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05-46

November 21, 2005

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

Re: **Amendments to Rules 7.20 and 6.05 -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, amendments to Rules 7.20 and 6.05, attached as Exhibit A.

The Cocoa, Coffee and Pulp Warehouse and License Committee ("Committee") and the Board have authority, under Rule 7.20, to suspend or cancel any license issued pursuant to the Rules, including licenses issued to warehouse stores. In the past there have been situations when a licensed coffee or cocoa store has suffered temporary damage or otherwise was not in full compliance with all of the Exchange standards applicable to it under the Rules. In most of these cases, the warehouse operator has immediately undertaken to make repairs or take other remedial action to rectify the condition and bring the affected stores into compliance. Because of the impact that a suspension would have on any certified product held in such a store, the approach taken by the Committee in such cases has been to avoid suspending the license of the affected stores in favor of declaring a temporary moratorium on accepting Exchange stocks into the store, making delivery under Exchange contracts from the store, or certifying stocks held in the store. This has worked effectively to accommodate the interests of the owners, the warehouses and the Exchange, and does not limit the power of the Committee or the Board to suspend or revoke the license, if it becomes necessary to do so.

The amendments to Rule 7.20 codify, and place limits on, the Committee's authority to issue such a moratorium. Specifically, a moratorium could not exceed sixty (60) days and would

not be issued without one (1) business day's notice to the warehouse operator prior to considering the matter. In addition, if the moratorium would likely have an effect on the price of

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an Exchange contract or the market for such contract, then consideration of a moratorium could only be made by the Board, invoking the conflict of interest rules applicable to significant actions. While a moratorium is in effect, no certificated stocks could be received by the store, no deliveries on Exchange contracts could be made from the store, and no uncertified product held in the store could be granted certification. Nothing would prohibit the owner of stocks held in the store from moving the product, at the owner's expense, to another location (whether or not to a licensed store).

Rule 6.05 codifies the Conflict of Interest Rule that applies whenever a committee that has authority to act for, or in the name of, the Exchange considers a matter involving a Named Party-in-Interest. It requires abstention from deliberation and voting by any committee member who has a relationship with the named party-in-interest falling within certain enumerated categories, such as family members. It also requires abstention if there is a significant business relationship between the committee member and named party-in-interest, and specifies certain types of relationships that will not be deemed "significant" under the Rule. The amendment to Rule 6.05 provides that a committee member will not automatically be deemed to have a 'significant, ongoing business relationship' with a warehouse operator or applicant for license, solely because the member or an affiliated firm of the member stores a commodity in facilities maintained by such warehouse operator or applicant.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The amendments were adopted by the Exchange's Board of Governors on November 17, 2005. They will become effective on November 22, 2005. No substantive opposing views were expressed by members or others with respect to the amendments.

If you have any questions or need further information, please contact me at jfassler@nybot.com or 212-748-4084.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy, Jr.
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

Rule 7.20. Suspension and Cancellation

(a)(i) The Board or the Cocoa, Coffee and Pulp Warehouse and License Committee may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any license granted or renewed, including without limitation any license issued to a Licensed Store pursuant to the Rules.

(ii) The Board may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any Warehouse Operator's license issued pursuant to the Rules.

(iii) The Board or the Cocoa, Coffee and Pulp Warehouse and License Committee may, in its sole and absolute discretion, declare a moratorium on the receipt or delivery of certificated cocoa, coffee, or pulp by or from any Licensed Stores if it has reason to believe that such Licensed Stores are not in compliance with the Rules and the Warehouse Operator that is the Licensee of such Licensed Stores agrees to take such measures as are necessary to bring them into compliance within the period of time specified by the Board or the Committee. Notwithstanding the preceding sentence, the Cocoa, Coffee and Pulp Warehouse and License Committee may not declare such a moratorium if, in its judgment, such action is likely to have a material effect upon the price of any Commodity Contract or might otherwise have a material impact on the market for such Commodity Contract. In the event that a moratorium is declared hereunder, the certification of any Commodity held in the licensed stores as to which such moratorium is declared, shall be prohibited until such moratorium is terminated. Any moratorium declared hereunder shall not exceed sixty (60) days if declared by the Cocoa, Coffee and Pulp Warehouse and License Committee. The imposing body may shorten the duration of, or terminate, any moratorium declared hereunder if the Licensee demonstrates to the Exchange that the affected Licensed Stores are in full compliance with the Rules. Nothing contained herein shall be deemed to prohibit the owner of any Commodity stored in a Licensed Store as to which a moratorium has been declared, from moving the Commodity, at the owner's sole expense, to another location. Prior to determining whether a moratorium should be declared, the Exchange shall provide one Business Day's notice to the Licensee of the affected stores and shall forward to the deliberating body such information as the Licensee furnishes.

~~(iii)~~(iv) The Cocoa, Coffee and Pulp Warehouse and License Committee shall cancel a coffee grader's or classifier's license in the event that such grader or classifier fails to pass the maintenance grading test prescribed in subparagraph (c)(i) of Rule 7.06 or fails to comply with the requirements set forth in subparagraphs (c)(ii) and (iii) of Rule 7.06.

~~(iv)~~(v) The Cocoa, Coffee and Pulp Warehouse and License Committee shall cancel a cocoa grader's Exchange license in the event that such grader fails to grade cocoa a minimum of one (1) time every two (2) years as set forth in paragraph (d) of Rule 7.06.

(b) Prior to the Cocoa, Coffee and Pulp Warehouse and License Committee or the Board suspending or canceling any license issued pursuant to this Rule, the Licensee shall be given notice of the intention to suspend or cancel and an opportunity to be heard by the Cocoa, Coffee and Pulp Warehouse and License Committee or the Board (or a Special Committee as may be appointed for such purpose by the Board), as the case may be, to present evidence as to why the license should not be suspended or canceled, provided that the Vice President-Commodity Operations receives a written request from the Licensee for such a hearing within two (2) Business Days after receipt of such notice by the Licensee.

EXHIBIT A

(c) The effective date of any suspension, [~~or~~] cancellation or moratorium shall be set by the Board, a Special Committee appointed by the Board, or the Cocoa, Coffee and Pulp Warehouse and License Committee, as the case may be.

Rule 6.05. Conflicts of Interest Involving Named Parties in Interest

(a) Definitions. For purposes of this Rule the following definitions shall apply:

(i) The term "Family Relationship" shall mean the Person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

(ii) The term "Named Party in Interest" shall mean a Person or entity that is identified by name as a subject of any matter being considered by the Board or a committee.

(b) Prohibition. No member of the Board or of any committee which has authority to take action for and in the name of the Exchange (not including any committee which is only authorized to make recommendations for action by the Board or some other committee) shall knowingly participate in such body's deliberations or voting in any matter involving a Named Party in Interest where such member (i) is a Named Party in Interest, (ii) is an employer, employee, fellow employee or guarantor of a Named Party in Interest, (iii) is associated with a Named Party in Interest through a Broker Association, (iv) has a family relationship with a Named Party in Interest or (v) has any other significant, ongoing business relationship with a Named Party in Interest, excluding relationships limited to executing futures or option transactions opposite each other or to clearing futures or options transactions through the same Clearing Member. For purposes of clause (v) of the preceding sentence, a member of the Board or any such committee shall not automatically be deemed to have a 'significant, ongoing business relationship' with a Licensee or applicant for license as a Warehouse Operator solely because the member or any Affiliated Firm of the member stores a commodity in facilities maintained by such Licensee or applicant.

[REMAINDER OF RULE UNCHANGED]