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October 23, 2008

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: CME & CBOT Rules 853 ("Transfers of Trades") and 854
("Concurrent Long and Short Positions")
CME & CBOT Submission No. 08-163

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, "the Exchanges") hereby notify the Commission that effective October 27, 2008, the Exchanges will adopt amendments to CME and CBOT Rules 853 and 854.

The minor revision to Section C. of Rule 853 clarifies that transfers pursuant to this Section may occur on the books of the same or different clearing firms. Prior to the change, the language did not address transfers on the books of the same firm. The amendments to Section D. of Rule 853 eliminate the requirement that transfers of futures trades at the current settlement price receive prior Market Regulation approval and clarify The amendments to Rule 854 clarify that concurrent long and short positions in physically delivered contracts held by the same owner may be transferred for offset during the delivery period provided that the trade date of the position being transferred is the same as the transfer date.

The amendments are set forth below, with additions underscored and deletions overstruck.

853. TRANSFERS OF TRADES

- A. Subject to the limitations of Rule 854, existing trades may be transferred either on the books of a clearing member or from one clearing member to another clearing member provided:
 - 1. The transfer merely constitutes a change from one account to another account provided the underlying beneficial ownership in said accounts remains the same; or
 - 2. An error has been made in the clearing of a trade and the error is discovered and the transfer is completed within two business days after the trade date.
- B. Subject to the limitations of Rule 854, Exchange staff may, upon request by the clearing member(s), approve a transfer of existing trades either on the books of the same clearing member, or from the books of one clearing member to the books of another clearing member if the transfer is in connection

with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

- C. Exchange staff may, with the consent of ~~both~~ the clearing member(s) involved, permit the transfer of existing trades ~~on the books of one clearing member to the books of another clearing member~~ if, in staff's opinion, the situation so requires and such transfer is in the best interests of the Exchange.
- D. Provided that the transfer is permitted pursuant to Sections A., B. or C. above, the transactions must be recorded and carried on the books of the receiving firm at the original trade dates. Futures transactions may be transferred using either the original trade price or the most recent settlement price; options transactions may be transferred using either the original trade price or a trade price of zero. All transactions described above must be transferred using the original trade dates. Futures transactions must be transferred using the original trade prices; options transactions may be transferred using either the original trade prices or a trade price of zero. Upon written request, the Market Regulation Department may, in its sole discretion, permit transfers through the Clearing House at the current trade date and settlement price provided that the firm's books accurately reflect the original trade dates.

[The remainder of the rule is unchanged.]

854. Concurrent Long and Short Positions

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

- A. Concurrent long and short positions in the same commodity and month may be held by a clearing member at the direction of a customer or on behalf of an omnibus account; however it shall be the duty of the clearing member to ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the Clearing House.
- B. Concurrent long and short positions in physically delivered contracts that are held by the same owner ~~During the delivery month and two business days prior to the delivery month, concurrent long and short positions held by the same owner~~ must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. The only exception to this requirement is that ~~Such~~ positions may not be offset via netting, transfer, or position adjustment ~~except~~ to correct a bona fide clerical or operational error on the day the error is identified and provided that the quantity of the offset does not represent more than one percent of the reported open interest in the affected futures contract month ~~and the transaction occurs on the day that the error is identified.~~

[The remainder of the rule is unchanged.]

The Exchanges certify that the rule changes comply with the Act and regulations thereunder.

If you have any questions regarding this matter, please contact Joe Hawrysz, Associate Director, Market Regulation, at 312.341.7750, Jerry O'Connor, Associate Director, Market Regulation, at 312.341.7048 or me at 312.648.5422. Please reference CME & CBOT Submission #08-163 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel