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Chicago Mercantile Exchange

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October 27, 2005

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

**RE: CME Rules 400 and 402.B.13 and the Chapter 5 title
Submission No. 05-108**

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission that effective October 26, 2005, the Exchange approved minor amendments to CME Rule 400 ("General Provisions"), CME Rule 402.B.13. ("Business Conduct Committee – Hearings") and the title of Chapter 5 ("Trading Qualifications and Practices"). The change to Rule 400 codifies the applicability of Exchange rules to individuals and entities that have agreed in writing to comply with Exchange rules, for example participants in the Asian and European Incentive Plans. Rule 402.B.13. has been amended to eliminate any ambiguity with respect to the Business Conduct Committee's authority to order a Member (as defined in Rule 400) to make restitution to the account of any party damaged by such Member's conduct. Lastly, the reference to floor privileges in the title of Chapter 5 has been eliminated given that the rules in Chapter 5 are not limited to on-floor trading activity.

The text of the approved amendments are attached with additions underscored and deletions overstruck.

The Exchange certifies that this regulatory advisory 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
Director and Associate General Counsel

400. GENERAL PROVISIONS

[The first paragraph is unchanged.]

For purposes of Chapter 4, the term "Member" shall mean: 1) individual members and clearing members of the Exchange, including retired members with floor access privileges and individuals and entities described in Rule 106; 2) associated persons ("APs") and affiliates of clearing members of the Exchange (including, but not limited to, related parties of Rule 106.i. firms in regard to their Exchange related business); 3) guaranteed introducing brokers of clearing members of the Exchange, Exchange permit holders and any person or entity that has been granted cross-exchange trading privileges; ~~and~~ 4) employees, authorized representatives, contractors, and agents of any of the above persons or entities, in regard to the Exchange related activities of such employees and agents; and 5) individuals and entities that have agreed in writing to comply with the rules of the Exchange.

[The remainder of the rule is unchanged.]

402. BUSINESS CONDUCT COMMITTEE

[Section 402.A. is unchanged.]

402.B. Hearings

Hearings by the BCC shall be before a Panel, and shall be conducted by a chairman of the BCC in accordance with the provisions of Rule 408.

If a Member is found guilty, by a majority vote, the Panel may do one or more of the following:

[1-12 are unchanged.]

13. Direct the Member to make restitution, in such amount as is warranted by the evidence, to the account of any party~~the customer~~ damaged by the conduct, or to the Clearing Member who has previously made restitution to the account of such party~~the customer~~.

The Panel may also find that the evidence warrants an adjustment to the account of a party~~customer~~ where a Member, though not in violation of an Exchange rule, has not fulfilled his or its responsibility for proper execution of such party's~~a customer~~ order.

[The remainder of the rule is unchanged.]

**CHAPTER 5
FLOOR PRIVILEGES—TRADING QUALIFICATIONS AND PRACTICES**