



CHICAGO MERCANTILE EXCHANGE

30 South Wacker Drive, Chicago IL 60606-7499, Tel. 312-930-1000

November 19, 2003

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

NOV 19 10 2:18
REGISTRATION
OFFICE

**RE: IEF@4 Program
Submission No. 03-100**

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission that the Exchange has approved the IEF4 collateral program that will allow clearing firms to pledge collateral such as commercial paper, corporate notes, certificates of deposit and asset backed securities to CME to satisfy performance bond requirements. The modifications to Rules 821 and 825 are attached with additions underlined and deletions lined-out.

The Exchange certifies that this revision neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder.

If you have any questions regarding this matter, please call me at (312) 648-5422.

Sincerely,

/S/ Stephen M. Szarmack

cc: Mr. David Van Wagner
CFTC Division of Trading and Markets
CFTC - Chicago Regional Office

821. PERFORMANCE BOND AMOUNTS

Performance bond requirements will be as determined by Exchange staff from time to time. Subject to the terms and conditions as approved by Exchange staff, the Clearing House will accept as performance bond, cash, equity securities, shares of mutual funds, United States Treasury and agency Securities (under the conditions specified in Rule 825), Letters of Credit pursuant to Rule 822, units in CME's Interest Earning Facility Program, shares in CME's Interest Earning Facility 2 Program, or permitted investments allowable under CFTC Regulation 1.25, and "readily marketable securities" as defined by Securities and Exchange Commission Rules, as applicable, (as used in this Rule 821, such assets and any proceeds thereof are collectively referred to as "Assets"), all of which must be and remain unencumbered.

* * * * *

825. SECURITIES

Subject to such terms and conditions as shall have been approved by Exchange staff, a clearing member may maintain all or a portion of its performance bond on deposit with the Clearing House in equity securities, units of Standard & Poor's Depository Receipts, shares of mutual funds and United States Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Bond Principal Strips, agency Securities and permitted investments allowable under CFTC Regulation 1.25 and "readily marketable securities" as defined by Securities and Exchange Commission Rules (collectively, "Securities"). Treasury and agency securities shall be maintained in multiples of \$5,000. The clearing member shall designate which of such Securities are to be maintained as performance bond for its customers' trades or its own (so-called "house") trades and the Securities will be held for that account. The Clearing House shall value Securities for performance bond purposes as it deems appropriate.

The clearing member shall transfer the acquired Securities to the Exchange or to an approved depository for safekeeping in an Exchange account for house trades or in an Exchange account for customers' trades, as the case may be, and the Exchange shall retain control over such Securities. Neither the Exchange nor the Clearing House shall have any obligation or responsibility to preserve, protect, collect or realize upon, and under no circumstances shall the Exchange or Clearing House be liable for, any loss or diminution in value or depreciation in or in connection with the Securities maintained pursuant to this rule. A clearing member who maintains Securities for its benefit pursuant to this rule shall hold the Exchange and Clearing House harmless from all liability, losses and damages which may result from or arise with respect to the care and sale of such Securities.

Each clearing member shall reimburse the Clearing House for all fees, expenses, charges and costs assessed by a depository against the Exchange with respect to all Securities maintained in its account, and shall make deposits as may be required by the Clearing House by reason of any depreciation in the market value of such Securities. If a clearing member defaults to the Clearing House with respect to performance bonds, the Securities maintained in its account pursuant to this rule shall be taken over by the Clearing House and sold without notice and the proceeds of Securities deposited for customers' trades shall be applied against the performance bond requirements for the clearing members' customers' accounts, and the proceeds of Securities deposited for the house trades shall be applied against the requirements for the clearing member's own (so-called "house") account.