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August 18, 2004

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Reference File #2478.02
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT®) hereby submits the following:

- **Amendments to Regulations 1540.04, 1542.01, 1544.01 and 1581.01 per the attached texts (additions underlined; deletions struck through).**

The referenced regulations address certain delivery and regularity provisions for CBOT 100 oz. Gold futures. The amendments will update and simplify these provisions and, in the case of Regulation 1581.01, include language requested by Commission staff.

The CBOT intends to implement these amendments no sooner than one day following the Commission's receipt of this filing.

There were no opposing views regarding these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul Draths
Vice President and Secretary

Additions underlined; deletions struck through

1540.04 Product Certification and Shipment - To be eligible for delivery on the Exchange, all Gold must be certified as to fineness and weight by an Exchange approved refiner, assayer, or other Exchange approved certifying authority and must be shipped directly from the Exchange approved refiner, assayer, or certifying authority via Exchange approved carriers to Exchange approved vaults.

~~All~~ If Gold~~,~~ is~~f~~ not continuously in the custody of an Exchange approved vault or carrier, the Exchange may require that it ~~must~~ be recertified as to fineness and weight to be eligible for delivery.

The Exchange at its sole discretion shall have the authority at any time to have assayed any Gold bars covered by vault receipts delivered against futures contracts. In such an event, costs are to be borne by the Exchange.

1542.01 Deliveries by Vault Receipts - In order to be valid for delivery against futures contracts, the vault receipt must be issued in accordance with the requirements under Regulation 1536.01 and Appendix 15B. The vault receipt must be issued before 4:00 p.m. on notice day, the business day prior to the day of delivery; however, in the case of delivery on the last delivery day of the delivery month, the vault receipt must be issued before 1:00 p.m. Deliveries on Gold futures contracts shall be made by the delivery of depository vault receipts issued by vaults which have been approved and designated as regular vaults by the Exchange for the storage of Gold. Gold in bars must come to the regular vault directly from an approved source or from another regular vault either on the Chicago Board of Trade or the Commodity Exchange, Inc., by insured or bonded carrier.

~~The vault receipts shall evidence that storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of ninety days) pro rata for the unexpired term and adjustments made upon the invoice thereof.~~ In order to effect a valid delivery, each vault receipt must be endorsed by the clearing member making the delivery. By the tender of a vault receipt for Gold duly endorsed for delivery of the lot on an Exchange contract, the endorser shall be deemed to warrant, to his transferee and each subsequent transferee of the receipt for delivery on Exchange contracts, and their respective immediate principals, the genuineness, validity, and worth of such receipt, the rightfulness and effectiveness of his transfer thereof, and the quantity and quality of the Gold shown on the receipt. Such endorsement shall also constitute a representation that all storage charges have been paid up to and including the business day following the day of delivery. Prepaid storage charges shall be charged to the buyer by the seller for a period extending beyond the business day following the day of delivery (but not in excess of ninety days) pro rata for the unexpired term and adjustments shall be made upon the invoice thereof.

In the event such Exchange member or principal shall claim a breach of such warranty, and such claim relates to the quantity or quality of the Gold, the lot shall be immediately submitted for sampling and assaying to an assayer approved by the Exchange; the Gold must be shipped under bond, and at the owner's expense, to the assayer. The expense of sampling and assaying shall, in the first instance, be borne by the claimant. If a deficiency in quantity or quality shall be determined by the assayer, the claimant shall have the right to recover the difference in the market value and all expenses incurred in connection with the sampling and assaying and any cost of replacement of the Gold. The claimant may, at his option, proceed directly against the original endorser of the vault receipt upon Exchange delivery, or against any endorser prior to claimant without seeking recovery from his immediate deliverer on the Exchange contract, and if the claim is satisfied by the original endorser of the vault receipt, or any other endorser, all the endorsers will be thereby discharged from liability to the claimant. If the claimant seeks recovery

from any endorser and his claim is satisfied by such endorser, the party thus satisfying the claim will have a similar option to claim recovery directly from any endorser prior to him. Such claims as are in dispute between members of the Exchange may in each case be submitted to arbitration under the Rules and Regulations of the Exchange.

The liability of an endorser of a vault receipt as provided herein shall not be deemed to limit the rights of such endorser against any person or party for whose account the endorser acted in making delivery on an Exchange contract. If it shall be determined in such arbitration proceeding that any endorser of a vault receipt or the person or party for whom such endorser acted was aware of the breach of warranty or was involved in a plan or arrangement with the original endorser (or his principal) to place such inferior Gold in store in a regular vault for use in deliveries upon Exchange contracts, such endorsers shall not be entitled to recover from any prior endorser for the breach of warranty.

