Board of Trade commodity in which the sum of the delta factors is zero.

(b) Except as provided in Regulations 425.03, 425.04 and 425.05, the maximum positions which any person may own, control, or carry are as follows:

(Note: All position limits and reportable positions are in number of contracts and are based on futures or *Net Equivalent Futures Positions.

*Please see section (a) of this Regulation for definition.

CONTRACT	*SPOT MONTH	*SINGLE MONTH	*ALL MONTH	*REPORTABLE FUTURES LEVEL	*REPORTABLE OPTIONS LEVEL
Bund	None	None	None	1,000	
Bobl	None	None	None	800	
Schatz	None	None	None	500	
10-Year Interest Rate Swap	None	None	None	500	500
5-Year Interest Rate Swap	None	None	None	500	500
CBOT Dow Jones Industrial Average sm Index	None	None	50,000 (aggregate DJIA sm limit, see #9)	200	200
CBOT mini-sized Dow sm (\$5 multiplier)	None	None	50,000 (aggregate DJIA sm limit, see #9)	200	200
CBOT Dow Jones-AIG Commodity Index sm	None	None	15,000	25	
CBOT 5,000 oz. Silver	1,500	6,000	6,000	150	
CBOT 100 oz. Gold	3,000	6,000	6,000	200	
CBOT mini-sized Silver	1,500	1,500	3,000	750	
CBOT mini-sized Gold	4,000	4,000	6,000	600	
U.S. Treasury Bonds	None	None	None	1,500	1,500
mini-sized U.S. Treasury Bonds	None	None	None	1,500	
U.S. Treasury Notes (5yr.)	None	None	None	2,000	2,000
U.S. Treasury Notes (6 1/2-10yr.)	None	None	None	2,000	2,000
U.S. Treasury Notes (2yr.)	None	None	None	1,000	1,000
30 Day Fed Fund	None	None	None	600	600
10-Year Municipal Note Index	5,000	None	5,000	300	
mini-sized Eurodollars	10,000	10,000	10,000	400	
Corn and CBOT mini-sized Corn	600 (aggregate, see #10)	5,500 (aggregate, see #1, 10)	9,000 (aggregate, see #1, 3, 10)	250 (individual, see #11)	250
Soybeans and CBOT mini-sized Soybeans	600 (aggregate, see #10)	3,500 (aggregate, see #1, 10)	5,500 (aggregate, see #1, 4, 10)	150 (individual, see #11)	150
Wheat and CBOT mini-sized Wheat	600 (aggregate, see #8, 10)	3,000 (aggregate, see #1, 10)	4,000 (aggregate, see #1, 7, 10)	150 (individual, see #11)	150
Oats	600	1,000 (see#1)	1,500 (see#1,6)	60	60
Rough Rice	600 (see#5)	1,000	1,000 (see#2)	50	50
Soybean Oil	540	3,000 (see#1,7)	4,000 (see#1,7)	200	200
Soybean Meal	720	3,000 (see#1,7)	4,000 (see#1,7)	200	200
Ethanol	200	1,000	1,000	25	

Appendix 4E

APPENDIX 4E - MINIMUM FINANCIAL REQUIREMENTS FOR AGRICULTURAL REGULARITY

The minimum financial requirements for firms which are regular to deliver agricultural products are:

1. Working Capital - (current assets excluding current receivables from affiliates/parent company less current liabilities) must be greater than or equal to \$2,000,000 or \$1,000,000 for firms regular for delivery in Denatured Fuel Ethanol futures. All current assets must be readily marketable. Firms which do not have \$2,000,000 (\$1,000,000 for ethanol) in Working Capital must deposit with the Exchange \$5,000 per contract which it is regular to deliver, up to a maximum of \$2,000,000 (\$1,000,000 for ethanol), less SEC haircuts, as specified in SEC Rule 15c3-1(c)(2)(vi), (vii) and (viii) plus 3% in the event of liquidation;
2. Net Worth - (Total assets less total liabilities) divided by the firm's allowable capacity (measured in contracts) must be greater than \$5,000. The net worth of a firm regular to deliver corn, soybeans, ethanol, or South American Soybeans must be greater than or equal to \$5,000,000. The operator of a warehouse/shipping station issuing corn, soybean, ethanol, or South American Soybean shipping certificates may only issue new shipping certificates when the total value of all registered shipping certificates and the new shipping certificates, at the time of issuance of the new shipping certificates, does not exceed 50% of net worth;
3. Each firm which is regular to deliver agricultural products is required to file a yearly certified financial statement within 90 days of the firm's year-end. Each firm is also required to file within 45 days of the statement date unaudited quarterly financial statements for each of the three quarters which do not end on the firm's year-end. In addition, the Exchange may request additional financial information as it deems appropriate.
4. A Letter of Attestation must accompany all unaudited financial statements. The Letter of Attestation must be signed by the Chief Financial Officer or if there is none, a general partner, executive officer, or managerial employee who has the authority to sign financial statements on behalf of the firm and to attest to their correctness and completeness.
5. For the requirements for notification of capital reductions, see Regulation 285.03.
6. Any change in the organizational structure of a firm that is regular for delivery requires that the firm notify the Exchange prior to such change. Changes in organizational structure shall include, but not be limited to, a corporation, limited liability company, general partnership, limited partnership, or sole proprietorship that changes to another form. Prior to any such change occurring, the firm is also required to notify the Exchange in writing of any name change.

LETTER OF CREDIT STANDARDS
For Corn [~~and~~] Soybeans and Ethanol Only

CBOT Regulation 1081.01 **and other CBOT Regulations** require, as a condition for regularity, that issuers of shipping certificates for certain commodities must file a bond and or designated letter of credit with sufficient sureties in such sum and subject to such conditions as the Exchange may require. **The Exchange has determined that the following requirements shall apply to such letters of credit.**

1. The regular firm is required to secure a letter of credit, naming the Chicago Board of Trade as its beneficiary, for 100% of the current market value of the shipping certificates issued.
2. The regular firm is required to monitor the value of the outstanding certificates issued using the futures spot month settlement price. Whenever the amount of the letter of credit falls below 80% of the current market value for certificates issued, the regular firm must increase the amount of the letter of credit, or obtain a new letter of credit, for an amount equal to 100% of the current market value of outstanding certificates, by 5:00 p.m. (~~Central~~] **Chicago** Time) on the first business day following the relevant futures settlement.
3. Prior to additional shipping certificates being issued, the regular firm must increase the amount of the letter of credit, or secure a new letter of credit, for 100% of the current market value of all shipping certificates which are outstanding as well as all shipping certificates which will be issued.
4. The Exchange will accept letters of credit only from banks with a Moody's Investor Service counter party credit rating of A or above or a Standard and Poor's short-term counter party rating not lower than A-2.
5. The letter of credit must be irrevocable, it must provide for payment within the time specified by the Exchange, and it must be able to be drawn upon unconditionally.
6. The letter of credit must be in the form approved by the Exchange.
7. The expiration date of a letter of credit may not occur during any relevant futures delivery cycle.