CHICAGO MERCANTILE EXCHANGE

30 South Wacker Drive, Chicago IL 60606-7499, Tel. 312-930-1000

September 4, 2003

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

VIA FACSIMILE

RE: Section 5c(c)(1), Part 40.6(a) - Rule Certification for a Reduction in the British Pound Futures and Options Tick Size. CME Submission 03-69.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission under the exchange certification procedures, that the CME Board of Directors, on Wednesday, September 3, 2003, approved reducing the British pound futures and options minimum price increment from $0.0002 per British pound (= $12.50 per tick) to $0.0001 per British pound (= $6.25 per tick). Also, the Board approved a language clarification to the GLOBEX® error trade policy to specify the GLOBEX British pound futures no bust range at 30 ticks rather than 15 ticks. Thirty ticks at $0.0001 per British pound equals the current 15 ticks at $0.0002 for a plus or minus no bust range of $0.0030 per British pound. The new British pound futures and options tick sizes will apply to all existing as well as newly listed contract months, and will become effective starting with GLOBEX trading on Sunday, October 5, 2003, for the trade date of Monday, October 6, 2003. Appendix 1 provides the rule amendments with additions underlined and deletions bracketed and overstruck. Appendix 2 is a clean copy of the rules incorporating the amendments.

The Board responded to customer demand and the desire to promote hedging efficiency in the CME British Pound products. The rule changes allow CME to match the trading precision of the interbank over-the-counter (OTC) foreign exchange market. Members will be notified of the change in the British pound futures and options tick sizes in the CME Update 03-09, published on Monday, September 8, 2003. The Exchange certifies that this action neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules thereunder.

If my staff or I may assist you, please do not hesitate to call. Please reference our CME Submission Number 03-69 on all future correspondence regarding this notification.

Sincerely,

/S/ John W. Labuszewski, Director
Research & Product Development
312 / 466-7469
Fax: 312 / 930-4517
jlabusze@cme.com

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton, CFTC Division of Market Oversight, Product Review & Analysis Section
        Mr. David Van Wagner, CFTC Division of Market Oversight, Rule Review Section
        Mr. Richard W. Q. Fung, CFTC Central Region

Appendix 1: Amended Rules
(Additions are underlined while deletions are bracketed and overstruck.)

CHAPTER 251
BRITISH POUND STERLING FUTURES

Rule 25100 is unchanged.

25101.   FUTURES CALL

Rule 25101.A is unchanged.

25101.B.   Trading Unit

The unit of trading shall be 62,500 pound sterling.

25101.C.   Price Increments

Minimum price fluctuations shall be in multiples of [$.0002]$.0001 per pound sterling, equivalent to [$12.50]$6.25 per contract. [Trades may also occur in multiples of $.0001 per pound sterling, commonly referred to as one tick, for pound sterling futures intra-currency spreads, executed as simultaneous transactions on the trading floor pursuant to Rule 542.A. and on GLOBEX® pursuant to Rule 542.F.; and for pound sterling futures All-Or-None (AON) transactions executed pursuant to section "All-Or-None Transactions" of Rule 521.]

Remainder of rules are unchanged.

CHAPTER 251A
OPTIONS ON BRITISH POUND STERLING FUTURES

Rule 251A00 is unchanged.

251A01.   OPTION CHARACTERISTICS

Rule 251A01A is unchanged.

251A01.B.   Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one pound sterling futures contract as specified in Chapter 251.

251A01.C.   Price Increments

The price of an option shall be quoted in U.S. dollars per pound sterling, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each [$0.0002]$0.0001 per pound sterling ([two]one point[s]) shall represent [$12.50]$6.25. For example, a quote of .0070 represents an option price of $437.50 (70 points x [$12.50 per 2 points]$6.25 per point). The minimum fluctuation shall be [two points]one point (also known as one tick). [A trade may also occur at a price of $.0001 ($6.25, also known as one-half tick), $.0003 ($18.75, also known as one and one-half ticks), $.0005 ($31.25, also known as two and one-half ticks), $.0007 ($43.75, also known as three and one-half ticks), and $.0009 ($56.25, also known as four and one-half ticks).]

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Remainder of rules are unchanged.

INTERPRETATIONS TO CHAPTER 5

CME GLOBEX ERROR TRADE POLICY (p. xviii)

G.   Busting Trades After System Freeze

In certain types of GLOBEX system failures, it is possible that the matching engine will freeze with live orders in the queue waiting to be matched. When the system is unfrozen, the pending orders can be matched before the GCC can halt the matching engine. The GCC is authorized to bust trades resulting from matches in these circumstances if, and only if, the price of such trades is outside of the No Bust Range at the time that a confirmation of the trades was sent.

GLOBEX Error Trade Tick Range List

Futures Contract	No Bust Range
Eurodollar	5 basis points or less
Libor	2.5 basis points or less
T-Bills	2.5 basis points or less
Fed Fund "Turn"	50 basis points or less
Agency Notes	16 ticks or less
Currency Futures (except British pound)	20 ticks or less
British Pound Futures	[15]30 ticks or less

Remainder of Interpretation is unchanged.

End of rule changes.

Appendix 2: Clean Copy of Amended Rules

CHAPTER 251
BRITISH POUND STERLING FUTURES

Rule 25100 is unchanged.

25101. FUTURES CALL

Rule 25101.A is unchanged.

25101.B. Trading Unit

The unit of trading shall be 62,500 pound sterling.

25101.C. Price Increments

Minimum price fluctuations shall be in multiples of $.0001 per pound sterling, equivalent to $6.25 per contract.

Remainder of rules are unchanged.

CHAPTER 251A
OPTIONS ON BRITISH POUND STERLING FUTURES

Rule 251A00 is unchanged.

251A01. OPTION CHARACTERISTICS

Rule 251A01A is unchanged.

251A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one pound sterling futures contract as specified in Chapter 251.

251A01.C. Price Increments

The price of an option shall be quoted in U.S. dollars per pound sterling, except as provided in Rule 584 (GLOBEX Volatility Quotes). Each $0.0001 per pound sterling (one point) shall represent $6.25. For example, a quote of .0070 represents an option price of $437.50 (70 points x $6.25 per point). The minimum fluctuation shall be one point (also known as one tick).

If options are quoted in volatility terms, the minimum fluctuation shall be 0.05 percent.

Remainder of rules are unchanged.

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British Pound Futures	30 ticks or less

Remainder of Interpretation is unchanged.

End of rule changes.

Filename: BPtickchgSub090403Final