2003 NOV -6 PM 3:55

November 6, 2003

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

Reference File SR-PBOT-2003-16
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Rule 40.6, the Philadelphia Board of Trade ("PBOT") hereby submits the following:

- **New PBOT Rule 1207(c) regarding the method of establishing final settlement values**

The amendments describe the method used to establish the final settlement value of the Exchange's cash-settled foreign currency contracts. The Exchange notes that another version of Rule 1207(c) had previously been filed with the Commission in File SR-PBOT-2003-05 but has not yet become effective. This filing supersedes the earlier filing with respect to Rule 1207(c).

The PBOT intends to implement the amendments filed in SR-PBOT-2003-05, as modified by this filing with respect to Rule 1207(c), no sooner than one business day following the Commission's receipt of this filing.

There were no opposing views among the Executive Committee of PBOT's Board of Directors concerning these amendments.

The PBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

William N. Briggs
President

cc: Mr. Marvin Jackson

(c) For purposes of the rules of the Clearing Corporation, the final settlement price for a contract shall be based upon prices for the relevant currency established by bids and offers in the interbank foreign exchange market. Contract final settlement prices are based upon Phlx intra-day spot reference prices as of the final settlement time, which are in turn calculated using contributor quotes Phlx receives from a nationally recognized market data vendor. Contributor quotes are dollar-denominated bids and offers for spot transactions in a currency that the data vendor receives from quoting banks.

Phlx intra-day spot reference prices are a weighted average of a minimum of 2 and a maximum of 5 of the most recent contributor quotes. Contributor quotes greater than three [3] minutes old are discarded. Contributor quotes less than one [1] minute old are given a weight factor of three [3]. Contributor quotes greater than one [1] minute old but less than three [3] minutes old are given a weight factor of two [2].

The Phlx intra-day spot reference price is calculated as follows:

$$S = \frac{\Sigma\ [(bid_i)\ X\ \tfrac{1}{2}\ (w_i) + (ask_i)\ X\ \tfrac{1}{2}\ (w_i)]}{\Sigma\ (w_i)}$$

Where:

S = *the spot reference price*
bid_i = *the bid price of the ith contributor*
ask_i = *the ask price of the ith contributor*
w_i = *the weight factor of the ith contributor*
Σ = *summation sign*
"i" = the number of contributor quotes

The final settlement time for a contract shall be as of 2:30:00 p.m. Eastern Time on the Friday preceding the third Wednesday of the expiration month for that contract.