



World Financial Center
One North End Avenue, 13th Floor
New York, New York 10282

BY ELECTRONIC TRANSMISSION

06-23
August 16, 2006

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: **Amendments to FINEX[®] EURO Delivery Rules and Definitions Chapter of Rule Book -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

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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, amendments to Rules 24.07, 24.09, 24.10 and 24.11, and to the Definitions Chapter of Rule Book, attached as Exhibit A.

In July, Exchange Rules were amended to mandate the use of the Continuous Linked Settlement system ("CLS") for all USDX[®] and Currency futures contract deliveries, except those involving either the forint or koruna currencies. In Submission 06-18, the Exchange submitted the rule amendments to the Commission. Because of an oversight, amendments to Rules 24.07, 24.09, 24.10 and 24.11, mandating the use of the CLS for deliveries of the FINEX EURO Index futures contracts, were not made. The Exchange has now amended those rules which are contained in this Submission.

Amendments to the Definitions Chapter add the "FINEX EURO Index" to the definition of the term "Financial Contracts" in order to update the Exchange's Rule Book.

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 unanimously by the Exchange's Board of Governors on August 16, 2006. No substantive opposing views were expressed by members or others with respect to the amendments. The amendments will become effective on August 17, 2006.

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

Sincerely,

Jason V. Fusco
Compliance Counsel

cc: Riva Adriance
Thomas Leahy
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.)

EXHIBIT A

Rule 24.07. Delivery Procedures

(a) *Delivery [d]ay [(Value-Date)]*

Delivery of the components of FINEX EURO Index Futures Contracts shall be made on the third (3rd) Wednesday of the contract month. If that day is not a Business Day or is a bank holiday in New York, NY, then the delivery day shall be the next day that is a Business Day; provided, however, that, if it is a bank holiday in the country of any component currency in the FINEX EURO Index, then, delivery of that currency and the FINEX EURO amount attributable to that currency shall occur on the next Business Day that is not a bank holiday in New York, NY and the country of the component currency.

(b) *Netting of Positions*

(i) *Netting of Positions Within an Individual Contract*—A Clearing Member may net his delivery obligations to the extent that such Clearing Member (for itself or for Customers) is both long and short in FINEX EURO Index Futures Contracts and, if a Customer Account is involved, has a written request from the Customer to net the Customer's Account against other accounts and provided further, that the Clearing Member has a written agreement respecting delivery and receipt other than as set forth in the Rules. If the Clearing Member chooses to net, it shall indicate its net Position on the Delivery Netting Request form. The netting shall be performed in the following sequence: (A) within each account, (B) eligible Customer Account versus eligible Customer Account and (C) eligible Customer Account against Firm account. The netting of Positions by a Clearing Member shall relieve the Clearing Organization of any further obligations with respect to any FINEX EURO Index Futures Contract involved. Such Clearing Member shall indemnify the Exchange, the Clearing Organization against any liability, cost or expense that either may incur for any reason as a result of the Clearing Member's netting positions.

(ii) *Netting Currency Positions Across Contracts*—A Clearing Member may net his delivery obligations to the extent that such Clearing Member (for it or for Customers) holds Positions that create offsetting currency payment obligations in FINEX EURO Index Futures Contracts and different Currency Pairs. If a Customer Account is involved, the Clearing Member must have a written request from the Customer to net the Customer's Account against other accounts and a written agreement respecting delivery and receipt other than as set forth in the Rules. If the Clearing Member chooses to net Positions, it shall indicate the net Position on its Delivery Netting Request Form. The netting shall be performed in the following sequence: (A) within each account, (B) eligible Customer Account versus eligible Customer Account and (C) eligible Customer Account against Firm account. The netting of Positions by a Clearing Member shall relieve the Clearing Organization of any further obligations with respect to any FINEX EURO Index and other currency futures contracts involved. Such Clearing Member shall indemnify the Exchange, the Clearing Organization against any liability, cost or expense that either may incur for any reason as a result of the Clearing Member's netting Positions.

(c) [~~Long Clearing Member's Duties~~]

~~Holders of long FINEX EURO Index Futures Contract shall receive delivery of euros and shall pay the settlement currencies equivalent.~~

~~It is the responsibility of the long Clearing Member to transfer the correct total amount of the settlement currency funds into the account of the Clearing Organization at the delivery bank designated by the Exchange and to provide complete information for the timely transfer of the euros into the long Clearing Member's account as specified in the procedure below:~~

~~(i) In order for a Clearing Member with a long futures Position to accept delivery for itself or for Customers it represents, it shall, no later than 11:30 a.m. on the Last Trading Day, present long Clearing Member's Delivery Commitments to the Clearing Organization. The Clearing Member shall include the following information in each Commitment:~~

~~(A) the name of the Exchange specified delivery bank (See Appendix 1⁴);~~

~~(B) the Clearing Organization's account number at the delivery bank in which it will deliver the settlement currency funds for each outstanding long FINEX EURO Index Futures Contract;~~

