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Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

OFFICE OF THE SECRETARIAT

Reference File #2526.05  
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following:

- **Amendments to CBOT South American Soybean futures regulations (Rulebook Chapter 17) and to Rulebook Appendix 4E "Minimum Financial Requirements for Agricultural Regularity" per the attached texts (additions are bold face and underlined; deletions are bracketed and struck through).**

With respect to CBOT South American Soybean futures, these technical amendments will:

- Ensure that load-out specifications for deliveries are consistent with relevant cash market practices; and
- Facilitate the Exchange's review of regular facility financial reporting.

The CBOT intends to implement these amendments concurrently with the launch of trading in South American Soybean futures (date to be determined).

There were no opposing views among the CBOT's Board of Directors regarding these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul Draths  
Vice President and Secretary

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## ATTACHMENT 1

Additions are bold and underlined. Deletions are bracketed and struck through.

**1743.01 Deliveries by Shipping Certificates** – Delivery of South American Soybeans shall be made by delivery of Shipping Certificates, issued by Shippers designated by the Exchange as regular to issue South American Soybean Shipping Certificates, using the electronic fields which the Clearing Services Provider requires to be completed. In order to affect a valid delivery, each Shipping Certificate must be endorsed by the holder making the delivery, and transfer as specified above constitutes endorsement. Such endorsement shall constitute a warranty of the genuineness of the Certificate and of good title thereto, but shall not constitute a guaranty, by any endorser, of performance by the issuer of the Certificate. Such endorsement also shall constitute a representation that all **CBOT shipping certificate** carrying charges have been paid on the Soybeans covered by the Certificate, in accordance with Regulation 1756.01.

**1744.01 Certificate Format** – The Exchange and the Clearing Services Provider shall determine the electronic fields which are required to be completed in connection with an electronic shipping certificate.

The electronic shipping certificate obligates the shipper, for value received and receipt of the certificate properly endorsed, and subject to a lien for payment of **CBOT shipping certificate** carrying charges, to deliver the specified quantity of South American Soybeans conforming to the standards of the Exchange, and to ship such soybeans in accordance with orders of the lawful owner of the certificate and in accordance with the Rules and Regulations of the Exchange. Delivery shall be by water conveyance according to the registered loading capability of the shipper.

Delivery of the electronic shipping certificate to the issuer by the owner of the certificate, for the purpose of shipment of South American Soybeans, is conditioned upon loading of soybeans in accordance with the Rules and Regulations of the Exchange, and a lien is claimed until all loadings are complete and proper shipping documents presented accompanying demand draft for freight and **CBOT shipping certificate** carrying charges due which the owner of the certificate agrees to honor upon presentation.

**1749.03 Sellers' Invoice to Buyers** – Upon receipt of the names of the buyers obligated to accept delivery from it and a description of the shipping certificates tendered by it which were assigned by the Clearing Services Provider to each such buyer, the seller shall prepare invoices addressed to its assigned buyers describing the documents to be delivered to each such buyer. Such invoices shall show the amount which buyers must pay to sellers in settlement of the actual deliveries, based on the delivery prices established by the Clearing Services Provider, adjusted for applicable premiums, discounts, **CBOT shipping certificate** carrying charges, quantity variations and other items for which provision is made in these Rules and Regulations, and shall be in the form designated by the Exchange.

Such invoices shall be delivered to the Clearing Services Provider by 10:00 a.m. via the Clearing Services Provider's on-line system, or by such other time designated by the Exchange, on the day of intention.

Upon receipt of such invoices, the Clearing Services Provider shall promptly make them available to buyers to whom they are addressed.

**1756.01      CBOT Shipping Certificate Carrying Charges** - No South American Soybean Shipping Certificate shall be valid for delivery on futures contracts unless the **CBOT shipping certificate** carrying charges shall have been paid up to and including the 18th day of the preceding month and such payment endorsed on the South American Soybean Shipping Certificate unless registration is at a later date. Unpaid accumulated **CBOT shipping certificate** carrying charges at the posted rate applicable to the shipping station where the grain is under obligation for shipment shall be allowed and credited to the Buyer by the Seller to and including the date of delivery.

