

Philadelphia Board of Trade

A subsidiary of the
Philadelphia Stock Exchange

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PBOT

Rule Self-Certification

October 3, 2006

Office of the Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, D.C. 20581

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Reference File SR-PBOT-2006-06: Notices to Members

Ladies and Gentlemen:

Pursuant to Commission Rule 40.6, the Philadelphia Board of Trade ("PBOT") proposes to issue the following Notices to Members, copies of which are attached:

Notice to Members 01-2006: Days and Hours of Operation
Notice to Members 02-2006: Authorized Trader Contacts
Notice to Members 03-2006: Margin

These Notices to Members will be effective on October 6, 2006.

No opposing views were expressed to PBOT by its board, its Executive Committee or its members concerning these Notices to Members.

The PBOT certifies that these Notices to Members comply with the Commodity Exchange Act and the rules thereunder.

Yours truly,



C. Robert Paul
Executive Vice President
and General Counsel

cc: Mr. Allen J. Cooper
Ms. Jane Croessmann



Notice to Members 01-2006



Executive Summary

The Philadelphia Board of Trade ("PBOT"), pursuant to PBOT Rules E4 and E5, is publishing its days and hours of operation for 2006 and 2007. In addition, through this *Notice* the PBOT is publishing its market opening sequence for trading days.

Trading Days

Set forth in attachment A to this *Notice* are the holidays recognized by the PBOT for 2006 and 2007. PBOT will be closed on these designated holidays but otherwise open for business on all other business days unless the PBOT determines otherwise and notifies members through a *Notice to Members* or other appropriate means.

Trading Hours

Set forth in attachment B are the trading hours on the PBOT, as well as the market opening sequence and timing. PBOT will follow these hours of operations and market opening sequence on each

trading day unless it notifies members otherwise through a *Notice to Members* or other appropriate means.

Please direct any questions concerning this *Notice* to Dennis Boylan, Director, PBOT Market Operations, at 888-353-8114.

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ATTACHMENT A

Holidays for Calendar Years 2006-2007

During 2006 and 2007, the Exchange will be open Monday through Friday, except for the following days:

Holiday	Month	Date	Year
Columbus Day	October	9	2006
Thanksgiving Day	November	23	2006
Christmas Day	December	25	2006
New Years Day	January	1	2007
Birthday of Martin Luther King, Jr.	January	15	2007
Washington's Birthday	February	19	2007
Memorial Day	May	28	2007
Independence Day	July	4	2007
Labor Day	September	3	2007
Columbus Day	October	8	2007
Veteran's Day	November	12	2007
Thanksgiving Day	November	22	2007
Christmas Day	December	25	2007



ATTACHMENT B

Trading Days and Hours

Product: Daily Expiry™ US Dollar 3-Month BBA LIBOR™ Futures Contract

7:30 a.m. to 8:00 a.m. (ET)

Pre-Opening: Order Entry and Open-Interest Dissemination

The PBOT will open for order entry at 7:30 am (ET) each trading day, at which time the exchange will transmit a control message "Start of Day" to members and member organizations (collectively "members"), after which authorized persons can log-on to PBOT XL. Once logged on, an authorized person can use any application function provided by the application program interface ("API") to enter orders, including functions to submit, revise, and withdraw certain types of orders. During this period no matching of orders occurs, but authorized persons can enter limit orders and "Good 'til Canceled" orders.

8:00 a.m. to 8:20 a.m. (ET)

Quote Entry for PBOT Opening Begins

Before 8:00 a.m. (ET) market makers can only enter quotes to test the PBOT XL quote processing system using an application-level "ping" to verify application connectivity. Beginning at 8:00 a.m. (ET), PBOT market makers can enter quotes for consideration in the opening trade calculation for that trading day.

8:20 a.m. (ET)

PBOT Trading begins

Trading begins at 8:20 a.m. (ET), at which time authorized persons may use all trade application functions provided by the API.

4:15 p.m. (ET)

Market Close

The PBOT market will close at 4:15 p.m. (ET) each trading day, at which time no further orders or quotes are accepted.



Notice to Members 02-2006

Authorized Trader Contact

Registration, Duties and Responsibilities, and De-registration

Suggested Routing:
Suggested Routing (as recommended in this document) is for informational purposes only. Each PBOT member should consider the most appropriate distribution in the context of its own organizational structure.

