

December 29, 2004

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

Reference File #2520.01  
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 (EMM) Program for CBOT Municipal Note Index Futures. (Summary of 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.

There were no opposing views in connection with this program.

The CBOT intends to implement this program as of January 1, 2005.

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

Sincerely,

Paul J. Draths  
Vice President and Secretary

ATTACHMENT

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## **CBOT 10 Year Municipal Note Index Futures Electronic Market Maker Program**

### **Electronic Market Maker (EMM) Obligations**

EMM, as a non-exclusive Electronic Market Maker, will provide two-sided electronic (e-cbot®) markets in Municipal Note Index futures, on a continuous basis, unless prevented from doing so as a result of extraordinary circumstances beyond EMM's reasonable control, between the hours of 7:20 a.m. and 2:00 p.m., Chicago time, Monday through Friday, or during any modified hours as applicable.

The EMM will make markets in Municipal Note Index futures, at a minimum depth, and within a bid-offer spread, as mutually agreed.

### **EMM Incentives**

- (a) **CBOT Transaction Fees** – CBOT electronic transaction fees will be rebated for EMM proprietary transactions in Municipal Note Index futures traded on e-cbot.
- (b) **Exchange Fee Credit Pool** – The Exchange Fee Credit Pool is a defined percentage of the total CBOT monthly transaction fee revenue received from e-cbot transactions in Municipal Note Index futures.

EMMs whose monthly volume reaches a mutually agreed percentage of the total monthly electronic volume in Municipal Note Index futures will share the Exchange Fee Credit Pool for that month on a pro rata basis (i.e., according to each EMM's relative percentage of the overall EMM volume for that month).

- (c) **Entitlements** – After the allocation of any priority order, EMM will be entitled to a defined percentage of each transaction in Municipal Note Index futures where it has matched the bid or offer prior to trade completion on e-cbot during normal trading hours as specified above.

### **Term**

The program will have a one year term, and may be extended if mutually agreed.

### **Termination**

The EMM Agreement may be terminated for uncorrected material breach, upon specified advance notice, or by mutual consent.