The **CBOT shipping certificate** carrying charges on South American Soybeans for delivery shall not exceed 1/2 of one cent per bushel per day.

**1781.01 (11) Load-Out Procedures**

(A) To initiate the load-out process, the certificate holder, or owner, requests his clearing firm to cancel the shipping certificate at the CBOT Registrar's Office or requests load-out using the electronic form provided by the Clearing Services Provider's online system.

**(B) Upon cancellation of the shipping certificate, the 30-day delivery period shall begin and the Shipper shall execute a standard ANEC 41 contract (version dated January 1, 2005) with the buyer that will govern the physical load-out.**

~~(B)~~ **(C)** Nomination of Vessel

1. Buyer shall give the nomination of a vessel to the Shipper, together with the vessel's Estimated Time of Arrival ("ETA"), flag, age, and ownership, in writing, in time for the Shipper to receive a minimum of 15 clear days notice of the earliest readiness of tonnage at the loading port. Despatch and demurrage rates shall also be included in the written nomination.
2. The Shipper has the right to reject nomination of a vessel whenever any of the information specified in paragraph (11)~~(B)~~ **C**1. above is not included in the written

nomination. Such rejection shall be effected without delay.

3. Loading obligations will begin on the 16<sup>th</sup> day after the nomination date, at 08:00 hours (~~[Brazilian official]~~ **São Paulo** time) even if loading commences earlier.
4. The Buyer shall give pertinent documentary instructions and the vessel's destination to the Shipper within a minimum of 10 days prior to the estimated arrival of the vessel at the loading port or upon cancellation of the shipping certificates and presentation of Notice of Readiness.
5. The Buyer shall keep the Shipper informed of any delay in the expected date of the vessel's load readiness. Nomination of the vessel is irrevocable unless the Buyer can prove force majeure (as described in paragraph (11)~~(D)~~ **(E)** (4) below), or the Shipper agrees to a substitution or if all of the following conditions are fulfilled:
  - (a) The substituting vessel(s) must be on or about the same position where the word "about" means five days earlier up to five days later than the last reported ETA. If the substitute vessel's ETA is greater than 5 days, then the vessel's substitution shall be considered a new nomination.
  - (b) If earlier than the last reported ETA of the original nomination, notice of substitution must be given at least four business days prior to the new vessel's ETA.
  - (c) The above conditions shall be considered without prejudice to the original written notice ("pre-advice") of the first nomination.
  - (d) A maximum of two substitutions will be permitted, except short shipped quantities which must be substituted with a minimum of four business days pre-advice.

The Shipper shall have goods loadready on the 5<sup>th</sup> day after the substitution date, at 08:00 hours (~~[Brazilian official]~~ **São Paulo** time). For laytime calculation, see paragraph (11)~~(D)~~ **(E)** below.

~~(C)~~ **(D)** Load-Out Rates – The rate of load-out for shippers shall be at the normal rate of load-out for the facility. The load-out rate for shipping stations shall be the following per business day:

Self-Trimming Bulk Carrier: 2,000 metric tons  
Non Self-Trimming Bulk Carrier: 1,500 metric tons  
Non Bulk Carrier: 1,200 metric tons.

~~(D)~~ **(E)** Loading Conditions – Tankers excluded. Loading of either deep / wing / transversal / vertical tanks and/or tonnage wells/holds excluded, except as provided in paragraph (11)~~(D)~~ **(E)** (3) below.

