



World Financial Center
One North End Avenue
New York, New York 10282

BY ELECTRONIC TRANSMISSION

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July 13, 2006

OFFICE OF THE SECRETARIAT

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C.F.T.C.

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendments to USDX® and Currency Delivery Rules**
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, amendments to the Rules 15.07-15.10, 15.12, 16.04, 16.05 and 16.09, attached as Exhibit A, which mandate the use of the Continuous Linked Settlement system ("CLS") for all USDX and Currency futures contract deliveries, except those involving the forint and korona currency pairs.

The CLS was developed by a group of the world's largest foreign-exchange-dealing banks in July 1997. The purpose of CLS is to provide a type of payment-versus-payment settlement system for foreign exchange transactions that eliminates the numerous risks associated with currency deliveries. Both sides of a foreign exchange transaction are submitted through CLS member banks and settled by CLS on a trade-by-trade basis across accounts held by CLS members. The CLS Bank is subject to Federal Reserve Board regulation and the requirements of certain overseas central banks.

Since December 2003, New York Clearing Corporation ("NYCC") has allowed Clearing Members to use CLS to complete their delivery obligations for the USDX and Currency Futures Contracts. As a result, the Clearing Members and NYCC have received the benefits of a process that takes less time, is less costly and has greatly reduced the payment and settlement risk inherent in the delivery of foreign currencies. Currently, all but one Clearing Member are using CLS for Exchange currency deliveries. The one Clearing Member has been notified that the September 2006 USDX and Currency expirations will require the use CLS.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The amendments were adopted by the Exchange's Board of Governors on July 12, 2006. No substantive opposing views were expressed by members or others with respect to the amendments. The amendments will become effective on July 17, 2006 for the September 2006 delivery.

If you have any questions or need further information, please contact either myself at jfusco@nybot.com or 212-748-4021, or Jill Fassler at jfassler@nybot.com or (212) 748-4084.

Sincerely,

Jason V. Fusco
Compliance Counsel

Enc.

cc: Riva Adriance
Thomas Leahy
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

USDX Delivery Rules

Rule 15.07. Delivery Procedures

(a) *Delivery [~~d~~]Day [~~(Value-Date)~~]*

Delivery of the components of USDX Futures Contracts shall be made on the third (3rd) Wednesday of the contract month. If that day is not a Business Day or is a bank holiday in New York, NY, then the delivery day shall be the next day that is a Business Day; provided, however, that, if it is a bank holiday in the country of any component currency in the USDX, then, delivery of that currency and the U.S. Dollar amount attributable to that currency shall occur on the next Business Day that is not a bank holiday in New York, NY and the country of the component currency.

(b) *Netting of Positions*

(i) *Netting of Positions Within an Individual Contract*—A Clearing Member may net his delivery obligations to the extent that such Clearing Member (for itself or for Customers) is both long and short in USDX Futures Contracts and, if a Customer Account is involved, has a written request from the Customer to net the Customer's Account against other accounts and provided further, that the Clearing Member has a written agreement respecting delivery and receipt other than as set forth in the Rules. If the Clearing Member chooses to net, it shall indicate its net Position on the Delivery Netting Request form. The netting shall be performed in the following sequence: (A) within each account, (B) eligible Customer Account versus eligible Customer Account and (C) eligible Customer Account against Firm account. The netting of Positions by a Clearing Member shall relieve the Clearing Organization of any further obligations with respect to any USDX contract involved. Such Clearing Member shall indemnify the Exchange, the Clearing Organization against any liability, cost or expense that either may incur for any reason as a result of the Clearing Member's netting Positions.

(ii) *Netting Currency Positions Across Contracts*—A Clearing Member may net his delivery obligations to the extent that such Clearing Member (for it or for Customers) holds Positions that create offsetting currency payment obligations in USDX Futures Contracts and different currency pairs. If a Customer Account is involved, the Clearing Member must have a written request from the Customer to net the Customer's Account against other accounts and a written agreement respecting delivery and receipt other than as set forth in the Rules. If the Clearing Member chooses to net Positions, it shall indicate the net Position on its Delivery Netting Request Form. The netting shall be performed in the following sequence: (A) within each account, (B) eligible Customer Account versus eligible Customer Account and (C) eligible Customer Account against Firm account. The netting of Positions by a Clearing Member shall relieve the Clearing Organization of any further obligations with respect to any USDX and other currency futures contracts involved. Such Clearing Member shall indemnify the Exchange, the Clearing Organization against any liability, cost or expense that either may incur for any reason as a result of the Clearing Member's netting Positions.

