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“Automated Order Generator (AOG) means: A device also known as a black box” or “automated trading machine” that is preprogrammed in accordance with a single trading strategy to independently initiate activity on the Trading System without human input.

313. Automated Order Generators (AOGs) and Automated Order Routing Systems (AORSs).

- (a) Members are authorized to transmit orders to the Trading System using automated order generators or automated order routing systems under the following conditions:
- (i) The Member obtains an unique AOG Trader identification for each its AOG (one Member may employ multiple AOGS or automated trading strategies) or an ORS Trader identification for its AORS from the Exchange in a format to be determined by the Exchangesystem and identifies traders authorized to enter orders over the Member’s AORS;
 - (ii) The Member identifies to the Exchange traders who supervise trading through the AOG or who are authorized to enter orders over an- AORS;
 - (iii) The AOG or the AORS uses an interface permitted by the Exchange and complies with all technical requirements that the Exchange may adopt from time to time;
 - (iv) The AORS ~~must have~~ has resident on it a filter that checks and releases orders to the Trading System accordingly to Member-defined parameters;
 - (v) The Member must be able to prevent the AORS from forwarding orders to the Trading System; and
 - (vi) The Member ~~must~~ monitors trading on the AOG or AORS.
- (b) All AOG and AORS orders are considered to be orders placed by and through an Authorized Trader of the Member, and the Member shall be fully responsible for such orders and their compliance with all applicable requirements.
- (c) No Member shall accept an order from or on behalf of a Customer, or permit an order from a Customer to be transmitted to the Trading System through an AORS, unless the Customer is first provided with a customer disclosure statement in such form as may be specified by the Exchange.

“Cross-trade” means the intentional matching of two opposite orders in the Trading System in the same Contract between two Members, a Member and its Customer, or between two Customers of a Member that may be pre-arranged and/or pre-negotiated in accordance with Rule 406.

“Request for Quote (RFQ)” means a solicitation for bids and offers for a Contract or combination of Contracts.

406. Cross Trades and Pre-negotiated Trades.

Except in the case of transactions effected pursuant to Rules 415 – 418, no Member shall enter into a Cross-Trade, except where:

- (a) In the case of a Customer order, the Customer has given consent thereto (which may be in the form of a blanket consent); and
- (b) During pre-negotiations and in executing Cross-Trades for a Customer, the Member ensures that:
 - i. it acts with due skill, care and diligence; and
 - ii. the Customer’s interests are not prejudiced.
- (c) If a Customer’s order is one side of the Cross-Trade, then the Customer order is submitted first to the Trading System.
- (d) Both parties agree to execute the Cross-Trade above the existing bid price and below the existing offer price, in which case the Cross-Trade may be executed immediately. In the absence of both a bid and an offer price in the relevant Contract month, then the Member seeking to execute a Cross-Trade must:
 - i. Enter a RFQ for the relevant Contract month(s) or an order into the Trading System;
 - ii. Wait 5 seconds in the case of Futures Contracts or 15 seconds in the case of Option Contracts; and
 - iii. After waiting the period as prescribed in (ii) above, then the Member may immediately enter either the opposite order if the period was initiated by an order or both orders if the period was initiated by an RFQ.
 - iv. If a response is received to the RFQ within the waiting period as prescribed in (ii) above, and the response provides a bid and/or offer that meets or improves upon the price at which the parties had intended to execute the Cross-Trade, then the parties will be prohibited from executing the Cross-Trade and, if a Customer’s order is one side of the proposed Cross-Trade, then the Member must abide by its duties to the Customer as referenced in (b) above.
- (e) A Member must not enter a bid and/or an offer into the Trading System in an attempt to circumvent Rule 406(d).

(b) ~~The Member seeking to match Customer orders, to take the opposite side of a Customer order or to execute a pre-negotiated transaction, waits 5 seconds in the case of Futures Contracts or 15 seconds in the case of Option Contracts after the initial order is entered into the Trading System before entering the opposite order.~~

415. Block Trade Facility.

- (e) Block Trades may be transacted only in Contracts authorized for that purpose by the Exchange. The minimum number of contracts to qualify as a block trade under this rule are as follows:

Contract	Minimum Number (7:20 am - 2:00 pm)	Minimum Number
2 Year U.S. Treasury Note Future (FTNS)	1000*	250
5 Year U.S. Treasury Note Future (FTNM)	1000*	250
10 Year U.S. Treasury Note Future (FTNL)	1000*	250
30 Year U.S. Treasury Bond Future (FTBX)	500*	250
Option on 2 Year U.S. Treasury Note Future (OTNS)	2500	2500
Option on 5 Year U.S. Treasury Note Future (OTNM)	2500	2500
Option on 10 Year U.S. Treasury Note Future (OTNL)	2500	2500
Option on 30 Year U.S. Treasury Bond Future (OTBX)	1500	1500

* See Rule 415(i) which requires a minimum of 2500 contracts if reported within 30 minutes.

