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Christopher Bowen
Managing Director and Chief Regulatory Counsel
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Office of the
Secretariat

December 26, 2012

VIA E-MAIL

Ms. Sauntia Warfield
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Regulation 40.6(a). Board of Trade of Kansas City, Missouri, Inc. ("KCBT") Submission #12-466:
Conforming Amendments to KCBT Rules 301.01, 921.00, 922.00, 1001.01, 1001.02 and 1139.00.**

Dear Ms. Warfield:

The Board of Trade of Kansas City, Missouri, Inc. ("KCBT" or the "Exchange") is self-certifying to the Commodity Futures Trading Commission (the "Commission") conforming amendments to Exchange Rules 301.01 ("Emergency Actions"), 921.00 ("Global Command Center"), 922.00 ("Trade Cancellations and Price Adjustments"), 1001.01 ("Reporting Infractions"), 1001.02 ("Surcharges for Errors, Delays and Omissions") and 1139.00 ("Concurrent Long and Short Positions") (collectively, the "Exchange Rules"). The proposed effective date for these revisions is January 11, 2013.

Exhibit 1 sets forth the proposed revisions to the Exchange Rules. The modifications appear below with additions underscored and deletions ~~overstruck~~.

The revisions to the Exchange Rules are designed to ensure compliance with designated contract market ("DCM") core principles ("Core Principles") and conformity with current practices and procedures of the exchanges owned by CME Group Inc. ("CMEG"). The material changes to the Exchange Rules are set out below:

- Conforming amendments to adopt uniform language across the Exchange Rules

The Market Regulation Department and the Legal Department collectively reviewed the Core Principles as set forth in the Commodity Exchange Act ("CEA"). During the review, we have identified that the revisions to the Exchange Rules may have some bearing on the following Core Principles:

Availability of General Information: The revised rules make available to the public the operating rules and other matters relevant to the activities, procedures, requirements, and governance of the DCM. Standardizing the language of the Exchange Rules provides clarity and consistency to market participants.

The Exchange certifies that the revisions to the Exchange Rules comply with the CEA and regulations thereunder. There were no substantive opposing views to the proposed revisions.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at http://www.kcibt.com/kcibt_pending_certif.html.

Should you have any questions regarding this submission, please contact me at 212-299-2200 or via e-mail at christopher.bowen@cmegroup.com. Alternatively, you may contact Joseph Ott at 816-753-7500. Please reference our Submission No. 12-466 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1 – Proposed Revisions to KCBT Rules 301.01, 921.00, 922.00, 1001.01, 1001.02 and 1139.00

EXHIBIT 1

PROPOSED REVISIONS TO KCBT RULES 301.01, 921.00, 922.00, 1001.01, 1001.02 and 1139.00

301.01 Emergency Actions

The BCC is authorized to determine whether an emergency exists and whether emergency action is warranted. The following events and/or conditions may constitute emergencies:

1. Any actual, attempted, or threatened market manipulation;
2. Any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions;
3. Any action taken by the United States or any foreign government or any state or local government body, any other contract market, board of trade, or any other exchange or trade association (foreign or domestic), which may have a direct impact on trading on the Exchange;
4. The actual or threatened bankruptcy or insolvency of any Member-Permit Holder or the imposition of any injunction or other restraint by any government agency, self-regulatory organization, court or arbitrator upon a Member-Permit Holder which may affect the ability of that Member-Permit Holder to perform on its contracts;
5. Any circumstance in which it appears that a Member-Permit Holder or any other person or entity has failed to perform contracts or is in such financial or operational condition or is conducting business in such a manner that such person or entity cannot be permitted to continue in business without jeopardizing the safety of customer funds, Members-Permit Holders, or the Exchange; and/or
6. Any other circumstance which may have a severe, adverse effect upon the functioning of the Exchange.

