



**BY ELECTRONIC TRANSMISSION**

06-7  
April 6, 2006

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

Re: **Amendments to Rules 8.59, 9.49, 10.58, 10.77, 11.30, 11.50, 13.39, 15.29, 16.29, 23.59 and 24.29 and New Rule 12.30 - 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 Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, amendments to Rules 8.59, 9.49, 10.58, 10.77, 11.30, 11.50, 13.39, 15.29, 16.29, 23.59 and 24.29 and New Rule 12.30, attached as Exhibit A.

The Exchange's Options rules generally provide for automatic exercise of long options positions that are in-the-money on the Last Trading Day ("LTD"), unless the clearing member holding such positions has notified the Clearing Corporation not to exercise the option. Under longstanding practice, that deadline has been 5:00 pm on the LTD for most option contracts.

In reviewing current rules for several options products, it was noted that the rules do not clearly provide that 5:00 pm (10:00 am for Currency Options) on the LTD is in fact the deadline by which instructions not to exercise long options positions that are automatically exercisable must be submitted. The submitted amendments and new Rule add the 5:00 pm (10:00 am for Currency Options) deadline and codify the current practice.

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

The Exchange's Board of Governors approved the amendments and the new Rule at its meeting on April 5, 2006. No substantive opposing views were expressed by members or others with respect to the either issue. The amendments and new Rule will become effective on April 7, 2006.

If you have any questions or need further information, please contact me at 212-748-4084.

Sincerely,

Jill S. Fassler  
Vice President  
Associate General Counsel

cc: Riva Adriance  
CFTC, Division of Market 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.)

**Rule 8.59. Automatic Exercise Levels for Coffee Options**

**Rule 9.49. Automatic Exercise Levels for Cocoa Options**

**Rule 11.30. Automatic Exercise Levels for Sugar Options**

**Rule 11.50. Automatic Exercise Levels**

**Rule 23.59. Automatic Exercise Levels for Pulp Options**

After the close on the Last Trading Day in the Coffee/Cocoa/Sugar/Sugar 11 Spread/Pulp Options Contract, the Clearing Organization will automatically exercise any open long Option that has a Strike Price below (in the case of a Call Option) or above (in the case of a Put Option) the Settlement Price of the Underlying Futures Contract on that day by an amount which equals or exceeds the minimum price increment permitted under the Rules for the Underlying Futures Contract, unless, before 5:00 p.m. on the Last Trading Day, the Clearing Member carrying such Option gives the Clearing Organization written instructions that any such Option is to expire unexercised.

**Rule 10.58. Expiration of Cotton Options**

**Rule 10.77. Expiration of CTSOs**

**Rule 13.39. Expiration**

A Cotton No. 2 Option/CTSO/FCOJ Option shall expire at 5:00 p.m. on the Last Trading Day; provided, however, that any such Option which is one (1) point in-the-money and remains unexercised after that time shall be automatically exercised by the Clearing Organization, unless, before 5:00 p.m. on the Last Trading Day, the Clearing Member gives the Clearing Organization written instructions [~~otherwise~~] that any such Option is to expire unexercised.

**Rule 12.30. Automatic Exercise Levels for Ethanol Options**

After the close on the Last Trading Day in the Ethanol Options Contract, the Clearing Organization will automatically exercise any open long Option that has a Strike Price below (in the case of a Call Option) or above (in the case of a Put Option) the Settlement Price of the Underlying Futures Contract on that day by an amount which equals or exceeds the minimum price increment permitted under the Rules for the Underlying Futures Contract, unless, before 5:00 p.m. on the Last Trading Day, the Clearing Member carrying such Option gives the Clearing Organization written instructions that any such Option is to expire unexercised.

**Rule 15.29. Expiration**

**Rule 24.29. Expiration**

A USDX/FINEX EURO Index Option on the Exchange shall expire at 5:00 p.m. on the Last Trading Day, provided, however, that any Option which is (one) 1 tick in-the-money and remains unexercised after that time shall be automatically exercised by the Clearing Organization, unless, before 5:00 p.m. on the Last Trading Day, the Clearing Member gives the Clearing Organization written instructions [~~otherwise~~] that any such Option is to expire unexercised.

**EXHIBIT A**

**Rule 16.29. Expiration**

An Option on Currency Futures Contracts on the Exchange shall expire at 10:00 a.m. New York Time on the Last Trading Day, provided, however, that any Option which is one (1) tick in-the-money and remains unexercised after that time shall be automatically exercised by the Clearing Organization, unless, before 10:00 a.m. on the Last Trading Day, the Clearing Member gives the Clearing Organization written instructions [otherwise] that any such Option is to expire unexercised.