



**BY ELECTRONIC TRANSMISSION**

06-36  
December 14, 2006

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

Re: **Amendments to Sugar No. 11 Rules 11.07(a), 11.23 and 11.43 -  
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 Sugar No. 11 Rules 11.07(a), 11.23 and 11.43, attached as Exhibit A.

The amendment to Rule 11.07(a) adds the Emirate of Dubai to the list of destinations for which settlement is to be made on the basis of net landed weights and tests taken at the port of discharge. The addition of Dubai to the list of destination weight ports is based upon the quality of standards and practices in Dubai. In addition, the amendment is consistent with commercial market practice in the raw sugar trade. There were some individuals opposed to the amendment because they felt that the Sugar No. 11 futures contract should be, and remain, predominantly a shipping weight contract.

The amendments to Rules 11.23 and 11.43 change the last trading day for all Sugar Option and Sugar Options on Futures Spread contracts from the 2<sup>nd</sup> Friday of the calendar month in which the option expires to the 15<sup>th</sup> calendar day of the month in which the option expires, or, if such day is not a business day, the first business day after the 15<sup>th</sup> calendar day. The amendments provide additional trading days for each options contract which will benefit market users and will not significantly impact the Exchange's ability to ensure an orderly liquidation of the underlying futures contract.

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

The Exchange's Board of Governors adopted the amendments on December 13, 2006. The amendment to Rule 11.07 will become effective with the listing of March 2009 futures contract; the amendments to Rule 11.23 will become effective with the listing of the options contracts which have March 2009 as the underlying futures contract; and the amendments to Rule 11.43 will become effective with the Options on Spreads contracts having the July 2007 contract as the front month. As stated above, there were opposing views with respect to the amendment to Rule 11.07(a). There were no opposing views with respect to the amendments to Rules 11.23 and 11.43.

If you have any questions or need further information, please contact me at [jfassler@nybot.com](mailto:jfassler@nybot.com) or 212-748-4084.

Sincerely,

Jill S. Fassler  
Vice President  
Associate General Counsel

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.)

**Rule 11.07. Final weights and tests are to be determined as follows:**

(a) If the sugar is to be shipped to Belgium, Canada, the Emirate of Dubai, Finland, France, Germany, Holland, Ireland, Japan, Malaysia, Morocco, New Zealand, Portugal, Singapore, Sweden, the United Kingdom or the United States, settlement is to be made on net landed weights and tests taken at port of discharge as customary at said port in accordance with the procedures set forth in paragraph (b) below; provided, however, that regardless of the destination, the Receiver shall have the right, declarable at the time of nomination of the carrying vessel, to require that final settlement be based upon shipper's weights and tests determined as is customary at loading port at time of loading.

(REMAINDER OF RULE UNCHANGED)

**Rule 11.23. Last Trading Day**

The Last Trading Day for any Regular or Serial Option Month shall be the ~~[second (2<sup>nd</sup>) Friday]~~ fifteenth 15<sup>th</sup> calendar day of the calendar month in which such Regular or Serial Option expires; provided, however, that, in the event the Exchange is closed on such ~~[Friday]~~ day, then the Last Trading Day shall be the next succeeding Business Day. [∴

~~(a) if the Exchange is closed because such Friday is a designated Exchange Holiday, which has been so designated for more than one (1) week prior thereto, the term "Last Trading Day" shall mean the trading day preceding such Friday; and~~

~~(b) if the Exchange is closed on such Friday for any other reason, the term "Last Trading Day" shall mean the first (1<sup>st</sup>) trading day after such Friday.]~~

**Rule 11.43. Last Trading Day**

The Last Trading Day for any SSO series pair shall be the fifteenth (15<sup>th</sup>) calendar day of the calendar month in which the Option contract of the first expiring delivery month in the pair expires; provided, however that, in the event the Exchange is closed on such day, then the Last Trading Day shall be the next succeeding Business Day ~~[day as provided for in Sugar 11 Options Rule 11.23, as that day would apply to the first expiring delivery month in the pair].~~

**EXHIBIT A**