(c) ~~*Long Clearing Member's Duties*~~

~~Holders of long USDX Futures Contracts shall receive delivery of U.S. dollars and shall pay the settlement currencies equivalent.~~

EXHIBIT A

It is the responsibility of the long Clearing Member to transfer the correct total amount of the settlement currency funds into the account of the Clearing Organization at the delivery bank designated by the Exchange and to provide complete information for the timely transfer of the U.S. dollars into the long Clearing Member's account as specified in the procedure below:

(i) In order for a Clearing Member with a long futures Position to accept delivery for itself or for Customers it represents, it shall, no later than 1:30 p.m. on the Last Trading Day, present long Clearing Member's Delivery Commitments to the Clearing Organization. The Clearing Member shall include the following information in each Commitment:

(A) the name of the Exchange specified delivery bank (See Appendix 1⁴);

(B) the Clearing Organization's account number at the delivery bank in which it will deliver the settlement currency funds for each outstanding long USDX Futures Contract;

(C) the name of the bank along with the account number at such bank at which it will receive delivery of the U.S. dollars for each outstanding long contract; and

(D) all necessary transfer information such as the name of the correspondent.

If such Commitments are received later than 1:30 p.m. on the Last Trading Day, the Clearing Member shall be assessed a fine, the amount of which shall be determined by the Board or a committee appointed by the Board.

(ii) The long Clearing Member shall make arrangements for the timely transfer of the settlement currencies. The following procedures shall apply:

By 10:00 a.m. local time on the delivery day (value date) specified in paragraph (a) of this Rule, the Clearing Member shall deposit the settlement currencies in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on such day.

The amount of the settlement currency deposit shall equal the value of the number of contracts for which delivery is being made based on the Settlement Price on the Last Trading Day. Deposit of the settlement currencies shall be made as an international bank wire transfer of immediately available funds.

(iii) It is the responsibility of the Clearing Member and the beneficial owner of the long contracts to be familiar with, and in conformance with, all the regulations pertaining to the holding of non-resident bank accounts in the country of the bank through which delivery of the U.S. dollars will be made.

(d) Short Clearing Member's Duties

Holders of short USDX Futures Contracts shall make delivery of the U.S. dollars and shall receive payment in the appropriate settlement currencies.

The short Clearing Member is responsible for assuring the timely delivery of the U.S. dollars into the appropriate Clearing Organization account at the Exchange approved delivery bank and to provide complete information for the timely transfer of the appropriate settlement currencies into the short Clearing Member's account as specified by the procedure below:

⁴ Appendix 1: Exchange Approved Delivery Bank: A current listing of such approved banks is available through the New York Clearing Corp.]

~~(i) A Clearing Member with a short futures Position in order to make delivery for itself or for a Customer it represents shall, no later than 1:30 p.m. on the Last Trading Day, present to the Clearing Organization short Clearing Member's Delivery Commitments. The Clearing Member shall include the following information in each Commitment:~~

~~(A) the name of the Exchange specified delivery bank (See Appendix 1⁺);~~

~~(B) the Clearing Organization's account number at the delivery bank in which the U.S. dollars will be delivered for each outstanding short USDX Futures Contract; and~~

~~(C) the name and address of the bank to which the appropriate settlement currencies payment should be sent along with the name of the account number to which the settlement currencies payment should be credited.~~

~~If such Commitment is received later than 1:30 p.m. on the Last Trading Day, the Clearing Member shall be assessed a fine, the amount of which shall be assessed a fine, the amount of which shall be determined by the Board or a committee appointed by the Board.~~

~~(ii) If a Clearing Member chooses to submit a directive to pay, then, by 10:00 a.m. New York Time on the banking business day immediately preceding delivery day, the Clearing Member's bank shall send to the delivery bank specified by the Exchange a directive to pay by swift message, telex or other format acceptable to the delivery bank. The directive to pay shall include the following:~~

~~(A) Clearing Member's name;~~

~~(B) the name and address of the bank which will transfer U.S. dollars into the account of the Clearing Organization;~~

~~(C) the name and number of the account from which U.S. dollars will be transferred into the account of the Clearing Organization;~~

~~(D) the amount of US dollars to be delivered into the Clearing Organization's account; and~~

~~(E) the delivery day (value date) which is specified in paragraph (a) of this Rule.~~

~~If a Clearing Member submits a U.S. dollars denominated directive to pay, then by 10:00 a.m. local time on the delivery day (value date) specified in paragraph (a) of this Rule, the Clearing Member shall deposit U.S. dollars in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on such day.~~

~~(iii) The short Clearing Member shall make arrangements for the timely transfer of U.S. dollars to the Exchange approved delivery bank.~~

~~By 10:00 a.m. local time on the delivery day (value date), the Clearing Member shall deposit the U.S. dollars in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on this day.~~

~~Deposit of the U.S. dollars shall be made as an international bank wire transfer of immediately available funds.~~

~~(iv) It is the responsibility of the Clearing Member and the beneficial owner of the short contracts to be familiar with, and in conformance with, all the regulations pertaining to the holding of non-resident bank accounts in the country of the bank through which payment of the settlement currencies will be accepted.]~~

(i) All USDX Futures Contracts are required to be physically delivered through the Continuous Linked Settlement system ("CLS"). Each Clearing Member must either be a CLS Bank member or be able to use an approved CLS agent bank to make the required physical delivery.

(ii) All times stated in this Rule refer to New York Time, unless noted otherwise.

(iii) For each expiring USDX Futures Contract, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day shall submit to the Clearing Organization, on or before noon of the Last Trading Day, a statement, in the form prescribed by the Clearing Organization, detailing the Clearing Member's final delivery Position ("Final Position Statement"). If the Final Position Statement is received later than noon but by 3:30 pm on the Last Trading Day, the Clearing Member may be subject to Rule 15.08. A Clearing Member which fails to submit a Final Position Statement after 3:30 pm on the Last Trading Day shall be deemed to be in default and subject to Rule 15.08.

(iv) For each expiring USDX Futures Contract, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day shall submit to CLS, on or before 5:00 pm of the Last Trading Day, the relevant instructions to either take delivery of U.S. dollars and make delivery of the settlement currencies for long positions or make delivery of U.S. dollars and take delivery of the settlement currencies for short positions ("CLS Submission"). If the CLS Submission is received by CLS later than 5:00 pm on the Last Trading Day, the Clearing Member may be subject to Rule 15.08. A Clearing Member which submits a CLS Submission after 3:00 pm on the business day preceding the Delivery Day or fails to submit a CLS Submission shall be deemed to be in default and subject to Rule 15.08.

(v) On the Delivery Day, for a Clearing Member holding a long Position, in accordance with procedures that CLS shall have instituted and may amend from time to time ("CLS Procedures"), CLS shall (A) credit the Clearing Member's account with the amount of U.S. dollars sufficient to cover the number of long contracts for which delivery is being made and (B) debit the Clearing Member's account with the equivalent amount of settlement currencies.

(vi) On the Delivery Day, for a Clearing Member holding a short Position, in accordance with CLS Procedures, CLS shall (A) credit the Clearing Member's account with the amount of settlement currencies sufficient to cover the number of short contracts for which delivery is being made and (B) debit the Clearing Member's account with the equivalent amount of U.S. dollars.

(e)d *Costs of Delivery*

The seller (short) shall bear the costs of transferring the U.S. dollars into the delivery bank specified by the Exchange and the costs of transferring the settlement currencies out of the delivery bank. The buyer (long) shall bear the costs of transferring the U.S. dollars out of the delivery bank specified by the Exchange and the costs of transferring the settlement currencies into the delivery bank. Such costs may include, but are not limited to, wire transfer charges~~[- directives to pay charges, swift message charges, interest charges]~~ and ~~[transaction fees]~~ CLS charges.

Rule 15.08. Delinquency in Performance

~~[(a) If a Clearing Member with a commitment to deposit currency funds pursuant to Rule 15.07 fails to deposit such funds by the deadline specified in Rule 15.07, then the Clearing Member shall be deemed in default, and the matter shall be acted upon pursuant to paragraph (c) of this Rule.~~

~~(b) If the information contained in either the Long's Delivery Commitment or the Short's Delivery Commitment is so inaccurate that delivery cannot be accomplished in a timely manner, fines or damages may be assessed pursuant to paragraph (c) of this Rule.~~

(e) If a Clearing Member fails to perform all the acts required by this Chapter, or is deemed to be in default, or is unduly enriched, it shall be liable to the Clearing Organization and to the opposite Clearing Member for any loss sustained and may be subject to disciplinary action by the Exchange and/or the Clearing Organization.