~~(C) the name of the bank along with the account number at such bank at which it will receive delivery of the euros for each outstanding long contract; and~~

~~(D) all necessary transfer information such as the name of the correspondent.~~

~~If such Commitments are received later than 11:30 a.m. on the Last Trading Day, the Clearing Member shall be assessed a fine, the amount of which shall be determined by the Board or a committee appointed by the Board.~~

~~(ii) If a Clearing Member chooses to submit a directive to pay, then, by 10:00 a.m. NYT on the banking business day immediately preceding delivery day, the Clearing Member's bank shall send to the delivery bank specified by the Exchange a directive to pay by swift message, tested telex or other format acceptable to the delivery bank. The directive to pay shall include the following:~~

~~(A) Clearing Member's name;~~

~~(B) the name and address of the bank which will transfer the appropriate settlement currency funds into the account of the Clearing Organization;~~

~~(C) the name and number of the account from which the appropriate settlement currency funds will be transferred into the account of the Clearing Organization;~~

~~(D) the amount of each settlement currency funds to be delivered into the Clearing Organization's account; and~~

~~(E) the delivery day (value date) which is specified in paragraph (a) of this Rule.~~

~~(iii) The long Clearing Member shall make arrangements for the timely transfer of the settlement currencies. The following procedures shall apply:~~

~~By 10:00 a.m. local time on the delivery day (value date) specified in paragraph (a) of this Rule, the Clearing Member shall deposit the settlement currencies in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on such day.~~

~~The amount of the settlement currency deposit shall equal the value of the number of contracts for which delivery is being made based on the Settlement Price on the Last Trading Day. Deposit of the settlement currencies shall be made as an international bank wire transfer of immediately available funds.~~

~~(iv) It is the responsibility of the Clearing Member and the beneficial owner of the long contracts to be familiar with, and in conformance with, all the regulations pertaining to the holding of non-resident bank accounts in the country of the bank through which delivery of the euros will be made.~~

~~(d) Short Clearing Member's Duties~~

⁴ Appendix 1: Exchange Approved Delivery Bank: A current listing of such approved banks is available through the New York Clearing Corp.

~~Holders of short FINEX EURO Index Futures Contracts shall make delivery of the euros and shall receive payment in the appropriate settlement currencies.~~

~~The short Clearing Member is responsible for assuring the timely delivery of the euros into the appropriate Clearing Organization account at the Exchange approved delivery bank and to provide complete information for the timely transfer of the appropriate settlement currencies into the short Clearing Member's account as specified by the procedure below:~~

~~(i) A Clearing Member with a short futures Position in order to make delivery for itself or for a Customer it represents shall, no later than 11:30 a.m. on the Last Trading Day, present to the Clearing Organization short Clearing Member's Delivery Commitments. The Clearing Member shall include the following information in each Commitment:~~

~~(A) the name of the Exchange specified delivery bank (See Appendix 1⁵);~~

~~(B) the Clearing Organization's account number at the delivery bank in which the euros will be delivered for each outstanding short FINEX EURO Index Futures Contract; and~~

~~(C) the name and address of the bank to which the appropriate settlement currencies payment should be sent along with the name of the account number to which the settlement currencies payment should be credited.~~

~~If such Commitment is received later than 11:30 a.m. on the Last Trading Day, the Clearing Member shall be assessed a fine, the amount of which shall be assessed a fine, the amount of which shall be determined by the Board or a committee appointed by the Board.~~

~~(ii) If a Clearing Member chooses to submit a directive to pay, then, by 10:00 a.m. NYT on the banking business day immediately preceding delivery day, the Clearing Member's bank shall send to the delivery bank specified by the Exchange a directive to pay by swift message, tested telex or other format acceptable to the delivery bank. The directive to pay shall include the following:~~

~~(A) Clearing Member's name;~~

~~(B) the name and address of the bank which will transfer euros into the account of the Clearing Organization;~~

~~(C) the name and number of the account from which euros will be transferred into the account of the Clearing Organization;~~

~~(D) the amount of euros to be delivered into the Clearing Organization's account; and~~

~~(E) the delivery day (value date) which is specified in paragraph (a) of this Rule.~~

~~If a Clearing Member submits a euro denominated directive to pay, then by 10:00 a.m. local time on the delivery day (value date) specified in paragraph (a) of this Rule 24.07, the Clearing Member shall deposit euros in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advises from the remitting bank or its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on such day.~~

~~(iii) The short Clearing Member shall make arrangements for the timely transfer of euros to the Exchange approved delivery bank.~~

~~Deposit of the euros shall be made as an international bank wire transfer of immediately available funds.~~

~~(iv) It is the responsibility of the Clearing Member and the beneficial owner of the short contracts to be familiar with, and in conformance with, all the regulations pertaining to the holding of non-~~

~~resident bank accounts in the country of the bank through which payment of the Settlement Currencies will be accepted.]~~

(i) All FINEX EURO Futures Contracts are required to be physically delivered through the Continuous Linked Settlement system ("CLS"). Each Clearing Member must either be a CLS Bank member or be able to use an approved CLS agent bank to make the required physical delivery.

