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

04-19  
June 8, 2004

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Supplemental Submission Pursuant to Section 5c(c)(1) of the Act and  
Regulation 40.6**

Dear Ms. Webb:

In Submissions 04-19 dated April 26, 2004, the Coffee, Sugar & Cocoa Exchange, Inc. ("CSCE") and the New York Cotton Exchange ("NYCE") (collectively referred to as the "Exchanges") submitted proposed By-Laws and Rules (the "New By-Laws and rules") that will become effective in connection with the Merger of CSCE and NYCE with and into the Board of Trade of the City of New York, Inc. ("NYBOT"). The Exchanges requested Commission approval, pursuant to Section 5c(c)(2) of the Commodity Exchange Act (the "Act") and Regulation 40.5, of the New By-Laws and the amendments to Chapters 1 and 2 of the New Rules and New Rule 6.41, and submitted the remainder of the New Rules, pursuant to Regulations 40.4 and 40.6.

Since the date of the original Submission, NYBOT and Commission staff have found that certain rules needed to be amended for the reasons detailed below. Those changes are being submitted in this Supplemental Submission and made part of the New Rules submitted by the Exchanges and NYBOT.

**1. New Rule 2.34**

New Rule 2.34 is amended to reflect the current Commission requirements for a futures commission merchant to file its month-end and year-end financial statements.

## 2. New Rules 3.18 and 3.22

The amendments to New Rules 3.18 and 3.22 reflect the current authority and composition of the Executive Floor and Floor Committees. The amendments make the rules consistent with the actual practice.

## 3. New Rule 4.11

When FCOJ was listed for trading by the Citrus Associates of the New York Cotton Exchange, Inc. ("Citrus"), transfer trades made on or after first notice day were subject to certain conditions [Citrus Rule 62(b)]. When FCOJ was listed for trading on NYCE, Rule 62(b) was not carried over into the NYCE Rules. After NYBOT staff found the omission, New Rule 4.11 was amended to include the provisions of Citrus Rule 62(b) in order to maintain the FCOJ rules as they were approved by the Commission.

## 4. New Rule 11.08

In CSCE Submission 04-4, CSCE submitted rule amendments to its Sugar No. 11 Rules to the Commission by certification. Unfortunately, when transcribing the amendments into the CSCE rulebook, one of the amendments was left out by mistake. It is now included as part of Rule 11.08(2)(d).

## 5. New Rules 16.22 and 16.23

When reviewing the original submission, Commission staff noticed a discrepancy in the Currency Option rules. According to the rules as submitted, there was a provision for options on sterling-euro, which had never been submitted to the Commission nor listed for trading by NYCE, and there was not a provision for options on euro-dollar, which had been submitted to the Commission and is currently listed for trading at NYCE. The amendments to New Rules 16.22 and 16.23 delete the reference to the sterling-euro and add the provisions for the euro-dollar.

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

CSCE's and NYCE's Boards of Managers authorized the Senior Vice President, General Counsel to make the necessary but non-material amendments to the New Rules on April 14, 2004. The amendments will become effective at the close of business June 9, 2004.

If you have any questions, please call me at (212) 748-4084.

Sincerely,

Jill S. Fassler  
Vice President  
Associate General Counsel

cc: David Van Wagner  
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 2.34. Member Firm Reporting Requirements**

(a) A Member Firm which is registered as a Futures Commission Merchant or which is a Clearing Member must submit to the Exchange, within ninety (90) days of the close of its fiscal year, or, in the case of an FCM that is also registered as a broker dealer, within sixty (60) days of the close of its fiscal year, a copy of its financial statement certified by an independent Certified Public Accountant.

(b) A Member Firm which is registered as a Futures Commission Merchant shall submit to the Exchange, as of the close of business each month, a statement of the computation of its net capital. Such statement shall be filed with the Exchange no later than seventeen (17) Business Days ~~[forty-five (45) days]~~ of the statement date.

