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O.C. OF THE SECRETARIAT

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendment to Rule 5.03(j)(x)**
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

Dear Ms. Donovan:

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, amendment to Rule 5.03, attached as Exhibit A.

The amendment to Rule 5.03 would allow a Clearing Member to accept from its customer a Pass-Through Letter of Credit ("PLOC") as margin collateral. The PLOC would name as joint beneficiaries the Clearing Member and an exchange clearing house.

For example, a customer posts a PLOC as margin collateral for all of its positions carried with the Clearing Member. The PLOC is in favor of the Clearing Member and the Chicago Mercantile Exchange ("CME"). The Clearing Member, in turn, posts the PLOC with the CME for clearing margin purposes. For the positions held by the customer at other exchanges, the Clearing Member must use other collateral in order to meet its margin requirements at the other clearing houses. Although the value of the PLOC is deemed good margin collateral for all of the customer's positions carried by the Clearing Member, only the CME can use the value of the PLOC for the Clearing Members' margin.

At the Joint Audit Committee ("JAC") meeting in May 2006, the JAC members agreed to accept the use of a PLOC as described above and agreed to add to the SRO audits a determination that the customer's PLOC is posted at only one clearing house at any point in time.

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

The amendments were adopted by the Exchange's Board of Governors on July 12, 2006. No substantive opposing views were expressed by members or others with respect to the amendments. The amendments will become effective on July 14, 2006.

If you have any questions or need further information, please contact me at jfusco@nybot.com or 212-748-4021.

Sincerely,

Jason V. Fusco
Compliance Counsel

Enc.

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 5.03. Margin

* * *

(j) Margin for Exchange Futures and Options Contracts may be deposited or credited in any one (1) or more of the following forms, subject to such terms and conditions as may be established by each Member Firm:

* * *

(x) Irrevocable letter of credit in favor of the Clearing Member carrying the account or in favor of the Clearing Member carrying the account and an exchange's clearing house ("PLOC"); ~~[such letter of credit shall comply with the requirements of Rule 505(b) of the Clearing Organization and]~~ all letters of credit shall be issued in such form as may be prescribed by the Exchange and by a depository which has been approved by the ~~[Clearing Organization]~~ Exchange for issuance and confirmation of letters of credit in favor of the Clearing Members; Clearing Members may not accept from their Customers letters of credit issued by said Customer, an Affiliated Firm of the Customer, the Clearing Member, or an Affiliated Firm of the Clearing Member;

[REMAINDER OF RULE UNCHANGED]

EXHIBIT A