Rule 15.09. [Approval of Directive-To-Pay Banks

(a) ~~Upon application, the Exchange shall approve Directive to Pay banks provided, however, that each such bank shall be able to issue a directive to pay that is acceptable to the delivery bank.~~

(b) ~~If a bank is approved but no longer meets the above requirement, the Exchange shall remove it from the approved list of Directive to Pay banks.]~~ **Reserved.**

Rule 15.10. [Approval of Delivery Banks

~~Upon application, the President shall approve delivery banks that must be able to do the following:~~

~~(a) handle accounts denominated in U.S. dollars and/or the appropriate settlement currencies; and~~

~~(b) demonstrate an ability to handle transfers in U.S. dollars and/or the appropriate settlement currencies in a timely manner;~~

~~provided, however, that the Exchange may from time to time establish such additional requirements as it deems necessary to be a delivery bank.]~~ **Reserved.**

Rule 15.12. Force Majeure

The term "Force Majeure" shall mean any circumstance (including, but not limited to a strike, lockout, national emergency, governmental action, computer malfunction causing loss of ~~[EWRs or]~~ data, a failure of the CLS System, or act of God) which is beyond the control of a Clearing Member making or taking delivery of a contract in the manner provided for in the Rules.

Currency Delivery Rules

Rule 16.04. Delivery Procedures

(a) All deliveries must conform to government regulations in force at the time of delivery. If any national or international governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these Rules and all open and new contracts shall be subject to such government orders.

(b) *Delivery [d]Day [(Value-Date)]*

Delivery of all outstanding Currency Futures Contracts shall be made on the third (3rd) Wednesday of the contract month. If that day is not a Business Day or is a bank holiday in either the country of the base currency or in the country of the quoted currency, then the delivery day shall be the next day which is a Business Day and is not a bank holiday in either the country of the base currency or in the country of the quoted currency.

(c)[(†)] *Final Settlement*

For each currency pair, the Exchange shall designate a delivery bank (Appendix 1*) into which the short Clearing Member shall deposit the base currency into the account of the Clearing Organization and into which the long Clearing Member shall deposit the quoted currency into the account of Clearing

* Appendix 1: Exchange Approved Delivery Bank: A current listing of such approved banks is available through the New York Clearing Corp.

Organization. On the delivery day, the bank, upon instructions from the Clearing Organization, shall transfer the quoted currency funds previously deposited by the long Clearing Member to the account of the short Clearing Member; and upon instructions from the Clearing Organization, the delivery bank holding the base currency shall transfer the base currency to the long Clearing Member's account.

[(ii)] (d) Netting of Positions

(i) A Clearing Member may net his delivery obligations to the extent that such Clearing Member (for itself or for Customers) is both long and short in individual Currency futures, and, if a Customer Account is involved, has a written request from the Customer to net the Customer's Account against other accounts and provided further, that the Clearing Member has a written agreement respecting delivery and receipt other than as set forth in the Rules. If the Clearing Member chooses to net, he shall indicate his net Position on his delivery commitment form or Final Position Statement. The netting shall be performed in the following sequence: (A) within each account, (B) eligible Customer Account versus eligible Customer Account and (C) eligible Customer Account against Firm account.

(ii) The netting of Positions by a Clearing Member shall relieve the Clearing Organization of any further obligations with respect to any Exchange contract involved and such Clearing Member shall indemnify the Exchange and the Clearing Organization against any liability, cost or expense either may incur for any reason as a result of the Clearing Member's netting of Positions.

(iii) For the purposes of this Rule 16.04, two (2) small euro Futures Contracts are equivalent to one (1) euro Futures Contract, and two (2) small dollar-yen, two (2) small dollar-Swiss and two (2) small dollar-Canadian Futures Contracts are equivalent to one (1) dollar-yen, one (1) small dollar-Swiss and one (1) small dollar-Canadian Futures Contract, respectively, and can be netted in accordance with this Rule.

(e) All times stated in this Rule refer to New York Time, unless noted otherwise.

(f) For the purposes of this Rule, the term "CLS Delivered Currency Futures Contracts" shall mean all Currency Futures Contracts which require physical delivery of base and quoted currencies, except for the euro-forint, euro-koruna, dollar-forint and dollar-koruna.

(g) Delivery of CLS Delivered Currency Futures Contracts

(i) All CLS Delivered Currency Futures Contracts are required to be physically delivered through the Continuous Linked Settlement system ("CLS"). Each Clearing Member must either be a CLS Bank member or be able to use an approved CLS agent bank to make the required physical delivery.

(ii) For each expiring CLS Delivered Currency Futures Contract, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day shall submit to the Clearing Organization, on or before noon of the Last Trading Day, a statement, in the form prescribed by the Clearing Organization, detailing the Clearing Member's final delivery Position ("Final Position Statement"). If the Final Position Statement is received later than noon but by 3:30 pm on the Last Trading Day, the Clearing Member may be subject to Rule 16.05. A Clearing Member which fails to submit a Final Position Statement after 3:30 pm on the Last Trading Day shall be deemed to be in default and subject to Rule 16.05.