**Rule 3.18. Executive Floor Committee**

(a) The Executive Floor Committee shall be an Exchange Committee and shall consist of such number of Floor Committee members as the Board shall determine from time to time who are representative of all NYBOT products. ~~[with no less than one (1) Floor Committee member from each trading ring.]~~

(b) The Executive Floor Committee shall have such powers and perform such duties as are specified by the Board or as are provided in the Rules, which shall include the administration of the policies and procedures pertaining to the Trading Floor. ~~[Without limiting the generality of the foregoing, the Executive Floor Committee, or any member thereof present on the floor of the Exchange, shall have the power at any time, except during the opening and closing calls, to suspend trading in any one or more Commodity Contracts for such time as in its or his discretion may be necessary to facilitate an orderly market; provided, however, that no such suspension shall be for a period exceeding five (5) minutes.]~~

**Rule 3.22. Floor Committee**

(a) ~~[Each trading ring shall have a Floor Committee. Each]~~ The Floor Committee shall be an Exchange Committee and shall consist of such number of persons as the Board shall determine from time to time. ~~[The persons appointed to each Floor Committee shall be Floor Brokers who primarily trade in the ring over which such Floor Committee has authority.]~~

(b) ~~[Each]~~ The Floor Committee shall have such powers and perform such duties as are specified by the Board or as are provided in the Rules. Without limiting the generality of the foregoing, the Floor Committee, or any member thereof present on the floor of the Exchange, shall have the power at any time, except during the opening and closing calls, to suspend trading in any one or more Commodity Contracts for such time as in its or his discretion may be necessary to facilitate an orderly market; provided, however, that no such suspension shall be for a period exceeding five (5) minutes.

**Rule 4.11. Transfer Transactions Not Required to Be Made by Open Outcry**

(a) Notwithstanding the requirements of Rule 4.03, the following transfer Transactions need not be made by open outcry:

(i) transfers of open contracts from one (1) Member to another Member made at the request of a client;

(ii) transfers of open contracts made at the request of the original Carrying Member to another Member;

(iii) transfers of open contracts from one (1) account to another account on the books of the same Member made at the request of a client where no change in ownership is involved;

(iv) transfers of open contracts necessitated by the death of the only Member of a firm who held Membership in the Exchange; and

(v) transfers of open contracts following the close of trading on the Last Trading Day of a particular delivery month, as provided in paragraph (e) of this Rule.

Unless specifically authorized by the President with the concurrence of the Chairman, a Vice Chairman or the Treasurer of the Board, Cocoa, Coffee "C", Ethanol, Sugar No. 11 and Sugar No. 14 transfers referred to in subparagraphs (a)(i) through (iv) may not occur on or after the first (1<sup>st</sup>) notice day of the delivery month for the contracts involved. FCOJ transfers referred to in subparagraphs (a)(i) through (iv), which offset existing Positions and where there is no change of ownership, may not occur on or after the first (1<sup>st</sup>) notice day of the delivery month for the contracts involved.

[REMAINDER OF RULE UNCHANGED]

#### **Rule 11.08. Obligations of the Receiver and Deliverer**

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(2) Obligations of the Deliverer:

\* \* \*

(d) The port nominated by Deliverer must be capable of providing a berth or anchorage that will enable vessels drawing thirty (30) feet salt water and with length overall of up to 190 meters to proceed to and depart from such berth or anchorage always safely afloat. However, if permitted by vessel's draft, a berth of less than thirty (30) feet salt water and/or length overall may be provided.

