

SUBMISSION COVER SHEET

Exchange Identifier Code (optional) 07-12

Date 2/12/07

ORGANIZATION NYBOT

FILING AS A:

DCM

DCO

DTEF

TYPE OF FILING

- **Rule Amendments**

Self-Certification Under Reg. 40.6(a)

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

- **New Products**

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

RULE NUMBERS

Rule 13.08

DESCRIPTION (Rule Amendments Only)

Amendments provide that, when only electronic trading is open, only one limit move may take place in FCOJ futures contracts.



BY ELECTRONIC TRANSMISSION

07-12
February 12, 2007

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendments to FCOJ Rule 13.08 -
Submission Pursuant to Section 5c(c)(2) of the Act and Regulation 40.4(a)**

Dear Ms. Donovan:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act, as amended, and Commission Regulation 40.4(a), the Board of Trade of the City of New York, Inc. (“Exchange”) submits for approval amendments to FCOJ Rule 13.08, attached as Exhibit A.

Rule 13.08 provides for “floating” limit moves in FCOJ during the trading day. Once a limit move is reached, trading in FCOJ is suspended for fifteen (15) minutes and, then, reopens with an average price opening and full trading resuming. Once trading resumes, another limit move may occur and the same procedure is implemented. After five limit moves in the same direction, the limit is increased from ten to twenty cents with the same procedures occurring for the expanded twenty cent limit moves.

When FCOJ is open for electronic trading and a limit move occurs, there is currently no mechanism on the ICE platform to prevent trades which above the limit. Therefore, Market Supervision must cancel all trades that exceed the limit during the fifteen minute period when trading is suspended and the market is reopened with a new limit. Keeping up with the floating limits outside of open outcry hours may prove to be unmanageable for Market Supervision. In addition, since options do not trade electronically, individuals with option positions may experience a severe financial loss during this time.

The amendments to Rule 13.08 provide that, when only electronic trading is open, only one limit move may take place in FCOJ futures contracts. The amendments will ensure an orderly market during periods of volatility.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Exchange's Board of Directors adopted the amendments by Unanimous Written Consent in accordance with Bylaw Section 4.7. The amendments will be implemented on the business day following Commission approval. No substantive opposing views were expressed by members or others with respect to the amendments.

If you have any questions or need further information, please contact me at jfassler@nybot.com or 212-748-4084.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
Martin Murray
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

Rule 13.08. Price Limits

(a) For purposes of this Rule the following terms shall have the following meanings:

(i) *The Lead Month.* The futures delivery month carrying the most open interest;

(ii) A price limit shall be deemed to have been “reached” within the meaning of subparagraph (b)(i) of this Rule when there is a preponderance of bids at the high of the trading range or of offers at the low of the trading range.

(b) When a price limit has been reached in the Lead Month under subparagraph (~~(b)~~(i) of this Rule, offers or bids in any delivery month shall be subject to acceptance before trading is suspended.

(c) All questions with respect to this Rule and its implementation shall be determined by the [~~Settlement Price Committee~~] Exchange.

(d) The limits specified in paragraph (e) of this Rule shall be applicable when both open outcry and electronic trading sessions are open. When only the electronic trading session is open, only one (1) limit move, either ten cents (10¢) or twenty cents (20¢) whichever is applicable, above or below the Settlement Price shall be permitted.

(~~(b)~~(e) Limits

(i) *10¢ Move*

(A) The price limit for any month shall be ten cents (10¢) per pound above and below the Settlement Price for such month of the preceding trading session. If the price for the Lead Month reaches said ten cents (10¢) per pound limit, trading in all Exchange Futures and Options Months shall automatically be suspended for a period of fifteen (15) minutes, during the last five (5) minutes of which, a stopped contract shall be held in the manner provided under Rule 4.08, provided however, that, the Floor Committee may determine to extend such five (5) minute period during which a stopped contract shall be held, for an additional period of time not to exceed two (2) minutes. At the end of such suspension, trading shall resume with an opening call in futures.

(B) On the resumption of trading, the price limit for each month shall be ten cents (10¢) per pound above and below the price of that month at the time of the suspension and, if the Lead Month price limit is reached again, trading in all Exchange Futures and Options Months shall again automatically be suspended and resumed in accordance with the procedures as set forth in the above subparagraph (~~(b)~~(e)(i)(A) of this Rule. The foregoing procedure shall continue during each day of trading in a Lead Month in the same manner so that when the price for the Lead Month reaches the then price limit there shall be a suspension and a resumption of trading in accordance with subparagraph (~~(b)~~(e)(i)(A) of this Rule at a price limit of ten cents (10¢) per pound above and below the price in the Lead Month at the time of suspension until a further suspension occurs or the end of trading on any such day.

(C) The procedures for the ten cent (10¢) move shall be followed until there are five (5) consecutive limit moves in the same direction.

(ii) *20 ¢ Move*

(A) In the event of a sixth (6th) or more consecutive limit move in the same direction, each month limit will be twenty cents (20¢) per pound above and below the price of such month at the time of suspension until there is a limit move in the opposite direction in which case the ten cent (10¢) procedures in subparagraphs (~~(b)~~(e)(i)(A) and (B) above are followed again.

(iii) If any futures trading occurs “off the limit”, then during the first suspension (whether caused by a ten cent (10¢) or twenty cent (20¢) move) following such “off limit trading”, that suspension shall apply only to futures. Options may continue to trade until the completion of the next opening call in futures that day.

([e]f) On the Last Trading Day of the Current Month, or an expiring Option, if there has been suspension of trading by reason of a price movement which reaches a limit, trading in the Current Month or expiring Option shall continue for such number of minutes during which trading was suspended during said day; provided, however, that trading in all other months shall cease at the regular close.