In the event that the BCC determines, in the good faith exercise of its sole discretion, that an emergency exists, it may take any of the following emergency actions or any other action that may be appropriate to respond to the emergency:

1. Suspend, curtail or terminate trading in any and all contracts;
2. Limit or deny access to any CME Group trading or clearing platform or trading floor owned or controlled by CME Group;
3. Limit trading to liquidation of contracts only;
4. Impose or modify position limits and/or order liquidation of all or a portion of a Member Permit Holder or Non-Member's Permit Holder's account;
5. Order liquidation or transfer of positions as to which the holder is unable or unwilling to make or take delivery;
6. Confine trading to a specific price range;
7. Modify price limits;
8. Modify the trading days or hours;
9. Modify conditions of delivery;
10. Establish the settlement price at which contracts are to be liquidated;
11. Require additional performance bond to be deposited with the Clearing House; and/or
12. Order any other action or undertaking to address or relieve the emergency.

[The remainder of Rule 301.01 is unchanged]

921.00 GLOBAL COMMAND CENTER

A. Customer Support

The Global Command Center ("GCC") provides Globex customer support and problem management only to ~~Permit Holders~~Members, ~~Celearing Participant~~members and customers designated by ~~Celearing members~~Participants. In addition, designated KCBT ~~AND~~ and MGEX ~~Members-Permit Holders~~ and ~~Celearing Participant~~members may also receive customer support and problem management from GCC with respect to contracts traded on Globex. In order to be eligible for GCC support, such persons must register with the GCC ("Registered Contacts"). The GCC provides customer support via a specified telephone number and during specified hours. GCC employees may not always be available to assist Registered Contacts. Persons other than Registered Contacts must contact their ~~Celearing members-Participants~~ to make support requests.

B. GCC Communications

As provided in Rule 918, the Exchange shall not be liable for any loss resulting from any inability to communicate with the GCC. The liability of the Exchange for the negligent acts of GCC staff shall be subject to the limitations and conditions of Rule 918. In no event, however, shall the Exchange be liable for the negligence of the GCC if the person claiming to have suffered a loss could have secured the support it sought from GCC through its own administrative terminal, its ~~Celearing member's-Participant's~~ terminal or an Independent Software Vendor's ("ISV") terminal. For purposes of this rule, a person is deemed able to take action through its own administrative terminal, a ~~Celearing member's-Participant's~~ terminal or an ISV's terminal unless such terminal was inoperative or such terminal service was interrupted at the time the GCC took action.

[The remainder of Rule 921.00 is unchanged]

922.00 TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

E. Liability for Losses Resulting from Price Adjustments or Cancellations and Prohibition on Claims for Losses Arising From Error Trades Executed Within the Non-Reviewable Range

A party entering an order that results in a price adjustment or trade cancellation shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or cancelled provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

A claim for a loss pursuant to this section must be submitted to the Exchange on an Exchange claim form within five business days of the event giving rise to the claim. The Exchange shall reject any claim that is not filed in a timely manner or is not permitted by this section and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade cancellation or a price adjustment and to the ~~Celearing member-Participant~~ through which the trade was placed. Such party, or the ~~Celearing member-Participant~~ on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability. To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make

the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement must be provided to the Exchange.

To the extent that liability is denied, the party making the claim may submit the claim to arbitration in accordance with the Rules. Such claims must be submitted to the Market Regulation Department within ten business days of the date the party was issued notification that liability was denied.

Claims for losses incurred as a result of trades executed in error at prices within the non-reviewable range may not be submitted for arbitration pursuant to the provisions of the Rules.

F. Permissible Responses to Phantom Orders

If the GCC has reason to believe that Phantom Orders as defined in Rule 918 have been or are being entered into any Exchange system, service or facility, the GCC shall be empowered to take appropriate action to protect the integrity of the market, including, without limitation, suspending trading and/or canceling unfilled orders. The GCC shall also be empowered, in its sole discretion, to cancel transactions or adjust the trade prices of transactions that were directly or indirectly caused by Phantom Orders, whether or not such transactions were executed at prices outside of the non-reviewable range specified in this Rule.

If Phantom Orders directly cause transactions to be executed on any Exchange system, service or facility and such transactions are not canceled, the GCC shall promptly direct the ~~C~~clearing ~~member-Participant~~ carrying positions resulting from such transactions to liquidate the positions in a commercially reasonable manner. Such positions shall be liquidated within 30 minutes of such notification or within 30 minutes of the time the ~~e~~clearing ~~member-Participant~~ knew or should have known that it had been assigned transactions resulting from Phantom Orders, whichever is sooner. The GCC, in its sole discretion, may waive the 30 minute liquidation requirement if it determines that such requirement may have a material, adverse impact on the integrity of the market.