(iii) For each expiring CLS Delivered Currency Futures Contract, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day shall submit to CLS, on or before 5:00 pm of the Last Trading Day, the relevant instructions to either take delivery of the base currency and make delivery of the quoted currency for long positions or make delivery of the base currency and take delivery of the quoted currency for short positions ("CLS Submission"). Notwithstanding the foregoing sentence, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day in the dollar-Canadian or small dollar-Canadian Currency Futures Contract shall submit its CLS Submission to CLS on or before 3:00 pm of the Last

Trading Day. If the CLS Submission is received by CLS later than 5:00 pm on the Last Trading Day, the Clearing Member may be subject to Rule 16.05. A Clearing Member which submits a CLS Submission after 3:00 pm on the business day preceding the Delivery Day or fails to submit a CLS Submission shall be deemed to be in default and subject to Rule 16.05.

(iv) On the Delivery Day, for a Clearing Member holding a long Position, in accordance with procedures that CLS shall have instituted and may amend from time to time ("CLS Procedures"), CLS shall (A) credit the Clearing Member's account with the amount of the base currency and (B) debit the Clearing Member's account with the quoted currency equivalent.

(v) On the Delivery Day, for a Clearing Member holding a short Position, in accordance with CLS Procedures, CLS shall (A) credit the Clearing Member's account with the correct amount of the quoted currency and (B) debit the Clearing Member's account with the base currency equivalent.

[(d) Long Clearing Member's Duties]

(h) Delivery of Euro-Forint, Euro-Koruna, Dollar-Forint and Dollar-Koruna Currency Futures Contracts

(i) Holders of long euro-forint, euro-koruna, dollar-forint and dollar-koruna Currency Futures Contract shall receive delivery of the base currency and shall pay the quoted currency equivalent.

It is the responsibility of the long Clearing Member to transfer the correct total amount of quoted currency funds into the account of Clearing Organization at the delivery bank designated by the Exchange and to provide complete information for the timely transfer of the base currency into the long Clearing Member's account as specified in the procedure below:

[(i)A] In order for a Clearing Member with a long futures Position to accept delivery for himself or for Customers [he] it represents, [he] it shall, no later than [11:30 a.m.] noon on the Last Trading Day, present long Clearing Member's Delivery Commitments to the Clearing Organization. The Clearing Member shall include the following in each Commitment:

[(A)1] the name of the Exchange specified delivery bank (See Appendix 1*);

[(B)2] the Clearing Organization's account number at the delivery bank in which [he] it will deliver the quoted currency fund for each outstanding long Currency Futures Contract; and

[(C)3] [F]the Clearing Member shall include on each Commitment the name of a bank along with the account number at this bank at which [he] it will receive delivery of the unit of trading for each outstanding long contract.

If such Commitments are received later than [11:30 a.m.] noon but not later than 3:30 p.m. on the Last Trading Day, the Clearing Member ~~[shall be assessed a fine, the amount of which shall be determined by the Board or a committee appointed by the Board]~~ may be subject to disciplinary action. Any Commitments received subsequent to 3:30 p.m. on the Last Trading Day shall be deemed a default and acted upon in accordance with Rule 16.05.

~~[(ii) The long Clearing Member shall make arrangements for the timely transfer of the quoted currency through any of the Exchange approved quoted currency transfer banks listed in Appendix 2*.~~

~~[(iii) The procedure for undertaking delivery of contracts for long Clearing Member's holding dollar and contracts are as follows:~~

* Appendix 2: Exchange Approved Banks for Currency Transfers: A current listing of such approved banks is available through the New York Clearing Corp.

~~(A) By 5:00 p.m. New York Time of the Last Trading Day as defined in Rule 16.03, the bank of the long Clearing Member shall submit to the delivery bank a directive to pay by swift message, tested telex, or other format acceptable to the delivery bank for the payment of the quoted currency sufficient to pay for the delivery of the outstanding dollar rand Futures Contract. The directive to pay shall include the following:~~

- ~~(1) Clearing Member's name;~~
- ~~(2) the name and address of the bank which will transfer the quoted currency into the account of the Clearing Organization;~~
- ~~(3) the name and number of the account from which the quoted currency will be transferred into the account of the Clearing Organization;~~
- ~~(4) the amount of quoted currency to be transferred into the Clearing Organization's account; and~~
- ~~(5) the value date which is specified in paragraph (b) above.~~

~~If a Clearing Member submits a quoted currency directive to pay then by 10:00 a.m. local time for the dollar rand contract on the value date specified in paragraph (b) above, the Clearing Member shall deposit the quoted currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on this day.~~

~~If a Clearing Member does not submit a quoted currency directive to pay, the Clearing Member shall deposit into the account of the Clearing Organization at the delivery bank designated by the Exchange an amount of quoted currency that is sufficient to pay for the delivery of all outstanding Currency Futures Contracts and that is for value on the Business Day immediately preceding delivery day. All payment advises from the remitting bank or its correspondent must be received by the delivery bank no later than 12:00 p.m. local time on the Business Day immediately preceding delivery day.~~

~~The amount of the directive to pay or the amount of quoted currency deposit shall equal the value of all the long outstanding futures contracts based on the Settlement Price on the Last Trading Day.~~

~~Deposit of the quoted currency shall be made as an international bank wire transfer of immediately available funds.]~~

~~(iv)B) The following is the procedure for holders of long [dollar yen, dollar Canadian, dollar Swiss,] dollar-koruna[;] and dollar-forint[, Swiss franc yen, Canadian dollar yen, sterling yen, euro yen, small dollar yen, small dollar Swiss and small dollar Canadian] Currency Futures [e]Contracts while taking delivery of such contracts:~~

~~By 10:00 a.m. local time of the base currency on the [value date] Delivery Day specified in paragraph (b) above, the Clearing Member shall deposit the quoted currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on this day.~~

~~The amount of the quoted currency deposit shall equal the value of all the long outstanding Currency Futures Contracts based on the Settlement Price on the Last Trading Day. Deposit of the quoted currency shall be made as an international bank wire transfer of immediately available funds.~~

~~(v)C) The following is the procedure for holders of long [sterling Swiss, small sterling dollar, sterling dollar, euro krona, euro Swiss, euro pound, euro krone, euro Canada, euro, small euro, euro Aussie,] euro-koruna[;] and euro-forint[, Aussie dollar, Kiwi dollar, Aussie yen, Aussie kiwi, Aussie Canada and krone krona] Currency Futures Contracts while undertaking delivery of such~~

contracts. ~~[The long Clearing Member shall make arrangements for the timely transfer of the quoted currency through any of the Exchange approved quoted currency transfer banks listed in Appendix 2*.]~~

By 9:00 am New York Time of the base currency business day immediately preceding the ~~[d]Delivery [d]Day, [the bank of]~~ the long Clearing Member shall cause its bank to submit to the delivery bank a directive-to-pay by ~~[swift]~~ SWIFT message, tested telex, or other format acceptable to the delivery bank for the payment of the quoted currency sufficient to pay for the delivery of the outstanding base currency Futures Contract or, in the alternative, by 10:00 am quoted currency local time on the Business Day immediately preceding Delivery Day, deposit the amount of the quoted currency into the account of the Clearing Organization at the delivery bank. The directive-to-pay shall include the following:

~~[(A)]~~1) Clearing Member's name;

~~[(B)]~~2) the name and address of the bank which will transfer the quoted currency into the account of the Clearing Organization;

~~[(C)]~~3) the name, ~~[and]~~ number and location of the Clearing Organization account ~~[from]~~ to which the quoted currency will be transferred ~~[into the account of the Clearing Organization];~~

~~[(D)]~~4) the amount of quoted currency to be transferred into the Clearing Organization's account; and

~~[(E)]~~5) the ~~[value date]~~ Delivery Day which is specified in paragraph (b) above.

If a Clearing Member submits a quoted currency directive-to-pay, then by 10:00 am ~~[Central European Time]~~ quoted currency local time ~~[in the case of the euro krona, euro Swiss, euro pound, euro krone, euro Canada, euro, small euro, euro Aussie, euro koruna and euro forint, and 10:00 am base currency local time in the case of the sterling Swiss, small sterling dollar, sterling dollar, Aussie dollar, Kiwi dollar, Aussie yen, Aussie Kiwi, Aussie Canada and krone krona]~~ on the ~~[value date]~~ Delivery Day specified in paragraph (b) above, the Clearing Member shall deposit the quoted currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 am ~~[Central European Time or base]~~ quoted currency local time whichever is applicable.

If a Clearing Member does not submit a quoted currency directive-to-pay, the Clearing Member shall deposit into the account of the Clearing Organization at the delivery bank designated by the Exchange an amount of the quoted currency that is sufficient to pay for the delivery of the base currency on all outstanding euro-forint and euro-koruna Currency Futures Contracts and that is for value on the Business Day immediately preceding ~~[d]Delivery [d]Day~~. All payment advises from the remitting bank or its correspondent must be received by the delivery bank no later than 12:00 pm ~~[Central European Time in the case of the euro krona, euro Swiss, euro pound, euro krone, euro Canada, euro, small euro, euro Aussie, euro koruna and euro forint, and 12:00 pm base currency local time in the case of the sterling Swiss, small sterling dollar, sterling dollar, Aussie dollar, Kiwi dollar, Aussie yen, Aussie Kiwi, Aussie Canada and krone krona]~~ quoted currency local time on the base currency business day immediately preceding ~~[d]Delivery [d]Day~~.