- (1) The captain and crew of the vessel shall collaborate in all quay movements necessary to accommodate shore loading equipment in the respective holds/spaces.
- (2) All extra berthing expenses due to cargo not being loadready shall be for the Shipper's account.
- (3) Deep / wing / transversal / vertical tanks and/or tonnage wells / holds to be loaded only subject to Port Authorities' agreement and provided the Buyer / vessel request such in writing together with Notice of Readiness, stating the quantity required. If due to shore equipment and/or draft, Port Authorities' order such loading at any other than Shipper's berth, expenses and time used for shifting shall be for the Buyer's account. For all quantity loaded in deep / wing / transversal / vertical tanks and/or tonnage wells/holds, the Buyer shall pay the Shipper \$10.00 per metric ton and the time used for loading such quantity shall not count as laytime.
- (4) Time shall count per weather working day of 24 consecutive hours. Saturday afternoons, Sundays, and Brazilian Federal and/or State and/or Municipal holidays shall be excepted, even if used.

On Mondays and on days after a holiday, the time to start/restart counting shall be 08:00 hours (~~Brazilian official~~ **São Paulo** time).

Rain periods at anchorage while waiting for berth shall not count as laytime unless the vessel is already on demurrage.

Shipper shall not be responsible for any time lost due to Act of God, fire, flood, wind, explosion, war, embargo, civil commotion, sabotage, law, act of government, labor difficulties at the port(s) of loading or elsewhere preventing the forwarding of the soybeans to such port(s), breakdown of machinery and/or winches, power failure, or any other cause of force majeure.

- (5) The Shipper shall load water conveyance at the shipping station designated in the Shipping Certificate. For purposes of the South American Soybean futures contract, the Export Corridor at the Port at Paranaguá shall be considered the primary delivery location. For a regular shipper outside the Export Corridor of the Port at Paranaguá, if it becomes impossible to load at the designated shipping station for three consecutive business days because of any conditions of force majeure (as described in paragraph (11)~~(D)~~(E)(4) above), the shipper shall arrange for water conveyance to be loaded at another regular shipping station or mutually agreeable location along the Paranaguá Corridor. Should force majeure conditions apply along the Paranaguá Corridor, then shipment may be delayed for the number of days that such impossibility prevails at the majority of regular shipping stations along the Corridor unless the Shipper and Buyer can arrange for water conveyance to be loaded at another regular shipping station or mutually agreeable location not affected by force majeure conditions. The Shipper will compensate the Buyer for any transportation loss resulting from the change in the location of the shipping station. If conditions covered in this regulation make it impossible to load at the designated shipping station, the Shipper shall notify the Registrar's Office in writing of such conditions within 24 hours of when the condition of impossibility began.

- (6) Despatch shall be half of the demurrage and shall be earned on all working time saved. Despatch / demurrage rates shall be as per Charter Party, and shall be as stated in the written nomination of the vessel provided to the Shipper, as described in paragraph (11)~~(B)~~ **(C)**1. above, but shall be a minimum of \$2,500 / \$5,000 respectively, even in the case of shipment by Liner Vessel.
- (7) Notice of Readiness at the loading port shall be given before 17:00 hours (~~[Brazilian official]~~ **São Paulo** time) during ordinary Brazilian office hours, or before 11:00 hours (~~[Brazilian official]~~ **São Paulo** time) on Saturdays, Sundays, and Brazilian holidays, and laytime shall start counting at 08:00 hours (~~[Brazilian official]~~ **São Paulo** time) on the next regular working day, whether or not the vessel is in port or in berth. The vessel must be ready in all respects to receive cargo. If the vessel's hold(s) are found unsuitable, cleaning time shall not be counted as laytime.
- (8) The Buyer / vessel shall present only one Notice of Readiness upon arrival at the port, which is deemed to serve as sufficient load-notice to all shippers loading on that vessel. Choice of berth sequence will be at the Buyer/vessel's option, unless otherwise ordered by Port Authorities.
- (9) If a second port of loading is used, laytime shall start counting at 08:00 hours (~~[Brazilian official]~~ **São Paulo** time) on the next working day after the vessel's arrival, whether or not the vessel is in port or in berth.
- (10) If loading berth is free and available, vessel is considered "arrived" when berthed fast alongside. When the port is congested and/or the berth is unavailable, "arrival" is understood to be the moment the vessel drops anchor at the bar or normal anchorage. Shifting from roads to berth shall not count as laytime.

The Shipper shall transmit to the Registrar by 11:00 hours (~~[Brazilian official]~~ São Paulo time) the name, location of the shipping facility, and the number of delivery vessels "arrived" that day. The Registrar shall maintain a current record of the number of delivery vessels "arrived" and shall be responsible for posting this record on the Exchange Floor and the CBOT website.

- (11) Load-out of shipping certificates shall be in the order in which clean and ready vessels "arrived." Load-out of shipping certificates for vessels "arrived" on the same day shall be in the order in which loading orders and shipping instructions were received.

The Shipper is required, at the Buyer's request, to provide scheduled loading dates to Buyers with "arrived" vessels.

- (12) Whenever the vessel nominated is loaded by more than one Shipper per berth and/or more than one bulk commodity per berth and/or more than one berth per port, the time attributed to each individual berth shall be prorated among all the Shippers/commodities loading at that berth. At second and/or further berths time shall count from docking or the next regular working period (from the time the vessel was for all intents and purposes ready to start loading at that berth), whichever is earlier. Time shall finish upon completion of the total loaded at any berth.

- (13) Should, however, one or more Shippers not have South American Soybeans ready for loading at the berth, then prorated counting of laytime shall stop from the moment all South American Soybeans are loaded by Shippers who had such soybeans ready, and laytime shall count separately for the remaining soybeans. Alternatively, if the vessel is not allowed to berth because one or more Shippers do not have South American Soybeans ready for loading,

such Shipper(s) shall be the first to load, and laytime shall count up to the moment such Shipper(s) have loaded all of their South American Soybeans, after which time laytime will be prorated amongst Shippers who had their soybeans ready for loading.

(14) Time used in navigation between ports of loading, i.e., berth to berth, shall not count as laytime.

(15) Buyer has the option to execute per non-Bulk Carrier vessels, at \$2.00 per metric ton over the price basis Bulk Carrier.

~~(E)~~ **(F)** Termination of **CBOT Shipping Certificate** Carrying Charges – **CBOT shipping certificate** carrying charges for South American Soybeans to be shipped pursuant to load-out procedures shall cease when [~~three events are concluded: 1)~~] shipping certificates have been cancelled, [~~and 2) fifteen days pre-advice has been given, and 3) when a valid Notice of Readiness has been presented. Carrying Charges accrued after shipping certificates have been cancelled but before fifteen days pre-advice has been given and/or valid Notice of Readiness has been presented shall be between buyer and shipper.~~]

**(G) Should soybeans not be completely loaded by the last day of the delivery period, as per ANEC 41, the Buyer shall claim extension of a maximum of 30 days and pay ANEC extension carrying charges at the rate of \$0.20 per metric ton per day for the first 10 days and thereafter an increase of \$0.05 per metric ton shall apply for each subsequent 10 day period. If Buyer claims extension but fails to provide suitable tonnage within the extension period, the Shipper shall declare the Buyer in default, and the Buyer shall pay the Shipper 30 days ANEC extension carrying charges. The Shipper shall fulfill delivery, even after the extension limit, provided the Buyer presents a Notice of Readiness for suitable tonnage at the loading port within the extension period. ANEC extension carrying charges shall be calculated and paid up to the Bill of Lading date even if loading is completed after the extension period.**

~~(F)~~ **(H)** Records – All shippers shall keep adequate permanent records showing compliance with the requirements of this Regulation. Such records shall at all times be open for inspection by the Exchange.

~~(G)~~ **(I)** The shipper shall make such reports, keep such records, and permit such shipping station visitation as the Exchange or the U.S. Commodity Futures Trading Commission may require.

~~(H)~~ **(J)** Debit notes relating to demurrage and/or despatch must be settled within 30 days of the presentation date.

