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March 20, 2008

David Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

RE: Certification of SENSEX Index Futures Contracts
USFE Submission #08-02

Dear Mr. Stawick:

United States Futures Exchange, LLC ("USFE"), pursuant to Commission Regulation 40.2(a), has adopted rules governing the trading of futures on the SENSEX Stock Price Index. The launch date has been set for April 4, 2008.

The rules are attached. USFE certifies that the SENSEX Stock Price Index is not narrow-based, as defined by Section 1a(25) of the Commodity Exchange Act (7 USC § 1a(25)). In addition, USFE has arranged for the sharing of market surveillance information on a case-by-case, express need-to-know basis with its counterpart, the Bombay Stock Exchange

The Exchange intends to permit block trades on only the largest orders that will be entered in the market and its determination of the minimum size of 50 is based on assumptions made from information provided by market makers and USFE staff. It should be noted that USFE would prefer most orders to be exposed to the entire marketplace and, in the beginning, expects that few, if any, block trades will be executed. In addition, once the market establishes itself, historical statistics can be used to re-assess and identify the appropriate block transaction size.

USFE certifies that the SENSEX Stock Price Index Futures Contracts comply with the Commodity Exchange Act and regulations thereunder.

Yours Truly,

Matthew Lisle
Chief of Compliance

CC: Thomas Leahy, CFTC
Riva Adriance, CFTC

403. Orders.

(a) In General.

- (i) Except as otherwise expressly provided in these Rules, all transactions of any type in or involving Contracts must be bid, offered and executed through the Trading System.
- (ii) Orders may be entered into the Trading System only:
 - (A) In such form and during such times as the Exchange shall prescribe;
 - (B) By an Authorized Trader; and
 - (C) For orders in an amount not exceeding the following number of contracts per order:

Contract	Maximum Order Size
ISE Stock Price Index Futures	2000
Morningstar Stock Price Index Futures	2000
<u>USD SENSEX Index Futures</u>	<u>2000</u>
Spot Equivalent Futures on Currencies	2000
Binary Event Futures	2000
Binary Options	2000
Weatherbid Indexes	2000

408. Cancellation of Transactions.

- (b) The Exchange shall cancel a transaction executed on the Trading System which results from the erroneous entry of an order or a quote (“mistrade”) in order to ensure orderly and fair market conditions if:
 - (i) The Member which entered the erroneous order or quote into the Trading System informs the Exchange by telephone within 15 minutes of the execution of the transaction by the Trading System that the transaction was the result of an order or quote that was mistakenly entered into the Trading System; and
 - (ii) The price of the transaction effected by the erroneous entry of the order or quote is outside the following range as applicable:

Contract	Ticks Away From the Fair Market Price
ISE Stock Price Index Futures (except Homebuilders)	30
ISE Homebuilders Stock Price Index	10

Contract	Ticks Away From the Fair Market Price
Morningstar Large Cap Core Index Futures	10
Morningstar Large Cap Growth Index Futures	10
Morningstar Large Cap Value Index Futures	10
Morningstar Medium Cap Core Index Futures	15
Morningstar Medium Cap Growth Index Futures	10
Morningstar Medium Cap Value Index Futures	10
Morningstar Small Cap Core Index Futures	25
Morningstar Small Cap Growth Index Futures	10
Morningstar Small Cap Value Index Futures	15
<u>USD SENSEX Index Futures</u>	<u>20</u>
Spot Equivalent Futures on Currencies	10
Binary Event Futures	None*
Binary Options	None*
Weatherbid Indexes	70

*All trades will stand unless the Exchange determines that failure to cancel may have a material, adverse effect on the integrity of the market

415. Block Trade Facility.

- (e) Block Trades may be transacted only in Contracts authorized for that purpose by the Exchange. The minimum number of contracts to qualify as a block trade under this rule are as follows:

Contract	Minimum Number
ISE Stock Price Index Futures	50
Morningstar Stock Price Index Futures	250
<u>USD SENSEX Index Futures</u>	<u>50</u>
Spot Equivalent Futures on Currencies	200
Binary Event Futures	50
Weatherbid Indexes	10