The amount of the directive-to-pay or the amount of the quoted currency deposit shall equal the value of all of the long outstanding euro-forint and euro-koruna Currency Futures Contracts based on the Settlement Price on the Last Trading Day.

Deposit of the quoted currency shall be made as an international bank wire transfer of immediately available funds.

~~[(vi)]~~D) For all euro-forint, euro-koruna, dollar-forint and dollar-koruna Currency Futures Contracts, it is the long's and the Clearing Member of the long's responsibility to be familiar with and in conformance with all the regulations pertaining to the holding of non-resident bank accounts

in the country of the bank in which he will accept delivery of the base currency for each outstanding long Currency Futures Contract.

~~[(e) Short Clearing Member's Duties]~~

(ii) Holders of short euro-forint, euro-koruna, dollar-forint and dollar-koruna Currency Futures Contracts shall make delivery of the base currency and shall receive payment in the appropriate quoted currency.

The short Clearing Member is responsible for assuring the timely delivery of the base currency into the appropriate Clearing Organization account at the Exchange approved delivery bank and to provide complete information for the timely transfer of appropriate quoted currency into the short Clearing Member's account as specified by the procedure below:

(i) A Clearing Member with a short futures ~~[p]Position~~ in order to make delivery for ~~[him]itself~~ or for a Customer ~~[he] it~~ represents shall, no later than ~~[11:30 a.m.] noon~~ on the Last Trading Day, present to the Clearing Organization short Clearing Member's Delivery Commitments. The Clearing Member shall include in each Commitment:

(A) the name of the Exchange specified delivery bank (See Appendix 1*);

(B) the Clearing Organization's account number at the delivery bank in which he will deliver the base currency for each outstanding short Currency Futures Contract; and

(C) the name and address of the Exchange approved quoted currency transfer bank (Appendix 2*) to which the appropriate quoted currency payment should be sent along with the name of the account and the account number to which the quoted currency payment should be credited.

If such Commitment is received later than ~~[11:30 a.m.] noon~~ on the Last Trading Day, but not later than 3:30 p.m. on the same day, the Clearing Member ~~[shall be assessed a fine, the amount of which shall be determined by the Board or a Committee appointed by the Board]~~ may be subject to disciplinary action. Any Commitments received subsequent to 3:30 p.m. on the Last Trading Day shall be deemed a default and acted upon in accordance with Rule 16.05.

~~[(ii) The short Clearing Member shall have to make arrangements for the timely transfer of the base currency to the delivery bank through any of the Exchange approved base currency transfer banks in Appendix 2*.]~~

(iii) The following is the procedure for holders of short ~~[sterling dollar, sterling yen, sterling Swiss, small sterling dollar, Swiss franc yen, Canadian dollar yen, euro yen, euro krona, euro Swiss, euro pound, euro krone, euro Canada, euro, small euro, euro Aussie,] euro-koruna, euro-forint, [dollar yen, dollar Swiss,] dollar-koruna[,] and dollar-forint[, small dollar yen, small dollar Swiss, dollar rand, and krone krona]~~ Currency Futures ~~[e]Contracts~~ while taking delivery of contracts:

By ~~[5:00 p.m. on the Last Trading Day for dollar rand and by]~~ 9:00 a.m. New York Time on the base currency business day immediately preceding ~~[d]Delivery [d]Day [for sterling dollar, sterling yen, sterling Swiss, small sterling dollar, Swiss franc yen, Canadian dollar yen, euro yen, euro krona, euro Swiss, euro pound, euro krone, euro Canada, euro, small euro, euro Aussie, euro-koruna, euro forint, dollar yen, dollar Swiss, dollar koruna, dollar forint, small dollar yen, small dollar Swiss and krone krona]~~, the Clearing Member~~[s]~~ shall cause its bank ~~[shall]~~ to send to the delivery bank specified by the Exchange a directive-to-pay by ~~[swift]~~ SWIFT message, tested telex or other format acceptable to the delivery bank or, in the alternative, by 10:00 am base currency

* Appendix 1: Exchange Approved Delivery Bank: A current listing of such approved banks is available through the New York Clearing Corp.

