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September 29, 2004

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

Reference File #2493.01  
Rule Certification

Dear Ms. Webb:

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

- **Establishment of an Electronic Market Maker Program for CBOT 100 oz. Gold and 5,000 oz. Silver futures. A summary of the program's salient features is attached.**

This initiative has been established pursuant to CBOT Rule 225.00 "General Enabling Rule for Market Maker Programs", which authorizes the Chief Executive Officer of the Exchange to approve the implementation of such programs.

The CBOT intends to implement this program concurrently with the launch of trading in the referenced contracts (scheduled for October 6, 2004).

The CBOT certifies that this program complies with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths  
Vice President and Secretary

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## **Electronic Market Maker Program CBOT 100 oz. Gold and 5,000 oz. Silver Futures**

### **MARKET MAKER OBLIGATIONS**

Up to seven approved EMMs will be required to make continuous two-sided markets on the CBOT electronic platform at pre-agreed maximum bid-offer spreads and minimum depth for all expiration months assigned to it for the 100 oz Gold and/or 5,000 oz Silver futures.

Each EMM will also be required to:

- 1) Use its best commercial efforts to make a market in calendar spreads in both 100 oz Gold and 5,000 oz Silver.
- 2) Abide by current Exchange maximum quote restrictions for EMMs.
- 3) Participate in any mandatory simulation testing prior to the launch of the precious metals contracts.

### **MARKET MAKER INCENTIVES**

In return for fulfilling on an ongoing basis the above commitments, each EMM will be eligible for the following:

- 1) **All CBOT transaction fees will be rebated for all EMM proprietary transactions in the 100 oz Gold and 5,000 oz Silver futures.**
- 2) **Each EMM will be eligible to qualify to receive its “relative share” of the monthly “Exchange Fee Credits” if it is one of the top two EMM’s trading at least 5% of total monthly sides in the product assigned to it and meets all contractual obligations.**

**Relative share is defined as the percent of total EMM volume that each EMM has generated for that month.**

**Exchange Fee Credits are defined as 20% of the total transaction fees collected by the CBOT for the specific products assigned to the EMM less EMM fee rebates.**

### **TERM**

The term of the program will be 1 year. The CBOT will have the option of reviewing the program with 30 days notice if average daily volume reaches and sustains for a three month period a level of 12,000 contracts per day for gold and 6,000 contracts per day for silver.

If there is a material breach of terms of the Market Maker agreement by either party, the non-breaching party may terminate the agreement, effective ten days after written notice thereof to the breaching party, unless the breaching party corrects or has initiated measures to correct the breach within such ten day period. Notwithstanding any other provision of the agreement, the parties may terminate the agreement by mutual consent at any time.