- Operations
- Finance & Accounting
- Legal & Compliance

Key Topics:

- PBOT Rule E7
- Authorized Trader Contacts
- Member IDs
- Trader IDs

Executive Summary

To achieve greater market integrity through an enhanced audit trail, the Philadelphia Board of Trade ("PBOT") requires each PBOT member or member organization to designate one person—known as an "Authorized Trader Contact"—as the firm's contact, who is responsible for all business conducted by or through the

member on PBOT. In addition, to further enhance its audit trail, PBOT requires each member to identify the person submitting each order, quote, or block trade by attaching a unique identifier, known as a Trader ID, at the time of submission.

This *Notice* describes how members register their Authorized Trader Contacts, the duties and responsibilities of those contacts, the procedures for de-registering or transferring of those contacts, as well as the use of Trader IDs.

Please direct any questions concerning this *Notice* to Tom Young, PBOT Market Surveillance – Special Investigator, at (215) 496-1555, or Bob Kreszwick, Director, Membership Services, at (215) 496-6430.

Registration

According to PBOT rules, an "Authorized Trader Contact" is an employee or other person associated with a member or member organization (collectively "members") that is registered with the PBOT and responsible for all orders, quotes, and block trades submitted by or through the members' trading

mnemonic, known as a Member ID.¹

To register an Authorized Trader Contact, a member must complete and submit PBOT's "Authorized Trader Contact Registration Form."² In addition, each member is responsible for ensuring that all the information contained in the Authorized Trader Contact Registration Form remains current so that PBOT can immediately reach the Authorized Trader Contact at all times when block trades are being submitted or executed or orders or quotes are resting in, being submitted to, or are being executed through the firm's Member ID.³

In addition, because an Authorized Trader Contact must be immediately reachable at all times when business is being transacted through the firm's Member ID, PBOT allows firms to designate and register an "Alternative Authorized Trader Contact," who performs the role and accepts the duties and

¹ PBOT Rule E2(a) defines "Authorized Trader Contact" and "Member ID."

² PBOT Rule E7(b) and (c); *see also* Attachment A for a copy of "Authorized Trader Contact Registration Form."

³ PBOT Rule E7(f).

responsibilities of an Authorized Trader Contact, when the primary Authorized Trader Contact is unavailable.⁴ In any event, if the member elects to designate an Alternative Authorized Trader Contact, the primary Authorized Trader Contact remains responsible for ensuring that her or she or the Alternative Authorized Trader Contact are always immediately available when business is being transacted through the firm's Member ID.

Duties and Responsibilities

An Authorized Trader Contact is responsible—and serves as the first point of contact—for all block trades and orders or quotes submitted through the firm's Member ID, including any orders submitted through automated order-routing systems.

In addition, PBOT Rule E7(c) imposes four duties and responsibilities on each Authorized Trader Contact. First, at PBOT's request, the Authorized Trader Contact must have the authority to modify or withdraw any order, quote, or block trade submitted under the firm's Member ID.⁵ Second, the Authorized Trader must have the ability to immediately identify the source of the order, quote, or block trade.⁶ Third, the Authorized Trader must ensure

⁴ See Attachment A for a copy of "Authorized Trader Contact Registration Form."

⁵ PBOT E7(c)(1).

⁶ PBOT E7(c)(2).

that all orders, quotes, or block trades submitted to PBOT comply with all applicable provisions of the Commodity Exchange Act, regulations of the Commodity Futures Trading Commission, the rules of PBOT (including *Notices to Members*), and all PBOT regulatory and operational orders and procedures.⁷ Finally, an Authorized Trader Contact must ensure that any person conducting business through the firm's Member ID is competent and appropriately trained.⁸

Suspension, Transfer, or De-Registration

PBOT may, in its sole discretion, suspend or revoke the registration of an Authorized Trader Contact. For example, PBOT may suspend or revoke the registration of an Authorized Trader Contact because of recurring unavailability when the firm's Member ID is in use or the contact's repeated inability to immediately identify the source of each quote, order, or block trade submitted through the firm's Member ID.

With PBOT's consent, a member or Authorized Trader Contact may request to terminate or transfer the registration of the Authorized Trader Contact. To terminate or transfer the registration of an Authorized Trader Contact, the member or Authorized Trader Contact must complete and submit to the PBOT an "Authorized Trader Contact

⁷ PBOT E7(c)(3).