~~**1544.01 Form of Vault Receipt** - The following form of vault receipt shall be used:~~

~~(Name of Issuer)~~

~~(Address)~~

~~(Designated by the Exchange as Regular for Delivery of Gold)~~

~~Bearer Receipt No.~~

~~Location _____, 20~~

~~RECEIVED from~~

~~and stored in the vaults of the undersigned at the above facility, are _____ (____) BARS. Said bars are deliverable only at said vaults to them (or him) or order or, if endorsed in blank, to the bearer hereof upon surrender hereof and payment of the storage and other proper charges and for expenses for notice, advertisement and sale.~~

~~_____ (the "Vault"), acknowledges receipt, from Depositor named above, of the bullion bars described in Schedule I (the "Bars"), stamped to indicate the aggregate amount shown of Gold 995 fine. Vault has recorded the specifications concerning the bars as indicated thereon. The Vault is not responsible for the authenticity for markings on, or for the weight, fineness, or contents of, the Bars.~~

~~Storage charges are payable, in advance, on the first business day of each calendar month. Unearned prepaid storage charges will be refunded to the holder upon surrender of this receipt.~~

~~Detailed specifications of bars covered by this receipt have been recorded by the undersigned as indicated on said bars.~~

~~THIS RECEIPT IS VOID unless signed by two (2) persons authorized to sign on behalf of the Vault.~~

~~**SCHEDULE I**~~

~~SERIAL NUMBER~~	~~WEIGHT (Troy Ounces)~~	~~MARK OR BRAND~~
	~~Total~~ _____	

~~Control Number~~ ~~Name of Vault~~

~~Notice: Notification of transfer By Authorized Signature of this receipt will facilitate billing of storage charge. By Authorized Signature~~

~~STORAGE AND HANDLING CHARGES: Storage charges of _____ per day per contract, minimum _____ per contract; plus _____ handling charge per contract for each deposit and _____ for each withdrawal.~~

~~Storage Payments~~

~~RECEIVED FROM~~	~~DATE~~	~~REC. DEL.CHG.~~	~~STORAGE CHARGE~~		~~SIGNATURE~~
		~~AMOUNT~~	~~AMOUNT~~	~~PAID TO~~	

~~ENDORSEMENTS~~

~~Date_____ by_____~~
~~Date_____ by_____~~
~~Date_____ by_____~~

1581.01 Conditions of Regularity - Gold may be delivered against a Gold contract from any vault designated by the Exchange specifically for the storage of Gold, and may not be delivered except from such vault. The following shall constitute the minimum requirements for regularity, and by accepting a Declaration of Regularity the vault agrees to abide by these conditions:

(1) The vault must notify the Exchange promptly of any material change in ownership or condition of its premises.

(2) The vault is required to submit a certified financial statement within 90 days of the firm's year-end. A letter of attestation must accompany all financial statements signed by the Chief Financial Officer or if there is none, a general partner or executive officer.

(3) Such vault shall be provided with standard equipment and appliances for the convenient and safe storage of Gold and provide for proper security.

(4) The operator of such vault shall furnish to the Registrar all needed information to enable the Exchange to keep a correct record and account of all Gold received and delivered by the vault daily and of that remaining in store at the close of each week.

(5) The operator of such vault shall accord every facility to the Exchange for the examination of its books or records for the purpose of ascertaining the stocks of Gold. The Exchange shall have the authority to employ experts to determine the quantity and quality of Gold in said vault.

(6) No vault operator shall engage in unethical or inequitable practices, or fail to comply with any laws, Federal or State, or Rules or Regulations promulgated under those laws.

(7) The operator shall make such reports, keep such records, and permit such vault visitation as the Board of Trade or the Commodity Futures Trading Commission may prescribe, and shall comply with all applicable Rules and Regulations. The vault must keep all such reports,

books and records for a period of five years from the date thereof.

(8) The operator of such vault must give such bonds to the Exchange as may be required by the Exchange.

(9) The vault shall neither withdraw as a regular vault nor withdraw any regular capacity except after a sixty (60) day notice to the Exchange or having obtained the consent of the Exchange.

(10) The vault shall notify the Exchange at least sixty (60) days in advance of any changes in its maximum storage rates, penalty for late storage payment and handling charges.

(11) The Exchange may determine not to approve vaults for regularity or increases in regular capacity of existing regular vaults, in its sole discretion, regardless of whether such vaults meet the preceding requirements and conditions. Some factors that the Exchange may, but is not required to, consider in exercising its discretion may include, among others, whether receipts issued by such vaults, if tendered in satisfaction of futures contracts, might be expected to adversely affect the price discovery function of Gold futures contracts or impair the efficacy of futures trading in Gold, or whether the currently approved regular capacity provides for an adequate deliverable supply.