

July 8, 2003

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW.
Washington, DC 20581

Reference File #2341.01
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Rule 40.6, the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **“Statements of Policy” (attached) concerning the transfer of open positions from CBOT’s current clearing entity (the Board of Trade Clearing Corporation/BOTCC) to the Chicago Mercantile Exchange, Inc. (CME).**

The referenced provisions reflect the implementation schedule for a Clearing Link between the CBOT and the CME. Under this arrangement, the CME will provide clearing and related services to the CBOT for all CBOT products.

There were no substantive opposing views concerning these provisions. The Statements of Policy were discussed among, and agreed upon, by the CBOT, CME, and BOTCC. Additionally, the CBOT notes that CFTC staff has reviewed and discussed these provisions with representatives of the CBOT, CME and BOTCC, and has not objected to these provisions.

The CBOT certifies that these provisions comply with the Commodity Exchange Act and the rules thereunder. Furthermore, the CBOT acknowledges its obligation to enforce these certified provisions in the same manner as is applicable to rules which the CFTC has approved.

Sincerely,

Paul J. Draths
Vice President and Secretary

**STATEMENT OF POLICY RELATING TO THE PROCEDURES FOR THE TRANSFER OF OPEN INTEREST
FROM THE BOARD OF TRADE CLEARING CORPORATION TO CHICAGO MERCANTILE EXCHANGE, INC.**

Contracts: Swap Futures & Options, Municipal Note Futures, Fed Fund Futures & Options, Dow Futures & Options, Agricultural Futures & Options

11/17/03 Monday	11/18/03 Tuesday	11/19/03 Wednesday	11/20/03 Thursday	11/21/03 Friday	11/22-11/23 Sat/Sun	11/24/03 Monday
<p>Firms report gross positions to the CME</p> <p>It is requested that BOTCC provide the machine readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p> <p>Ag products will not close early. Normal processing will occur for each of the identified Ag equity and interest rate products. Normal trading hours will remain.</p> <p>Final reconciliation of affected contracts through BOTCC.</p> <p>Pay/collect & original margin are collected by BOTCC on the normal schedule.</p>	<p>BOTCC would provide a machine readable Trade Register File Saturday and Sunday</p> <p>Saturday – exercises and assignments on options would be completed as regularly scheduled.</p> <p>Saturday – No “ex-pit transactions” after 12:00 p.m.</p> <p>Sunday - BOTCC would run process to determine margin “associated” with positions to be transferred Monday a.m. and would work with clearing members to identify specific margin collateral to be transferred.</p> <p>In order to determine margin “associated” with the positions to be transferred, BOTCC would run the margin requirement for each firm both on a pre-transfer basis and on a post-transfer basis. The difference between the margin requirements</p>	<p>BOTCC would run its 6:40 a.m margin and variation settlement banking cycle.</p> <p>Positions would be transferred to CME after BOTCC’s morning margin and variation settlement cycle is completed.</p> <p>BOTCC would release margin collateral on the transferred positions to the CME (or firms as applicable)based upon instructions from clearing firms. This will occur after the Banks have confirmed settlement for all products that have been transferred.</p> <p>The margin collateral to be released by BOTCC would at minimum be the margin “associated” with the positions.</p> <p>CME performs mid-day pay/collect for Monday trades.</p>

					<p>would represent the “associated” margin.</p> <p>Trading commences for Identified Equity and Interest Rate Products on Sunday night under the new e-cbot platform and trades will clear at CME.</p>	<p>CME commences clearing all trades for agricultural futures and options, Swap Futures and Options, Fed Fund Futures and Options, Municipal Bonds, and Dow futures and Options contracts.</p> <p>Proceed with normal operations.</p> <p>* BOTCC would expect that the clearing firms, the CBOT, and the CME execute a form that authorizes the transfers (positions and collateral) and that provides BOTCC with appropriate indemnification.</p>
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- Delivery Cycle for Corn, Meal and Oil begins on 11/26.
- Rice Deliveries process via manual workarounds on Friday 11/21 via Market Surveillance in collaboration with the CME (minimal deliveries are expected).

**STATEMENT OF POLICY RELATING TO THE PROCEDURES FOR THE TRANSFER OF OPEN INTEREST
FROM THE BOARD OF TRADE CLEARING CORPORATION TO CHICAGO MERCANTILE EXCHANGE, INC.**

Contracts: 30 Year T-Bond Futures & Options (Standard & Flex); 10 Year T-Note Futures & Options (Standard & Flex); 5 Year T-Note Futures & Options (Standard & Flex); 2 Year T-Note Futures & Options (Standard & Flex); mini-sized 30 Year T-Bond Futures; mini-sized 10 Year T-Note Futures; 10 Year Agency Note Futures & Options; 5 Year Agency Note Futures & Options; mini sized Silver Futures, mini-sized Gold Futures

12/22/03 Monday	12/23/03 Tuesday	12/24/03 Wednesday	12/25/03 Thursday	12/26/03 Friday	12/27-12/28 Sat/Sun	12/29/03 Monday
<p>Firms report gross positions to the CME</p> <p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p> <p>All contracts close at 12:30pm due to holiday</p>	<p>CHRISTMAS HOLIDAY NO TRADING</p>	<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>		<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>
12/29/03 Monday	12/30/03 Tuesday	12/31/03 Wednesday	1/1/04 Thursday	1/2/04 Friday		
<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p>	<p>It is requested that BOTCC provide the machine-readable Trade Register file.</p> <p>Position Reporting PCS by firms to CME</p> <p>All contracts close at 12:30pm due to holiday</p> <p>Final reconciliation of affected contracts through BOTCC.</p> <p>Pay/collect & original margin are collected by BOTCC</p>	<p>NEW YEARS HOLIDAY SCHEDULE OPEN OUTCRY CLOSED</p> <p>BOTCC would provide a machine readable Trade Register File.</p> <p>BOTCC confirms collateral and positions to be transferred to CME.</p>	<p>BOTCC would run its 6:40a.m. margin and variation settlement banking cycle.</p> <p>Positions would be transferred to CME after BOTCC's morning margin and variation settlement cycle is completed.</p> <p>BOTCC would release margin collateral on the transferred positions to the CME (or firms as applicable) based upon instructions</p>		

		on the normal holiday schedule.	<i>Trading commences for all products according to regular holiday trading schedule under the new e-cbot platform and trades will clear at CME. All products are opened for January 2nd trading date on the evening of January 1.</i>	<p>from clearing firms. This will occur after the banks have confirmed settlement for all products that have been transferred.</p> <p>CME performs midday pay/collect for Friday trades.</p> <p>CME commences clearing all trades for all products.</p> <p>Proceed with normal operations</p> <p>BOTCC would expect that the clearing firms, the CBOT, and the CME execute a form that effects the release of BOTCC from its contractual clearing obligation with the respective clearing members and authorizes the transfers (positions and collateral) and that provides BOTCC with appropriate indemnification.</p>		
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- 2 Year Note Futures delivers into January. The last delivery day is tentatively scheduled for January 2. This is a floating day based on the U.S. Treasury auction. If date remains “as is” last intent day will be December 30 and the last invoice day is December 31. Delivery processing remains with BOTCC. If the date changes to January 3, intents would occur at BOTCC on December 31 and last invoice at CME would occur on Jan 2.

There may also be some small metal deliveries caught in the middle of delivery that may require manual intervention between CBOT and CME. These deliveries are minimal in terms of number contracts.