

New York Cotton Exchange
World Financial Center
One North End Avenue, 13th Floor
New York, New York 10282

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October 9, 2003

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: **New Membership Rule 6.43 –
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 New York Cotton Exchange (“NYCE” or the “Exchange”) submits, by written certification, new Membership Rule 6.43, attached as Exhibit A.

On August 1, 2003, the Exchange commenced trading the Index products which had been listed on the New York Futures Exchange, Inc. (“NYFE”). In addition, NYFE members were issued FINEX® licenses so that they could continue to trade the NYFE products which were now listed on the Exchange. New Rule 6.43 provides a mechanism to allow other NYBOT members, who do not currently have NYCE trading privileges, to trade futures and options contracts on the Russell Complex and the NYSE Composite Index®.

An identical rule existed for NYFE (see NYFE Rule 141). New Rule 6.43 restores that trading privilege. The new Rule terminates the trading privilege at the close of business on June 10, 2004, the date of the completion of the merger when the need for such a rule will no longer exist.

The Exchange certifies that the new Rule complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The amendments were approved by the Exchange’s Executive Committee on October 8, 2003 in accordance with NYCE By-Law Section 1.13. No substantive opposing views were

expressed by members or others with respect to the amendments. The new Rule will become effective immediately.

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: David Van Wagner
CFTC, Division of Market Oversight
Allen Cooper, CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined.)

RULE 6.43. NEW PRODUCT TRADERS

The Exchange may grant floor trading privileges to qualified individual nonmembers who are members of the New York Board of Trade ("NYBOT") and its affiliate Exchanges with floor trading privileges on such Exchange for the sole purpose of trading the Exchange's newly listed futures and options contracts as determined by the Exchange ("New Product Trading Privileges") and provided each such New Product Trader is unconditionally guaranteed by an Exchange Clearing member. The terms and conditions of the rights, privileges and obligations of such New Trader shall be as set forth in this Rule 6.43.

(a) Duration of Authority. This authorization shall be for a term commencing on the effective date determined by the Exchange until the close of business June 10, 2004.

(b) Applicability of Exchange Rules. Each New Product Trader shall be (and shall agree to be) under the jurisdiction of the Exchange during the term of the authorization and thereafter until all investigations or proceedings relating to his activities as a New Product Trader have been concluded. Except as otherwise provided in this Rule 6.43 or specifically provided elsewhere, a New Product Trader shall be subject to all duties and obligations imposed upon members by the Rules of the Exchange.

(c) Dues and Assessments. New Product Traders shall not be responsible for dues or assessments.

(d) Transferability of New Product Trading Privileges. New Product Trading Privileges shall not be transferable.

(e) New Product Trading Rights. New Product Traders shall have the right to trade all Russell complex futures and options contracts and NYSE Composite Index futures and options contracts.

(f) Application Procedures for New Product Trading Privileges. Each application to receive New Product Trading Privileges shall include a guarantee duly executed by a clearing member in a form prescribed by the Exchange and an agreement to be subject to the jurisdiction of the Exchange and authorizing any NYBOT affiliate to release any information concerning such applicant in the form prescribed by the Exchange. Once the application has been deemed complete, the Secretary of the Exchange may approve the application. Any such approval shall only be effective until the next regular meeting of the Membership Committee, at which time the Committee shall either ratify and approve the application or refer it to the Board for action with a recommendation either to approve or disapprove the application. If for any reason the Secretary does not approve the application, the Membership Committee shall review the request and either approve the application or refer it to the Board for action with a recommendation either to approve or disapprove the application.

(g) Access to the Trading Floor. For the purposes of this Rule 6.43, individuals who have been granted New Product Trading privileges shall have access to the trading floor to execute transactions on the Floor in any futures and options contracts as determined by the Exchange provided the individuals wear in prominent position a NYBOT floor broker identification badge that has been issued to the individual in accordance with the Exchange's procedures.

EXHIBIT A

(h) Basis for Disciplinary Proceedings. Without limiting any other provisions of the Rules, a New Product Trader shall be subject to disciplinary proceedings and the imposition of sanctions, including revocation of his rights and privileges as a New Product Trader, if such New Product Trader:

(i) Executes, or attempts to execute, a trade in any contract other than a prescribed contract; or

(ii) Engages in words or conduct which represent, or appear to represent, that such a New Product Trader is a holder of membership in the Exchange; or

(iii) Otherwise exhibits behavior not deemed in the best interest of the Exchange as may be determined by the Board.

(i) Termination of New Product Trading Privileges. A New Product Trader may terminate his privileges prior to the expiration date thereof by filing with the Secretary of the Exchange written notice of such termination of at least 15 days prior to the effective date thereof and surrendering his identification badge to the Exchange. Receipt of intention to terminate these privileges shall be noticed to the membership ten days prior to the intended day of termination for the purpose of filing claims against such Trader, except as herein provided or as the Board may determine.