- (f) The transaction may be consummated at a price mutually agreed upon by the parties to the transaction; provided that,
- (i) the price for the Futures Contract does not exceed the range of the day's overall high and low by more than the following values (The range of the day's high and low is determined by a validation matrix):

Contract	Range

Contract	Range
ISE Stock Price Index Futures	1.0 percent
Morningstar Stock Price Index Futures	1.0 percent
<u>USD SENSEX Index Futures</u>	<u>1.0 percent</u>
Spot Equivalent Futures on Currencies	1.0 percent
Binary Event Futures	1.0 percent
Weatherbid Indexes	1.0 percent

416. Exchange of Futures for Physicals Facility (EFPs) and Exchange of Futures for Swaps Facility (EFSs).

- (f) The transaction may be consummated at a price mutually agreed upon by the parties to the transaction; provided, that the price of the futures leg does not exceed the range of the day's overall high and low by more than the following values (The range of the day's high and low is determined by a validation matrix):

Contract	Range
ISE Stock Price Index Futures	1.0 percent
Morningstar Stock Price Index Futures	1.0 percent
<u>USD SENSEX Index Futures</u>	<u>1.0 percent</u>
Spot Equivalent Futures on Currencies	1.0 percent

If the price of an FX SEF leg exceeds the range of the day's overall high and low, performance on the futures leg will be guaranteed by the Clearing Organization only in accordance with its procedures.

- (g) Eligible Contracts:

- (i) EFPs may be transacted under this rule with respect to the following Futures Contracts:
- (ii) EFSs may be transacted under this rule with respect to the following Futures Contracts:

Contract
ISE Stock Price Index Futures
Morningstar Stock Price Index Futures
<u>USD SENSEX Index Futures</u>
Spot Equivalent Futures on Currencies

903. Specifications for Futures Contracts on the Bombay Stock Exchange SENSEX® Stock Price Index Denominated in U.S. Dollars (“USD SENSEX Index Futures”).

The SENSEX® Stock Price Index is a broadly based weighted average of 30 Indian stocks that trade on the Bombay Stock Exchange (“BSE”). SENSEX® is a trademark and service mark of the BSE, used under license. Each USD SENSEX Index Futures Contract shall be a contract whereby, after the close of trading in the contract, the seller of a USD SENSEX Index Futures Contract shall pay in U.S. dollars any difference between the contract price and a higher final settlement price and the purchaser of a USD SENSEX Index Futures Contract shall pay in U.S. dollars any difference between the contract price and a lower final settlement price. The value of a contract shall be \$100 per index point.

- (a) **Trading Sessions:** Trading shall take place on each Business Day at such hours as may be specified from time to time by the Exchange; provided, however, that trading in the current month will cease on the last trading day at 10:00 a.m. Coordinated Universal Time (“UTC”) (which is 3:30 p.m. Mumbai time or 4:00 a.m./5:00 a.m. daylight savings time in Chicago, Illinois).
- (b) **Delivery Months:** Two consecutive delivery months following the current month; provided, however, that the Exchange may determine to list additional delivery months or not to list any delivery month. Delivery months are every month of the year. Effective the first trading day following the last trading day of a USD SENSEX Index Futures Contract for any delivery month, the next eligible delivery month shall automatically be listed for trading.
- (c) **Last Trading Day:** The last trading day of a USD SENSEX Index Futures Contract shall be the final settlement day; provided, however, that if such day is not a Business Day the immediately prior Business Day shall be the last trading day.
- (d) **Minimum Price Ticks:** The minimum price tick shall be .1 point (\$10.00) except that calendar spreads may be traded at .02 point (\$2.00) per contract.
- (e) **Contract Grade:** A USD SENSEX Index Futures contract is a Futures Contract on the SENSEX Index as listed above. The compilation and composition of the SENSEX Index is in the exclusive control of BSE.
- (f) **Final Settlement:** Contracts shall be settled in cash according to procedures established by the Clearing Organization. The final settlement price shall be based on the closing prices of the component stocks on the final settlement day as reported by BSE converted into U.S. dollars using the prevailing spot exchange rate for converting Indian rupees to U.S. dollars. For purposes of this paragraph, should the Exchange determine that a significant divergence in prevailing spot exchange rates exists between those reported by market data vendors, then the Exchange will, at its discretion, conduct its own survey to determine the prevailing spot exchange rate.

