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September 22, 2004

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Reference File #2490.01  
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following:

- **Amendments to CBOT Rulebook Chapter m14 "mini-sized Silver Futures" per the attached text (additions underlined; deletions struck through).**

The referenced amendments will update and modify various delivery and regularity provisions for CBOT mini-sized Silver futures to achieve consistency in these areas with the corresponding full-sized (5000 ounce) CBOT Silver futures contract.

The CBOT intends to implement these amendments no sooner than one day following the Commission's receipt of this filing.

There were no opposing views regarding these amendments.

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

Sincerely,

Paul Draths  
Vice President and Secretary

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Additions underlined; deletions struck through

**m1404.01 Unit of Trading** - The unit of trading for mini-sized Silver shall be one thousand troy ounces. Bids and offers may be accepted in lots of one thousand troy ounces or multiples thereof. (10/01/01)

**m1405.01 Months Traded In** - Trading in mini-sized Silver for future delivery may be conducted in the current calendar month and any subsequent months. (10/01/01)

**m1406.01 Price Basis** - All prices of mini-sized Silver shall be basis New York, New York, or basis any other location designated by the Exchange, in multiples of 10/100 of one cent per troy ounce. Contracts shall not be made on any other price basis. (06/01/04)

**m1407.01 Hours of Trading** - The hours of trading for future delivery in mini-sized Silver futures shall be determined by the Exchange. On the last day of trading in an expiring future, the closing time for such future shall be 1:25 p.m. (10/01/01)

**m1409.01 Last Day of Trading** - No trades in mini-sized Silver futures deliverable in the current month shall be made during the last two business days of that month and any contracts remaining open must be settled by delivery or as provided in Regulation m1409.02 after trading in such contracts has ceased; and if not previously delivered, delivery must be made no later than the last business day of the month. (10/01/01)

**m1409.02 Liquidation During the Delivery Month** - After trading in contracts for future delivery in the current delivery month has ceased in accordance with ~~the previous rule of this chapter~~ Regulation m1409.01, outstanding contracts for such delivery may be liquidated by means of a bona fide exchange of such current futures for the actual cash commodity. Such exchange must, in any event, be made no later than the last business day of the delivery month. (10/01/01)

~~**m1413.01 Contract Modification** - Specifications shall be fixed as of the first day of trading of a contract except that all deliveries must conform to government regulations in force at the time of delivery. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with the trading pursuant to 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 governmental orders. (10/01/01)~~

**m1440.04 Product Certification and Shipment** - To be eligible for delivery on the Exchange, all silver must be certified as to fineness and weight by an Exchange approved refiner, assayer, or other Exchange approved certifying authority and must be shipped directly from the Exchange approved refiner, assayer, or certifying authority via Exchange approved carriers to Exchange approved vaults.

All silver, if is not continuously in the custody of an Exchange approved vault or carrier, must the Exchange may require that it be recertified as to fineness and weight to be eligible for delivery.

The Exchange at its sole discretion shall have the authority at any time to have assayed any silver bars covered by vault receipts delivered against futures contracts. In such an event, costs are to be borne by the Exchange. (10/01/01)

**m1440.05 Refiners, Vaults, Weighmasters, and Assayers** - Exchange approved refiners, vaults, ~~and~~ ~~assayers,~~ ~~and~~ ~~weighmasters~~ may be listed with the Exchange upon approval by the Exchange. The Secretary's Office shall maintain and make available such lists. The addition of refiners and vaults shall be binding upon all contracts outstanding as well as those entered into after approval. (10/01/01)

**m1442.01 Deliveries by Vault Receipts** - In order to be valid for delivery against futures contracts, the vault receipt must be ~~registered with the official Registrar of the Exchange and issued in accordance with the requirements issued by the Registrar under Regulation m1436.01 and Appendix m14A.~~ The vault receipt must be ~~registered~~ issued before 4:00 p.m. on notice day, the business day prior to the day of delivery; however, in the case of delivery on the last delivery day of the delivery month, the vault receipt must be ~~registered~~ issued before 1:00 p.m. Deliveries on mini-sized silver futures contracts shall be made by the delivery of depository vault receipts issued by vaults which have been approved and designated as regular vaults by the Exchange for the storage of silver. Silver in bars must come to the regular vault directly from an approved source or from another regular vault either on the Chicago Board of Trade or the Commodity-COMEX Division of the New York Mercantile Exchange, Inc., by insured or bonded carrier.

