



1 Exchange Plaza, 26<sup>th</sup> Floor, New York, NY 10006

2004 JAN 05 09:52

## RULE CERTIFICATION

January 5, 2004

### *By Electronic Mail*

Ms. Jean A. Webb  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Rule Certification by NQLX LLC

Dear Ms. Webb,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act ("CEA") and Regulations 38.4(b) and 40.6, NQLX LLC hereby certifies the enclosed changes to its Rules 419 and 420. NQLX made changes to Rules 419 and 420 to explicitly require its members to time-stamp orders when negotiations end (rather than begin) for block trades and exchange for physical trades. Requiring time-stamping when negotiations end for block trades and exchange for physical trades is in addition to the time-stamping of orders required immediately upon receipt, execution, and any modification or cancellation, which is already required of all orders submitted to NQLX for execution. *See* NQLX Rules 408(b), 419(g)(1), and 420(b)(1). NQLX believes that the rule changes proposed in this filing will enhance its ability to monitor its members for timely submission to NQLX for acceptance of proposed block and exchange for physical trades as required by its Rules 419 and 420. A redlined copy of the rule amendments is included with this letter, with additions underlined and deletions in brackets.

The proposed adoption and effective date of these rule amendments is January 6, 2004. These rule amendments were approved for adoption by management of NQLX pursuant to NQLX's rules. There were no substantive opposing views expressed as to the adoption of these rule changes. NQLX hereby certifies that the rule changes comply with the CEA and the regulations thereunder.

Jean Webb, Secretary  
Commodity Futures Trading Commission  
January 5, 2004  
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Please contact me at (212) 269-3571 if you have any questions concerning the enclosed rule amendments.

Sincerely,

Kathleen M. Hamm  
Senior Vice President  
Regulation and Compliance

cc: Michael Gorham  
Director, Division of Market Oversight

Stephen Braverman  
Deputy Director, Division of Market Oversight

David Van Wagner  
Associate Director, Division of Market Oversight

Allen Cooper  
Branch Chief, CFTC New York Regional Office



**Rule 419      Block Trades**

**(a)-(f) No changes**

**(g)      Information Recording, Submission, and Dissemination**

(1)      For a Block Trade in addition to the requirements of Rules 408(b) and 408(c), a Member or Person Associated with a Member must record on an Order Ticket the identity of the individual arranging the Block Trade and time stamp the Order when negotiation [begins] ends.

(2) – (7) No changes

**Rule 420      Exchange for Physical Trades**

**(a)      No changes**

**(b)      Information Recording, Submission, and Dissemination**

(1)      For an Exchange for Physical Trade in addition to the requirements of Rules 408(b) and 408(c), a Member or Person Associated with a Member must record on an Order Ticket the identity of the individual arranging the Exchange for Physical Trade and time stamp the Order when negotiation [begins] ends.

(2)-(7) No changes