The GCC shall provide notification to the marketplace regarding any action taken or to be taken with respect to the entry of Phantom Orders or execution of a transaction as a result of Phantom Orders, and, in the event transactions are not otherwise canceled or price adjusted by the GCC, any actions required to be taken by ~~C~~clearing ~~members~~Participants. Such notification(s) shall be made as soon as practicable, but in no event more than 30 minutes after the time that the GCC has accurate information regarding the Phantom Orders that is sufficient to support the necessary notification(s).

Any Exchange, CBOT or NYMEX liability for losses resulting from Phantom Orders shall be subject to the limitations of Rule 918.

[The remainder of Rule 922.00 is unchanged]

1001.01 Reporting Infractions.

1001.01.A. General

All data, records and other information required by the rules to be reported to the Exchange or the Clearing House, as applicable, must be submitted in an accurate, complete and timely manner.

1001.01.B. Sanctions

1. The Chief Regulatory Officer or his designee shall have the authority to impose summary fines on Members Permit Holders and Member-Permit Holder firms not to exceed \$5,000 per offense for individual Members Permit Holders or \$10,000 per offense for Member-Permit Holder firms for the inaccurate, incomplete or untimely submission of data, records or information required to be submitted to the Exchange or the Clearing House.

2. Members-Permit Holders and Member-Permit Holder firms shall have 15 days following receipt of the notice of a summary fine to present evidence to the Market Regulation Department that the fine should be rescinded or reduced. Absent the submission of such evidence within the designated time period, the fine shall be deemed final and may not be appealed.

1001.01.C. Hearings and Appeals

If the Chief Regulatory Officer or his designee determines that evidence submitted by a Member-Permit Holder or Member-Permit Holder firm pursuant to Section B.2. is insufficient to support the requested rescission or reduction of the fine, the Member-Permit Holder or Member-Permit Holder firm may, within 10 days of the decision, file a written appeal with the Market Regulation Department. A written appeal that fails to specify the grounds for the appeal and the specific error or impropriety of the original decision shall be dismissed. The appeal shall be heard by a Panel of the Business Conduct Committee whose decision shall be final. The appellant shall be entitled to be represented by counsel, appear personally before the BCC Panel and present evidence that he may have in support of his appeal. The BCC Panel shall not set aside, modify or amend the appealed decision unless it determines, by a majority vote, that the decision was:

1. Arbitrary, capricious, or an abuse of the Exchange staff's discretion;
2. In excess of the Exchange staff's authority or jurisdiction; or
3. Based on a clearly erroneous application of Exchange rules.

Notwithstanding the provisions of Sections B.1. and B.2. above, the Market Regulation Department, may, at any time, refer matters that it deems egregious to the Complaint Committee.

1001.02 Surcharges for Errors, Delays and Omissions.

Exchange staff may establish, and from time to time revise, schedules of surcharges to be imposed upon Clearing member-Participants for errors, delays and omissions with respect to trade data and certain other information required to be provided to the Clearing House. These surcharges are to be collected by the Clearing House and are in addition to any disciplinary sanctions that may be imposed by Market Regulation, the BCC or CHRC for the violation of Exchange rules.

1139.00 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 Participant-member at the direction of a customer or on behalf of an omnibus account; however it shall be the duty of the Clearing member-Participant 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 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. 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.
- C. ~~Clearing members-Participants~~ which, pursuant to this rule, carry concurrent long and short positions, must report to the Clearing House both sides as open positions. When either side or both sides are reduced in accordance with Section B. of this rule, the open positions as reported to the Clearing House must be reduced accordingly.
- D. The Exchange takes no position regarding the internal bookkeeping procedures of its ~~Clearing members-Participants~~ which, for the convenience of a customer, may "hold open" a position only on their books. However, the ~~Clearing member-Participant~~ must accurately report to the Exchange and the Clearing House, as appropriate, large trader positions, long positions eligible for delivery and open interest.