(ii) All times stated in this Rule refer to New York Time, unless otherwise noted.

(iii) For each expiring FINEX EURO Futures Contract, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day shall submit to the Clearing Organization, on or before noon of the Last Trading Day, a statement, in the form prescribed by the Clearing Organization, detailing the Clearing Member's final delivery Position ("Final Position Statement"). If the Final Position Statement is received later than noon but by 3:30 pm on the Last Trading Day, the Clearing Member may be subject to Rule 24.08. A Clearing Member which fails to submit a Final Position Statement after 3:30 pm on the Last Trading Day shall be deemed to be in default and subject to Rule 24.08.

(iv) For each expiring FINEX EURO Futures Contract, a Clearing Member with a Position that remains open after the close of trading on the Last Trading Day shall submit to CLS, on or before 5:00 pm of the Last Trading Day, the relevant instructions to either take delivery of U.S. dollars and make delivery of the settlement currencies for long positions or make delivery of U.S. dollars and take delivery of the settlement currencies for short positions ("CLS Submission"). If the CLS Submission is received by CLS later than 5:00 pm on the Last Trading Day, the Clearing Member may be subject to Rule 24.08. A Clearing Member which submits a CLS Submission after 3:00 pm on the business day preceding the Delivery Day or fails to submit a CLS Submission shall be deemed to be in default and subject to Rule 24.08.

(v) On the Delivery Day, for a Clearing Member holding a long Position, in accordance with procedures that CLS shall have instituted and may amend from time to time ("CLS Procedures"), CLS shall (A) credit the Clearing Member's account with the amount of euros sufficient to cover the number of long contracts for which delivery is being made and (B) debit the Clearing Member's account with the equivalent amount of settlement currencies.

(vi) On the Delivery Day, for a Clearing Member holding a short Position, in accordance with CLS Procedures, CLS shall (A) credit the Clearing Member's account with the amount of settlement currencies sufficient to cover the number of short contracts for which delivery is being made and (B) debit the Clearing Member's account with the equivalent amount of euros.

~~(e)d~~ *Costs of Delivery*

The seller (short) shall bear the costs of transferring the euros into the delivery bank specified by the Exchange and the costs of transferring the settlement currencies out of the delivery bank. The buyer (long) shall bear the costs of transferring the euros out of the delivery bank specified by the Exchange and the costs of transferring the settlement currencies into the delivery bank. Such costs may include, but are not limited to, wire transfer charges~~], directives to pay charges, swift message charges, interest charges]~~ and ~~[transaction fees]~~ CLS charges.

Rule 24.08. Delinquency in Performance

~~(a) If a Clearing Member with a commitment to deposit currency funds pursuant to Rule 24.07 fails to deposit such funds by the deadline specified in Rule 24.07, then the Clearing Member shall be deemed in default, and the matter shall be acted upon pursuant to paragraph (c) of this Rule.~~

~~(b) If the information contained in either the long's Delivery Commitment or the short's Delivery Commitment is so inaccurate that delivery cannot be accomplished in a timely manner, fines or damages may be assessed pursuant to paragraph (c) of this Rule.~~

~~(c) If a Clearing Member fails to perform all the acts required by this Chapter, or is deemed to be in default, or is unduly enriched, it shall be liable to the Clearing Organization and to the opposite Clearing Member for any loss sustained and may be subject to disciplinary action by the Exchange and/or the Clearing Organization.~~

Rule 24.09. [Approval of Directive To Pay Banks

~~(a) Upon application, the Exchange shall approve Directive to Pay banks provided, however, that each such bank shall be able to issue a directive to pay that is acceptable to the delivery bank.~~

~~(b) If a bank is approved but no longer meets the above requirement, the Exchange shall remove it from the approved list of Directive to Pay banks.] Reserved.~~

Rule 24.10. [Approval of Delivery Banks

Upon application, the President shall approve delivery banks that must be able to do the following:

(a) handle accounts denominated in euros and/or the appropriate settlement currencies; and

(b) demonstrate an ability to handle transfers in euros and/or the appropriate settlement currencies in a timely manner;

provided, however, that the Exchange may from time to time establish such additional requirements as it deems necessary to be a delivery bank.] Reserved.

Rule 24.11. Force Majeure

The term "Force Majeure" shall mean any circumstance (including, but not limited to a strike, lockout, national emergency, governmental action, computer malfunction causing loss of [EWRs or] data, a failure of the CLS system, or act of God) which is beyond the control of a Clearing Member making or taking delivery of a contract in the manner provided for in the Rules.

Financial Contracts

The term "Financial Contracts" shall mean the U.S. Dollar Index[®], the FINEX[®] EURO Index, the Euro Based Currency, the Pound Sterling Based Currency, the US Dollar Based Currency, the Australian and New Zealand Based Currency, the Japanese Based Currency Futures and Options Contracts and any other instruments designated by the Board as Financial Contracts and traded at the Exchange.