- (f) A Member may not aggregate:

- i. Not aggregate separate customer orders to meet the contract minimums set forth in subsection (e) except that a member with total assets under management exceeding \$25 million and who is an investment adviser with the Securities and Exchange Commission, registered as a commodity trading advisor with the Commission, or exempt from any such registration on the condition that any aggregated block trade order executed by such exempt member is suitable for all Customers involved in such block trade or a foreign Person performing a similar role or function and subject as such to foreign regulation may aggregate multiple orders to meet the contract minimums for a Block Trade.
- ii. ~~In addition, do not aggregate different legs of a futures contract spread may not be aggregated to meet the contract minimums set forth in subsection (e).~~
- iii. Aggregate different legs of an options contract spread to meet the contract minimums set forth in subsection (e), as long as each leg is at least 200 contracts. For a two-leg options trade, the aggregate amount may be less than the contract minimum if each leg is at least 200 contracts.

418. **Volatility (Vola) Trading Facility – Exchange of Futures for Options.**

Volatility Trades may be effected only through the electronic Vola Trading Facility provided by the Exchange, rather than on the Trading System, in accordance with the provisions of this Rule.

- (a) **Vola trade defined.** A vola trade is the entry by Members or by Customers into the Trading System of an option or options (either exchange-traded or OTC) and the contract on the underlying futures or commodity in either a simultaneous or sequential transaction.
- (b) **Vola trading facility.** Vola trades can only be entered into on the Vola Trading Facility under the following conditions:
 - (i) Vola trades may be transacted only with respect to the following Option Contracts and their underlying Futures Contract:

Contract
Option on 2 Year U.S. Treasury Note Futures (OTNS)
Option on 5 Year U.S. Treasury Note Futures (OTNM)
Option on 10 Year U.S. Treasury Note Futures (OTNL)
Option on 30 Year U.S. Treasury Bond Futures (OTBX)

- (ii) The number of Futures Contracts included in the futures leg of the transaction may not vary by more than 10 percent from the number necessary to be delta neutral;
- (iii) The price for the futures leg does not exceed the range of the day's high and low by more than the following values:

Contract	Range
2 Year. Treasury Note Futures (FTNS)	0.05 percent (approximately 5 ticks)
5 Year U.S. Treasury Note Futures (FTNM)	0.1 percent (approximately 5 ticks)
10 Year U.S. Treasury Note Futures (FTNL)	0.1 percent (approximately 5 ticks)
30 Year U.S. Treasury Bond Futures (FTBX)	0.1 percent (approximately 5 ticks)

- (iv) The parties enter the transaction into the Vola Trading Facility as specified.

(c) Upon request by any employee of the Market Supervision or Compliance Departments, Members must produce satisfactory evidence, including the name of the Customer if the transaction is in the name of an omnibus account or foreign broker, that the Vola Transaction was arranged in accordance with the Rules.

(d)

415. Block Trade Facility

- (b) A Member may not enter into a Block Trade with or on behalf of any Customer unless such Customer is:
- (i) An ECP; or
 - (ii) Advised in connection with such Block Trade by a Person with total assets under management exceeding \$25 million and who is either:
 - (A) Registered as an investment adviser with the Securities and Exchange Commission, registered as a commodity trading advisor with the Commission, or exempt from ~~any~~ such registration; on the condition that any block trade executed upon the advice of such exempt adviser is suitable for the advisee-Customer or
 - (B) A foreign Person performing a similar role or function and subject as such to foreign regulation.
- (f) A member may not aggregate separate customer orders to meet the contract minimums set forth in subsection (e) except that a member with total assets under management exceeding \$25 million and who is an investment adviser with the Securities and Exchange Commission, registered as a commodity trading advisor with the Commission, or exempt from ~~any~~ such registration on the condition that any aggregated block trade order executed by such exempt member is suitable for all Customers involved in such block trade or a foreign Person performing a similar role or function and subject as such to foreign regulation may aggregate multiple orders to meet the contract minimums for a Block Trade. In addition, different legs of a futures contract spread may not be aggregated to meet the contract minimums set forth in subsection (e).

907. Specifications for Options on Long-Term U.S. Treasury Note Futures

(d) Exercise Prices:

- i. Trading shall be conducted for options with exercise prices in integral multiples of one-half point per Long-Term U.S. Treasury Note Futures contract.

908. Specifications for Options on Long-Term U.S. Treasury Bond Futures

(d) Exercise Prices:

- i. Trading shall be conducted for options with exercise prices in integral multiples of one-half point per Long-Term U.S. Treasury Bond Futures contract.