⁸ PBOT E7(c)(4).

De-Registration or Transfer of Form."⁹ However, for the protection of the market, members, and customers, PBOT may, in its sole discretion, refuse to accept a request to terminate the registration of an Authorized Trader Contact, postpone the effective date of the termination of registration, or otherwise place terms or conditions before or after the effective date of de-registration or transfer.

Trader ID

Finally, to further enhance our audit trail, PBOT requires each member to identify the person submitting each order, quote, or block trade by attaching a unique identifier, or Trader ID, at the time of submission to the PBOT.¹⁰ Each member must ensure that an appropriate Trader ID is submitted to PBOT at the time of each order, quote, or block trade submission or revision.

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⁹ See also Attachment B of this Notice for a copy of the "Authorized Trader Contact De-Registration or Transfer Form."

¹⁰ PBOT Rule E2(a) defines "Trader ID." See also Rule E7(c).



**ATTACHMENT A
PBOT
Authorized Trader Contact Registration Form**

Member Name:		Member ID:	
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I am an employee or associated person of the member firm listed above. I confirm that I understand the obligations of being an Authorized Trader Contact on PBOT, and request registration as an Authorized Trader Contact or Alternative Authorized Trader Contact for the products that the above-referenced member firm is authorized to trade on PBOT. With my signature on this form, I agree to be subject to, and comply with, all applicable provisions of the Commodity Exchange Act, regulations of the Commodity Futures Trading Commission, rules of the PBOT (including *Notices to Members*), and all PBOT regulatory and operational orders and procedures.

Full Name: Authorized Trader Contact		Signature	
Title		Direct Telephone No.	
E-mail Address		Alternative Telephone No.	
Date for requested activation of registration		Market Maker for PBOT (Y/N)	
Full Name: Alternative Authorized Trader Contact		Signature	
Title		Direct Telephone No.	
E-mail Address		Alternative Telephone No.	

Authorized by:

PBOT staff (printed name)

Signature of authorized PBOT staff and Date

PBOT staff contact number and E-mail Address

For official use only



**ATTACHMENT B
PBOT**

Authorized Trader Contact De-registration or Transfer Form

Requests for de-registration or transfer become effective only upon approval of PBOT. A Authorized Trader Contact is de-registered at the close of business on the trading day that a completed form is submitted before 6:00 p.m. (EST) to, *and approved by*, PBOT (unless de-registration or transfer is requested for a future date).

Requested De-registration Date (close of business):	
Member Name:	
Member ID:	
Name of Authorized Trader Contact:	
Name of Alternative Authorized Trader Contact:	
Name of Authorized Person Contact to be transferred to: (use separate form for new registration)	

COMMENTS:

Authorized by:

PBOT staff (printed name)

Signature of authorized PBOT staff and Date

PBOT staff contact number and E-mail Address

For official use only





Notice to Members 03-2006

Margin

Initial and Maintenance Margin for Daily Expiry™ US Dollar 3-Month BBA LIBOR™ Futures Contracts

Suggested Reading:

Members of the Board of Trade of the Philadelphia Board of Trade ("PBOT") members should consider the most appropriate distribution of contracts to their organizational structure.

- 1. Operations
- 2. Finance & Accounting
- 3. Legal & Compliance

Key Topics:

- 1. PBOT Rule E11
- 2. Margin Requirements
- 3. JAC Margin Handbook

Executive Summary

Through this *Notice to Members* and pursuant to the Philadelphia Board of Trade ("PBOT") Rule E11(b), PBOT has established the minimum initial and maintenance margin that members and member organizations must collect from customers and maintain for firm and market maker trading.

Margin Levels

Pursuant to PBOT Rule E11(b), through this *Notice*, PBOT has established the initial and maintenance margin levels for customer accounts as well as for firm and market maker accounts for each Daily Expiry™ US Dollar 3-Month BBA LIBOR™ Futures Contract as:

These margin requirements are effective as of October 6, 2006, and remain in effect until further notice from the exchange.

In addition to Rule E11, members and member organizations are urged to consult the Margin Handbook published by the Joint Audit Committee if they have any questions regarding margin generally.

Please direct any questions concerning this *Notice to Members* to Walt Smith, Vice President and General Manager, at (215) 496-5532.

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