* Appendix 2: Exchange Approved Banks Currency Transfers: A current listing of such approved banks is available through the New York Clearing Corp.

local time, deposit the amount of the base currency into the account of the Clearing Organization at the delivery bank. The directive-to-pay shall include the following:

~~(A)~~1) Clearing Member's name,

~~(B)~~2) the name and address of the bank which will transfer the base currency into the account of the Clearing Organization;

~~(C)~~3) the name, ~~and~~ number and location of the Clearing Organization account ~~[from]~~ to which the base currency will be transferred ~~[into the account of the Clearing Organization];~~

~~(D)~~4) the amount of the base currency to be delivered into the Clearing Organization's account, and

~~(E)~~5) the ~~[value date]~~ Delivery Day which is specified in paragraph (b) above.

If a Clearing Member submits a base currency directive-to-pay, then by 10:00 a.m. local time on the ~~[value date]~~ Delivery Day specified in paragraph (b) above, the Clearing Member shall deposit the base currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or its correspondent must be received by the delivery bank no later than 10:00 a.m. base currency local time on this day.

If a Clearing Member does not submit a base currency directive-to-pay, the Clearing Member shall deposit into the account of the Clearing Organization at the delivery bank designated by the Exchange, an amount of the base currency that is sufficient to cover the number of contracts for which delivery is being made and that is for value on the Business Day immediately preceding ~~[d]~~Delivery ~~[d]~~Day. All payment advises from the remitting bank or its correspondent must be received by the delivery bank no later than 12:00 p.m. base currency local time on the Business Day immediately preceding ~~[d]~~Delivery ~~[d]~~ay.

The amount of the directive-to-pay or the amount of the base currency deposit shall equal the unit of trading for each outstanding short Currency Futures Contract. Deposit of the base currency shall be made in the form of an international bank wire transfer of immediately available funds.

~~(iv) The procedure for making delivery of contracts for short Clearing Members holding dollar-Canadian, small-dollar Canadian, Aussie dollar, Kiwi dollar, Aussie yen, Aussie Kiwi and Aussie-Canada contracts is as follows:~~

~~The short Clearing Member shall make arrangements for the timely transfer of the base currency through any of the Exchange approved currency transfer banks listed in Appendix 2*:~~

~~By 10:00 a.m. local time on the value date specified in paragraph (b) above, the Clearing Member shall deposit the base currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on this day.~~

~~The amount of the base currency deposit shall equal the value of all of the short outstanding Currency Futures Contracts based on the Settlement Price on the Last Trading Day.~~

~~Deposit of the base currency shall be made as an international bank wire transfer of immediately available funds.]~~

~~(v)C~~ For all Currency Futures Contracts, it is the short's and the Clearing Member of the short's responsibility to be familiar with and in conformance with all the regulations pertaining to the

* Appendix 2: Exchange Approved Banks for Currency Transfers: A current listing of such approved banks is available through the New York Clearing Corp.

holding of non-resident bank accounts in the country of the bank in which he will accept payment of the appropriate quoted currency for each outstanding short Currency Futures Contract.

([f]i) Costs of Delivery

The seller (short) shall bear the costs of transferring the base currency into the delivery bank specified by the Exchange and the costs of transferring the quoted currency out of the delivery bank. The buyer (long) shall bear the costs of transferring the base currency out of the delivery bank specified by the Exchange and the costs of transferring the quoted currency into the delivery bank. Such costs may include, but are not limited to, wire transfer charges, CLS charges, directives-to-pay charges, [~~swift~~] SWIFT message charges, interest charges and transaction fees.

Rule 16.05. Delinquency in Performance

(a) If a Clearing Member with a commitment to deposit currency funds pursuant to Rule 16.04 fails to deposit such funds by the deadline specified in Rule 16.04, then the Clearing Member shall be deemed in default, and the matter shall be acted upon pursuant to paragraph (c) of this Rule.

(b) If the information contained in either the Buyer's Delivery commitment or the Seller's Delivery commitment is so inaccurate that delivery cannot be accomplished in a timely manner, fines or damages may be assessed pursuant to paragraph (c) of this Rule.

(c) If a Clearing Member fails to perform all the acts required by this Chapter, or is deemed to be in default, or is unduly enriched, he shall be liable to the Clearing Organization and to the opposite Clearing Member for any loss sustained [~~as well as disciplinary penalties that may be assessed~~] may be subject to disciplinary action by the Exchange and/or the Clearing Organization.

Rule 16.09. Force Majeure

The term "Force Majeure" shall mean any circumstance (including, but not limited to a strike, lockout, national emergency, governmental action, computer malfunction causing loss of [~~EWRs or~~] data, a failure of the CLS System or act of God) which is beyond the control of a Clearing Member making or taking delivery of a contract in the manner provided for in the Rules.