

C.F.T.C.
OFFICE OF THE SECRETARIAT
2010 MAR 30 PM 3 21



March 30, 2010

SENT VIA E-MAIL

Mr. David Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Submission pursuant to Commission Regulation Section 40.6(a)

Dear Mr. Stawick:

- I. **Certification.** The Kansas City Board of Trade ("KCBT") hereby gives notification to the Commission pursuant to Commission Regulation Section 40.6(a), of amendments to Rule 1129.00 pertaining to Exchange for Risk ("EFR") Transactions. The Board of Directors, in a regular meeting held on March 30, 2010, acting pursuant to authority granted them under Rule 233.01(o), approved the aforementioned amendments. KCBT certifies to the Commission that the amendments to Rule 1129.00 are in compliance with the Commodity Exchange Act and the regulations thereunder.
- II. **Date of Implementation.** Amended Rule 1129.00 shall become effective Monday, April 5, 2010.
- III. **Substantive Opposing Views.** To the knowledge of the Board of Directors and staff, no substantive opposing views were expressed by members or others regarding amended Rule 1129.00.
- IV. **Text of Amended Rule.** The text of the amended Rule 1129.00 is shown as follows, with additions underlined in bold:

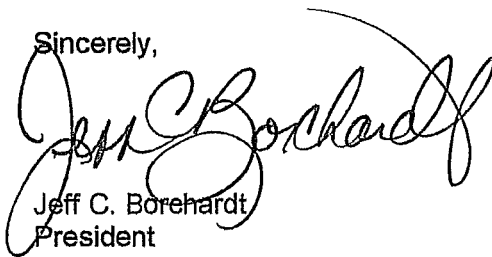
1129.00† Exchange For Risk ("EFR") Transactions. Transactions involving the exchange of futures or options contracts for or in connection with over-the-counter derivative ("OTC") transactions shall be allowed, provided the provisions of Rules 1129.00 through 1129.02 are met. Such transactions (hereinafter referred to as "EFR") may be made at such prices as are agreed upon by the parties. An EFR shall consist of two separate but related component transactions – an OTC transaction and a futures or options transaction. Each holder of futures or options contracts involved in an EFR must also be the holder of the economically offsetting OTC transactions involved in such EFR. The OTC component shall involve the commodity underlying the futures or options contracts (or a derivative, by-product or related product of such commodity). The quantity covered by the OTC component must be approximately equivalent to the quantity covered by the futures or options contracts. The OTC component of an EFR must comply with any applicable regulatory requirements prescribed by the Commodity Futures Trading Commission.

Mr. David Stawick
March 30, 2010
Page 2 of 2

V. **Rationale for Action Taken.** The Board's rationale for amending Rule 1129.00 is to provide additional flexibility in EFR transactions by allowing options contracts to be exchanged for or in connection with OTC transactions. The current rule only allows the exchange of futures for or in connection with OTC transactions. Market participants have requested that the exchange amend Rule 1129.00 to allow options contracts as an alternative in connection with EFR transactions. The aforementioned amendments satisfy such request.

Any questions regarding this submission should be directed to the undersigned at 816-753-7500.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff C. Borehardt". The signature is written in a cursive style with a large, sweeping flourish at the end.

Jeff C. Borehardt
President

Cc: Rick Shilts – CFTC Washington
Tom Bloom – CFTC Kansas City
Robin Hagedorn – CFTC Kansas City