

New York Clearing Corporation
One North End Avenue, 13th Floor
New York, New York 10282

BY ELECTRONIC TRANSMISSION

05-42

September 23, 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

OFC. OF THE SECRETARIAT

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Re: **Amendments to NYCC By-Law Section 3.12(c) and Rule 502(d) -
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(a), the New York Clearing Corporation ("NYCC") submits, by written certification, amendments to NYCC By-Law Section 3.12(c) and Rule 502(d), attached as Exhibit A.

In a Submission dated June 16, 2005, NYCC submitted to the Commission amendments to NYCC By-Law Section 3.12(c) which restructured NYCC's Margin Committee (see Submission No. 05-28). Contained in Submission No. 05-28 was a description of how the amendments would be implemented. The amendments to By-Law Section 3.12(c) make those operational procedures a part of the By-Law Section. The amendments to Rule 502(d) repeal paragraph (d). Since By-Law Section 3.12(c) definitively describes the duties and composition of the Margin Committee, paragraph (d) is no longer necessary.

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

NYCC's Board of Directors approved the amendments on September 12, 2005. No substantive opposing views were expressed by members or others with respect to the amendments. The amendments will go into effect on September 26, 2005.

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

Sincerely,

Jill S. Fassler
NYBOT®
Vice President
Associate General Counsel

cc: John Lawton
CFTC, Division of Clearing and Intermediary 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.)

Section 3.12. Committees

* * *

(c) Notwithstanding paragraph (a) above, the Board shall appoint a Margin Committee with full authority to set and change levels of margins, which shall be comprised of members of at least two (2) members of the Board and at least seven (7) individuals who need not be members of the Board but must be persons who spend a considerable portion of their day on risk management activities for their employers and do not have significant client exposure. The Chairman of the Margin Committee shall be the President of the Corporation or another individual designated by the President. The Margin Committee shall conduct its business through subcommittees which shall be appointed by the Chairman of the Margin Committee. Each subcommittee shall consist of the Chairman of the Margin Committee and a minimum of two (2) members of the Margin Committee who have been appointed to such Committee based upon their risk management experience. A member of the staff of NYBOT shall be invited to attend each meeting of the Margin Committee and of each subcommittee thereof.

Rule 502. Margin and Premium Requirement

* * *

~~[(d)(i) The Agricultural Contracts Margin Committee shall consist of such number of persons as the Board shall determine from time to time, and shall have the power to establish and change original margin requirements for all agricultural contracts cleared by the Corporation.~~

~~(ii) The Financial Contract Margin Committee shall consist of such number of persons as the Board shall determine from time to time, and shall have the power to establish and change original margin requirements for all financial contracts cleared by the Corporation.]~~

EXHIBIT A