~~(I)~~ **(K)** Brazilian taxes on freight and/or cargo are for the Shipper's account and risk. The Buyer is responsible for the vessel's usual port expenses. The vessel's port utilization fees are to be paid in accordance with Port Administration rules and regulations.

The Buyer is responsible for any increase of export taxes (including value added tax) and any new taxes which may come in force on any cargo lifted after taking possession of the South American Soybean Shipping Certificate.

~~(J)~~ **(L)** In the case of shipments that involve countries of origin and destination with a bi-lateral transport agreement for which a flag waiver must be obtained, the Buyer shall be responsible for the obtaining of such waiver from the competent authority in the country of origin.

~~(K)~~ **(M)** When the official weight becomes known for a vessel, overfills and underfills will be settled on the market value, expressed as a basis, for South American Soybeans FOB vessel at the port on the day that the soybeans are loaded. Before the vessel is loaded, the Buyer and Shipper will agree on a basis over or under the nearby futures month upon which overfills and underfills will be settled. On the day that the weight tolerance becomes known to both parties, the flat price settlement will be established by applying the basis to the nearby futures month settlement price on the day of loading. If the day of loading is the last trading day in the nearby futures month, the next following futures month will be used for settlement. If the day of loading is not an Exchange business day, the next following business day will be used to establish the flat price. In order to convert the agreed upon basis on the day that the grain was loaded to a basis relative to the current nearby futures month, the futures spread on the day of loading will be used, provided that, the nearby futures month did not close outside of the price limits set for all other futures months. In this case, the spread on the first following business day that the nearby futures month closed within the price limits applicable for all other futures months would be used.

#### **APPENDIX 4E - MINIMUM FINANCIAL REQUIREMENTS FOR AGRICULTURAL REGULARITY**

The minimum financial requirements for firms which are regular to deliver agricultural products are:

1. Working Capital - (current assets excluding current receivables from affiliates/parent company less current liabilities) must be greater than or equal to \$2,000,000. All current assets must be readily marketable. Firms which do not have \$2,000,000 in Working Capital must deposit with the Exchange \$5,000 per contract which it is regular to deliver, up to a maximum of \$2,000,000, less SEC haircuts, as specified in SEC Rule 15c3-1(c)(2)(vi), (vii) and (viii) plus 3% in the event of liquidation;
2. Net~~[w]~~ Worth - (Total assets less total liabilities) divided by the firm's allowable capacity (measured in contracts) must be greater than \$5,000. The net worth of a firm regular to deliver corn, soybeans, ethanol, or South American soybeans must be greater than or equal to \$5,000,000. The operator of a warehouse/shipping station issuing corn, soybean, ethanol, or South American soybean shipping certificates may only issue new shipping certificates when the total value of all registered shipping certificates and the new shipping certificates, at the time of issuance of the new shipping certificates, does not exceed 50% of net worth;
3. Each firm which is regular to deliver agricultural products is required to file a yearly certified financial statement within 90 days of the firm's year-end. Each firm is also required to file within 45 days of the statement date unaudited quarterly financial statements for each of the three quarters which do not end on the firm's year-end. In addition, the Exchange may request additional financial information as it deems appropriate. **All financial statements are to be submitted in English.**
4. A Letter of Attestation must accompany all unaudited financial statements. The Letter of Attestation must be signed by the Chief Financial Officer or if there is none, a general partner, executive officer, or managerial employee who has the authority to sign financial statements on behalf of the firm and to attest to their correctness and completeness.
5. For the requirements for notification of capital reductions, see Regulation 285.03.
6. Any change in the organizational structure of a firm that is regular for delivery requires that the firm notify the Exchange prior to such change. Changes in organizational structure shall include, but not be limited to, a corporation, limited liability company, general partnership, limited partnership, or sole proprietorship that changes to another form. Prior to any such change occurring, the firm is also required to notify the Exchange in writing of any name change.