

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

BY ELECTRONIC TRANSMISSION

06-6
March 10, 2006

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

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Re: **Amendments to NYCC By-Law Section 5.2(e) and Rule 402(b) -
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 5.2(e) and Rule 402(b), attached as Exhibit A.

To address concerns about a clearing member using a related affiliated entity as its bank for margin and other clearing purposes, By-Law Section 5.2(e) was amended to prohibit the waiver of the guaranty when such an arrangement exists.

Rule 402(b) was amended to redefine the point in time when NYCC becomes the counterparty to a trade. Except for exchange-for-physical ("EFPs") and transfer transactions, NYCC becomes the counterparty to the trade when both clearing members have accepted the trade for clearance. NYCC will only become the counterparty to EFPs and transfer trades when the original and variation margin obligations have been met by the clearing member.

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 February 6, 2006. No substantive opposing views were expressed by members or others with respect to the amendments. The amendments will go into effect twenty-four hours after filing with the Commission.

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.)

By-Laws Section 5.2. Eligibility Requirements

* * *

(e) If an Entity which is subject to Control by any other Person or Persons, have on file with the Corporation a Guaranty in such form as the Corporation may prescribe from such other Person or from one or more of such other Persons (as the Corporation may specify) guaranteeing payment of all amounts owing by such Entity under or in connection with any proprietary account carried by the Corporation for such entity; provided, however, that the Board may, for good cause shown, waive or modify the requirements of this paragraph (e) with respect to any such Entity. Notwithstanding the foregoing, the Board shall not waive the Guaranty requirement for any Entity that has chosen one or more of its Affiliates as the Approved Financial Institution to maintain its original margin accounts, to issue letters of credit to the Corporation or for any other purpose pursuant to the Rules of the Corporation.

Rule 402. Trade Data Submission

* * *

(b) A Contract which has been matched by the Listing Exchange and has been submitted for clearance by or on behalf of any Clearing Member shall be deemed accepted by the Corporation for clearance when both Clearing Members have accepted the Contract for clearing [~~all processing of the day's trades have been completed and reports of cleared trades shall first have been made available to the Clearing Members~~]. The Corporation shall have no liability or obligation to any Clearing Member or other person with respect to any Contract which has not been accepted by it for clearance. Notwithstanding the foregoing, the Corporation shall not be deemed to have accepted a Contract that is the subject of an EFP or a transfer unless and until the Clearing Member shall have met the original and variation margin obligations applicable to such Contract.

[REMAINDER OF RULE REMAINS UNCHANGED]

EXHIBIT A