

August 24, 2006

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

Reference File # 2716.01
Rule Certification

Dear Ms. Donovan:

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

- **Amended Regulation 331.09 and new Regulations 331.11 and 331.12 per the attached texts (additions underlined).**

The referenced regulation changes will enable the offset, through “directed fungibility”, of full and mini-sized futures positions in CBOT Gold, Silver, Corn, Soybean and Wheat contracts.

These directed fungibility provisions will allow market participants holding opposite positions in mini-sized and full-sized futures contracts in the same commodity, contract month, contract year, and account to request, through their clearing member, an offset of positions. Clearing members will notify the Clearing Services Provider of all requests for offset. The Clearing Services Provider will accept such requests, or fractions of a request, when a matching, opposite offset request is received from another clearing member. Offset requests will be processed on a first-in, first-out basis. Contracts will be offset in the following ratios:

1 full-sized Gold contract	/	3 mini-sized Gold contracts
1 full-sized Silver contract	/	5 mini-sized Silver contracts
1 full-sized Corn contract	/	5 mini-sized Corn contracts
1 full-sized Soybean contract	/	5 mini-sized Soybean contracts
1 full-sized Wheat contract	/	5 mini-sized Wheat contracts

A program of directed fungibility, rather than de-facto fungibility, is needed in the case of physically delivered contracts of different size. The collection and orderly processing of offset requests will ensure that, as open interest declines, the outstanding long and short positions in the full and mini-sized contracts will remain equivalent.

The CBOT intends to implement these provisions no sooner than one day after the Commission’s receipt of this filing.

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There were no opposing views concerning these provisions.

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

Sincerely,

Paul J. Draths
Vice President and Secretary

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Additions are underlined

331.11 Transfer Trades for the Purpose of Offsetting Mini-sized and Full-sized Gold and Silver futures positions

With the consent of the account controller, a clearing member may request to offset and liquidate long (short) mini-sized futures positions against short (long) full-sized futures positions held in the same commodity, month and year and in the same account in the following ratios:

<u>3 Mini-sized 33.2 oz. Gold</u>	<u>1 Full-sized 100 oz. Gold</u>
<u>5 Mini-sized 1000 oz. Silver</u>	<u>1 Full-sized 5000 oz. Silver</u>

The clearing member shall notify the Clearing Services Provider of its request to offset positions by submitting reports to the Clearing Services Provider in such form and manner as the Clearing Services Provider shall specify. If accepted, the positions being offset shall be transferred to a holding account at the Clearing Services Provider. The Clearing Services Provider shall accept such request or fraction of such request upon receiving an opposite offset request from another clearing member. Such requests shall be processed in the order of oldest request date first.

No such offset request shall be accepted during the last two trading days.

331.12 Transfer Trades for the Purpose of Offsetting Mini-sized and Full-sized Corn, Soybean, and Wheat futures positions.

With the consent of the account controller, a clearing member may request to offset and liquidate long (short) mini-sized futures positions against short (long) full-sized futures positions held in the same commodity, month and year and in the same account in the following ratios:

<u>5 Mini-sized (1000 bu.) Corn</u>	<u>1 Full-sized (5000 bu.) Corn</u>
<u>5 Mini-sized (1000 bu.) Soybean</u>	<u>1 Full-sized (5000 bu.) Soybean</u>
<u>5 Mini-sized (1000 bu.) Wheat</u>	<u>1 Full-sized (5000 bu.) Wheat</u>

The clearing member shall notify the Clearing Services Provider of its request to offset positions by submitting reports to the Clearing Services Provider in such form and manner as the Clearing Services Provider shall specify. If accepted, the positions being offset shall be transferred to a holding account at the Clearing Services Provider. The Clearing Services Provider shall accept such request or fraction of such request upon receiving an opposite offset request from another clearing member. Such requests shall be processed in the order of oldest request date first.

No such offset request shall be accepted during the last two trading days.

331.09 Transfer Trades and Exchanges of Futures for Related Positions in a Delivery Month

During the delivery month and 2 business days prior to the first delivery day, transfer trades, or Exchanges of Futures for Related Positions, as described in Regulation 331.08, for the purpose of offsetting existing positions where no change of ownership is involved, are prohibited when the date of execution of the position being transferred, or the futures component of the Exchange of Futures for Related Position, is not the same as the transfer or Exchange of Futures for Related Position trade date. Positions carried at the same or different futures commission merchants for the same owner 2 business days prior to a delivery month and thereafter are required to be offset through open auction or on e-cbot, as applicable, or fulfilled through the normal delivery process. Where the positions are carried at different futures commission merchants, the receiving firm has the responsibility to assure compliance with this regulation. This regulation shall not apply to positions transferred for the purpose of offsetting mini-sized contracts against full-sized contracts per Regulations 331.11 and 331.12.