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June 28, 2004

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

**RE: Rule 432.D. Interpretation  
Submission No. 04-61**

Dear Ms. Webb,

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission that the Exchange is adding an Interpretation to Rule 432.D. The new Interpretation is attached with additions underlined.

The Exchange certifies that this Interpretation neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder. In submitting the Interpretation, the CME notes that it has consulted with, and obtained confirmation from, outside counsel as to the legality and application of the Interpretation. Moreover, CME has obtained the unanimous approval of CME's Market Regulation Oversight Committee, a Board-level committee of four independent, non-industry directors, to submit and issue the Interpretation.

If you have any questions regarding this matter, please call me at (312) 338-2861, or Eric Wolff, Managing Director of Regulatory Affairs, at (312) 930-3255.

Sincerely,

/S/ Matthew F. Kluchenek  
Director and Associate General Counsel

#### **RULE 432.D. – INTERPRETATION**

CME Rule 432.D. prohibits fictitious trades. A prearranged trade wherein the parties agree to a transaction at CME which is reversed, in whole or in part, by another transaction at CME or at another board of trade is a fictitious trade prohibited by CME rules. CME facilities that permit prearrangement of trades (Rule 526 – Block Transactions; Rule 538 – Transfer Of Spot For Futures; and Rule 539.C. – Pre-Execution Discussions Regarding GLOBEX Trades) may not be used to facilitate a fictitious trade as defined above.