~~The vault receipts shall evidence that storage charges have been paid up to and including the business day following the day of delivery. If such charges are not so paid, registration may be canceled at the request of the issuing vault. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of thirty days) pro rata for the unexpired term and adjustments made upon the invoice thereof. In order to effect a valid delivery, each vault receipt must be endorsed by the clearing member making the delivery. By the tender of a vault receipt for silver duly endorsed for delivery of the lot on an Exchange contract, the endorser shall be deemed to warrant, to his transferee and each subsequent transferee of the receipt for delivery on Exchange contracts, and their respective immediate principals, the genuineness, validity, and worth of such receipt, the rightfulness and effectiveness of his transfer thereof, and the quantity and quality of the silver shown on the receipt. Such endorsement shall also constitute a representation that all storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of one year) pro rata for the unexpired term and adjustments shall be made upon the invoice thereof.~~

In the event such Exchange member or principal shall claim a breach of such warranty, and such claim relates to the quantity or quality of the silver, the lot shall be immediately submitted for sampling and assaying to an assayer approved by the Exchange; the silver must be shipped under bond, and at the owner's expense, to the assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If a deficiency in quantity or quality shall be determined by the assayer, the claimant shall have the right to recover the difference in the market value and all expenses incurred in connection with the sampling and assaying and any cost of replacement of the silver. The claimant may, at his option, proceed directly against the original endorser of the vault receipt upon Exchange delivery, or against any endorser prior to claimant without seeking recovery from his immediate deliverer on the Exchange contract, and if the claim is satisfied by the original endorser of the vault receipt, or any other endorser, all the endorsers will be thereby discharged from liability to the claimant. If the claimant seeks recovery from any endorser and his claim is satisfied by such endorser, the party thus satisfying the claim will have a similar option to claim recovery directly from any endorser prior to him. Such claims as are in dispute between members of the Exchange may in each case be submitted to arbitration under the Rules and Regulations of the Exchange.

The liability of an endorser of a vault receipt as provided herein shall not be deemed to limit the rights

of such endorser against any person or party for whose account the endorser acted in making delivery on an Exchange contract. If it shall be determined in such arbitration proceeding that any endorser of a vault receipt or the person or party for whom such endorser acted was aware of the breach of warranty or was involved in a plan or arrangement with the original endorser (or his principal) to place such inferior silver in store in a regular vault for use in deliveries upon Exchange contracts, such endorsers shall not be entitled to recover from any prior endorser for the breach of warranty. (10/01/01)

**m1444.01 Form of Vault Warehouse Depository Receipt** - The following form of vault warehouse depository receipt shall be used:

\_\_\_\_\_  
(Name of Issuer)

\_\_\_\_\_  
Address)

(Designated by the Exchange as Regular for Delivery of Silver)

Bearer Receipt No. \_\_\_\_\_

Location, \_\_\_\_\_, 20\_\_\_\_

RECEIVED from \_\_\_\_\_

and stored in the vaults of the undersigned at the above facility, are \_\_\_\_\_ (\_\_\_\_) BARS. Said bars are deliverable only at said vaults to them (or him) or order or, if endorsed in blank, to the bearer hereof upon surrender hereof and payment of the storage and other proper charges and for expenses for notice, advertisement and sale.

\_\_\_\_\_ (the "Vault"), acknowledges receipt, from Depositor named above, of the bullion bars described in Schedule I (the "Bars"), stamped to indicate the aggregate amount shown of silver 999 fine. Vault has recorded the specifications concerning the bars as indicated thereon. The Vault is not responsible for the authenticity for markings on, or for the weight, fineness, or contents of, the Bars.

Storage charges are payable on the date of issue of this receipt to the end of the current month; and monthly thereafter, in advance, on the first business day of each calendar month. Unearned prepaid storage charges will be refunded to the holder upon surrender of this receipt.

Detailed specifications of bars covered by this receipt have been recorded by the undersigned as indicated on said bars.

THIS RECEIPT IS VOID unless signed by two (2) persons authorized to sign on behalf of the Vault.

**SCHEDULE I**

SERIAL NUMBER	WEIGHT (Troy Ounces)	MARK OR BRAND
	Total _____	

Control Number \_\_\_\_\_ Name of Vault \_\_\_\_\_

Notice: Notification of transfer \_\_\_\_\_ By \_\_\_\_\_ Authorized Signature  
of this receipt will facilitate \_\_\_\_\_

billing of storage charge. \_\_\_\_\_ By \_\_\_\_\_ Authorized Signature

STORAGE AND HANDLING CHARGES: Storage charges of \_\_\_\_\_  
per day per contract, minimum \_\_\_\_\_ per contract; plus  
\_\_\_\_\_ handling charge per contract for each deposit and  
\_\_\_\_\_ for each withdrawal.

**Storage Payments**

RECEIVED	DATE	REC. DEL. CHG.	STORAGE CHARGE	SIGNATURE
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FROM		AMOUNT	AMOUNT	PAID TO	

**ENDORSEMENTS**

Date \_\_\_\_\_ by \_\_\_\_\_  
Date \_\_\_\_\_ by \_\_\_\_\_  
Date \_\_\_\_\_ by \_\_\_\_\_

The following form of warehouse depository receipt shall be used:

**Board of Trade of the City of Chicago, Inc.**

141 W. Jackson Blvd. • Chicago, IL 60604  
(312) 435-3592

**Original Negotiable Warehouse Depository Receipt**

Date Issued: \_\_\_\_\_

No. \_\_\_\_\_

The issuer of this instrument will, upon notice and demand, deliver to: \_\_\_\_\_ or his or its order 1,000 troy ounces of silver contained in a bar conforming to the delivery specifications contained in the Rules and Regulations of the Board of Trade of the City of Chicago, Inc. Delivery shall be based upon identification markings appearing on said bar. The issuer has not ascertained, and is not responsible for, the authenticity or correctness of markings on, or content, weight or fineness of, said bar. Upon the return of this receipt, properly endorsed, to issuer, and payment of all storage charges pertaining to the silver represented, for which the Board of Trade of the City of Chicago, Inc. claims a lien, the silver will be transferred into the account of the bearer of this certificate.