[REMAINDER OF RULE UNCHANGED]

#### **Rule 16.22. Quotation Basis**

The quotation basis for the options on currency futures is as follows:

(a) *Options on Pound sterling based futures*

\* \* \*

~~[(v) Options on sterling-euro: Premium bids and offers shall be quoted in terms of euros per Pound sterling significant to four decimals. The minimum price fluctuation shall be .0001 euros per Pound sterling that is equivalent to 12.50 euros per Option contract. However a Trade may occur at 1.25 euros per contract if the Trade liquidates Positions for both parties of the Transaction.]~~

\* \* \*

(d) *Options on Euro based currency futures*

\* \* \*

(x) Options on euro-dollar: Premium bids and offers shall be quoted in terms of U.S. cents and hundredths of U.S. cents per euro. The minimum price fluctuation shall be one-hundredth of a cent per euro, which is equivalent to \$20.00 U.S. dollars per Option Contract. However, a Trade may occur at a price of one U.S. dollar (\$1.00) per contract if the Trade liquidates Positions for both parties of the Transaction.

[REMAINDER OF RULE UNCHANGED]

#### Rule 16.23. Strike Prices

(a) The Strike Prices for Options on Currency Futures are as follows:

<i>Currency Pair</i>	<i>Strike Price Interval</i>
A. <i>Pound sterling based futures</i>	
Pound sterling-US dollar	whole .005 US dollar intervals or multiples thereof
Pound sterling-Japanese yen	whole 1 Japanese yen intervals or multiples thereof
Pound sterling-Swiss franc	whole .005 Swiss franc intervals or multiples thereof
<del>Pound sterling-euro</del>	<del>whole .01 euro intervals or multiples thereof</del>
B. <i>US dollar based futures</i>	
US dollar-Japanese yen	whole .5 Japanese yen intervals or multiples thereof
US dollar-Swiss franc	whole .005 Swiss franc intervals or multiples thereof
US dollar-Canadian dollar	whole .005 Canadian dollar intervals or multiples thereof
US dollar-South African Rand	whole .01 South African rand intervals or multiples thereof
US dollar-Swedish krona	whole .02 Swedish krona intervals or multiples thereof
US dollar-Norwegian krone	whole .02 Norwegian krone intervals or multiples thereof
US dollar-Czech koruna	whole .2 Czech koruna intervals or multiples thereof
US dollar-Hungarian forint	whole .5 Hungarian forint intervals or multiples thereof
C. <i>Australian and New Zealand dollar based futures</i>	
Australian dollar-US dollar	whole .0020 US dollar intervals or multiples thereof
New Zealand dollar-US dollar	whole .0020 US dollar intervals or multiples thereof
Australian dollar-Japanese yen	whole .05 Japanese yen intervals or multiples thereof
Australian dollar-New Zealand dollar	whole .005 New Zealand dollar intervals or multiples thereof
Australian dollar-Canadian dollar	whole .005 Canadian dollar intervals or multiples thereof
D. <i>Euro based currency futures</i>	
Euro-Japanese yen	whole .5 Japanese yen intervals or multiples thereof
Euro-Swedish krona	whole .02 Swedish krona intervals or multiples thereof
Euro-Swiss franc	whole .005 Swiss franc intervals or multiples thereof
Euro-British Pound	whole .002 pound sterling intervals or multiples thereof
Euro-Norwegian krone	whole .02 Norwegian krone intervals or multiples thereof
Euro-Canadian dollars	whole .005 Canadian dollar intervals or multiples thereof
Euro-Australian dollar	whole .005 Australian dollar intervals or multiples thereof
Euro-Czech koruna	whole .2 Czech koruna intervals or multiples thereof
Euro-Hungarian forint	whole .5 Hungarian forint intervals or multiples thereof
<u>Euro-US dollar</u>	<u>whole .005 US dollar intervals or multiples thereof</u>
E. <i>Japanese yen denominated currency futures</i>	
Swiss franc-Japanese Yen	whole .5 Japanese yen intervals or multiples thereof
Canadian dollar-Japanese Yen	whole .5 yen intervals or multiples thereof
F. <i>Swedish krona denominated currency futures</i>	
Norwegian krone-Swedish krona	Whole .005 Swedish krona intervals or multiples thereof

[REMAINDER OF RULE UNCHANGED]