- (g) **Final Settlement Day:** The final settlement day shall be the last Thursday of the delivery month; provided, however, that if the SENSEX Index is not scheduled for publication on such Thursday, the final settlement day shall be the immediately prior Business Day on which the SENSEX Index is scheduled to be published.
- (h) **Trading Halts:** Where necessary, trading halts and price limits in the USD SENSEX Index Futures Contract shall be coordinated with trading halts in the component stocks, however the Exchange reserves the right to impose a trading halt in accordance with this paragraph. When trading is halted in the Lead Contract, trading is halted in all delivery months in the Contract. For no less than two minutes before trading is scheduled to resume Members may enter, amend or delete orders and quotes during a Pre-Trading Period. At the end of a trading halt, trading in all delivery months shall be resumed with an Opening Period in accordance with Rule 401.
- (i) For purposes of this paragraph, the following definitions will apply:
- (A) “Front Contract” means the next delivery month to expire;
 - (B) “Lead Contract” shall be the one for the delivery month with the highest traded volume on any given day;
 - (C) “Limit Offered” means that the current best offer shown in the Trading System for USD SENSEX Index Futures is at the Limit Price (defined below);
 - (D) “Limit Orders” include quotes and stop orders as well as limit orders within the meaning of Rule 403(b)(iii);
 - (E) “Limit Price” shall be the price level currently in effect below which sell limit orders and quotes may not be entered. The Limit Prices are sequentially the 10% Limit, the 20% Limit and the 30% Limit, respectively, below the last previous Settlement Price. In the event that there was no previous Settlement Price for a contract month, Operations will calculate a fair market estimate of such and disclose it to the market. After trading has been halted, the Limit Price will be the next sequential limit;
 - (F) “Primary Stock Market” for the USD SENSEX Index Futures shall be the Bombay Stock Exchange;
 - (G) the “10% Limit,” “20% Limit” and “30% Limit” in the current quarter shall be 10%, 20% and 30% of the average of the settlement prices of the Front Contract, rounded to the nearest tenth (0.1) point, for the calendar month immediately prior to the current quarter.
- (ii) Sell Limit Orders or sell quotes may not be entered into the Trading System at prices below the 10% Limit except in accordance with the provisions of this paragraph.
- (iii) Trading in USD SENSEX Index Futures will be halted if:

- (A) a trade is executed in the Trading System at the Limit Price;
 - (B) the Lead Contract is Limit Offered; or
 - (C) trading in the Primary Stock Market is halted.
- (iv) If trading has been halted, trading in USD SENSEX Index Futures may not resume until:
- (A) trading has been halted for 10 minutes; and
 - (B) trading in the Primary Stock Market was
 - (1) never halted; or
 - (2) has resumed and 50% of the stocks in the SENSEX Index, calculated on a capitalization weighted basis, have re-commenced trading.
- (v) Trading will also be halted, at the discretion of the Exchange, if the prevailing exchange rate for converting Indian Rupees to U.S. dollars is devalued by more than 20%.
- (vi) Block Trades or Basis Trades may not be entered into at prices lower than the Limit Price then in effect.
- (i) **Reportable Positions:** A Person shall report any position that such Person owns or controls in USD SENSEX Index Futures that exceed 200 contracts or more in any one delivery month.
- (j) **Position Accountability:** A Person who owns or controls an aggregate position in USD SENSEX Index Futures of more than 25,000 futures contracts shall be subject to the requirements of Rule 414 as set forth therein.
- (k) **Settlement Prices:** The Exchange will base its settlement price recommendations on trading conditions at 3:15 p.m. except that:
- (i) On the last day of trading in a delivery month the settlement price for that delivery month will be calculated in accordance with paragraph (f) at 4:00 a.m. (3:30 p.m. Mumbai time); or
 - (ii) If the Exchange alters its Trading Session, the Exchange may change the time for determining the settlement price.
 - (iii) On the last Business Day of a non-delivery month, the Exchange will recommend a settlement price for the Front Contract based on a fair value calculation using an index value reflecting 3:30 p.m. (Mumbai time) prices for the component stocks.