Board of Trade of the City of Chicago, Inc.

By: \_\_\_\_\_  
Authorized Signature

**Notice:** This receipt expires one year from date of issuance. Return to issuer prior to expiration for reissue or delivery. (10/01/01)

**m1449.03 Sellers' Invoice to Buyers** - In addition to the requirements of 1049.03, the seller shall mail a copy of the invoice to the vault or vaults who issued the vault receipts being delivered. The seller will thereby notify the vault of the transfer of ownership of the indicated vault receipts from the seller to the buyer. The seller will be responsible for the payment of storage charges unless the vault has been notified thereby. (10/01/01)

**m1456.01 Storage and Transfer Fees** - Storage charges, transfer fees and in-and-out charges shall be set by each depository vault and the schedule of such charges shall be posted with the Exchange, which shall be notified at least 60 days in advance of any changes in the rate schedule. Except as otherwise provided, all such charges and fees shall remain the responsibility of the seller until payment is made. (10/01/01)

**m1481.01 Conditions of Regularity** - Silver may be delivered against a mini-sized Silver contract from any vault designated by the Exchange specifically for the storage of silver, and may not be delivered except from such vault. The following shall constitute the minimum requirements for regularity, and by accepting a Declaration of Regularity the vault agrees to abide by these conditions:

- (1) The vault must notify the Exchange promptly of any material change in ownership or condition of its premises.
- (2) The vault is required to submit a certified financial statement within 90 days of the firm's year-end. A letter of attestation must accompany all financial statements signed by the Chief Financial Officer or if there is none, a general partner or executive officer.
- (3) Such vault shall be provided with standard equipment and appliances for the convenient and safe storage of Silver and provide for proper security.
- (4) The operator of such vault shall furnish to the Registrar all needed information to enable ~~him~~ the Exchange to keep a correct record and account of all Silver received and delivered by the vault daily and of that remaining in store at the close of each week.
- (5) The operator of such vault shall accord every facility to ~~any duly authorized committee~~ the Exchange for the examination of its books or records for the purpose of ascertaining the stocks of Silver. The Exchange shall have the authority to employ experts to determine the quantity and quality of Silver in said vault.
- (6) ~~No vault shall be deemed suitable to be declared regular if its location, accessibility, tariffs, or other qualifications shall depart from uniformity to the extent that its receipts as tendered in satisfaction of futures contracts impair the efficacy of futures trading in this market, or if the operator of such No vault operator shall engages in unethical or inequitable practices, or if the operator fails to comply with any laws, Federal or State, or Rules or Regulations promulgated under those laws.~~
- (7) The operator shall make such reports, keep such records, and permit such vault visitation as the Board of Trade or the Commodity Futures Trading Commission may prescribe, and shall comply with all applicable Rules and Regulations. The vault must keep all such reports, books and records for a period of five years from the date thereof.
- (8) The operator of such vault must give such bonds to the Exchange as may be required by the Exchange.
- (9) The vault shall neither withdraw as a regular vault nor withdraw any regular capacity except after a sixty (60) day notice to the Exchange or having obtained the consent of the Exchange.
- (10) The vault shall notify the Exchange at least sixty (60) days in advance of any changes in its maximum storage rates, penalty for late storage payment and handling charges. (10/01/04)
- (11) The Exchange may determine not to approve vaults for regularity or increases in regular capacity of existing regular vaults, in its sole discretion, regardless of whether such vaults meet the preceding requirements and conditions. Some factors that the Exchange may, but is not required to, consider in exercising its discretion may include, among others, whether receipts issued by such vaults, if tendered in satisfaction of futures contracts, might be expected to adversely affect the price discovery function of Silver futures contracts or impair the efficacy of futures trading in Silver, or whether the currently approved regular capacity provides for an adequate deliverable supply.

**m1484.01 Revocation of Regularity** - Any regular vault may be declared by the ~~Business Conduct Committee or, pursuant to Regulation 540.10, the Hearing Committee,~~ Exchange to be irregular at any time if it does not comply with the conditions above set forth, or fails to carry out its prescribed duties. If the designation of a vault as regular shall be revoked a notice shall be posted on the bulletin board and on the Exchange website announcing such revocation and also the period of time, if any, during which the receipts issued by such vault shall thereafter be

deliverable in satisfaction of futures contracts in Silver under the Rules and Regulations.

By accepting a Declaration of Regularity the vault agrees, in the event of revocation, or expiration or withdrawal of regularity, to bear the expenses of the transfer of silver under bond to another regular vault satisfactory to the holders of its vault receipts. (10/01/01)