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OFFICE OF THE SECRETARIAT

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**KANSAS CITY
BOARD OF TRADE**

April 19, 2010

SENT VIA E-MAIL

Mr. David Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Submission pursuant to Commission Regulation Section 40.6(a)

Dear Mr. Stawick:

- I. **Certification.** The Kansas City Board of Trade ("KCBT") hereby gives notification to the Commission pursuant to Commission Regulation Section 40.6(a), of its intention to amend previously submitted Rule 2100.02. This amended rule relates to KCBT's petition dated May 26, 2009 titled, "Petition for an Exemption Pursuant to Sections 4(c) and 4d of the Commodity Exchange Act ("CEA") and Commission Regulation 35.2 Permitting the Clearing of OTC Agricultural Swaps and Comingling of Swap Customer Funds with Customer Segregated Funds." The Board of Directors, in a special meeting held on this date, acting pursuant to authority granted them under Rule 233.01(o), approved amendments to Rule 2100.02. KCBT certifies to the Commission that amended Rule 2100.02 would not be in conflict with any Commission order granting approval of KCBT's May 26, 2009 petition.
- II. **Date of Implementation.** Amended Rule 2100.02 shall become effective upon Commission order granting approval of KCBT's May 26, 2009 petition.
- III. **Substantive Opposing Views.** To the knowledge of the Board of Directors and staff, no substantive opposing views were expressed by members or others regarding amended Rule 2100.02.
- IV. **Text of Amended Rule.** The text of amended Rule 2100.02 is shown as follows, with additions underlined and deletions lined out:

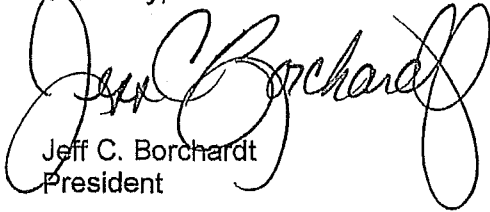
2100.02 Participation Requirements – Eligible Swap Participant. Each customer of an FCM desiring to enter into Wheat Calendar Swaps transactions must be an Eligible Swap Participant ("ESP"), as defined by CFTC Regulation Section 35.1(b)(2). Accordingly, each FCM must verify a customer's qualification as an ESP prior to allowing such customer to enter into a Wheat Calendar Swaps transaction and, upon request by KCBT, provide documentary evidence of a customer's qualification as an ESP, and must execute a Certification of Eligibility in the form prescribed by KCBT, prior to the execution of any such swaps transactions. ~~The executed Certification shall be retained by the FCM with the customer's account documents.~~

Mr. David Stawick
April 19, 2010
Page 2 of 2

- V. **Rationale for Action Taken.** Following KCBT's submission of Rule 2100.02 on March 1, 2010, we received a significant amount of industry input objecting to the use of an exchange-specific form in determining a customer's qualification as an ESP. FCMs stated that they have internal procedures in place for verifying a customer's qualification as an ESP, and exchange-specific forms would make the verification process redundant and cumbersome. After consideration of such industry input, KCBT determined that Rule 2100.02 should be amended in order to provide FCMs with flexibility in verifying a customer's qualification as an ESP, while requiring FCMs, upon request by KCBT, to provide documentary evidence of how a customer's qualification was determined. In addition, many of the requirements and procedures contained in KCBT's (exchange-specific) Certification of Eligibility form that is being deleted from Rule 2100.02 has been included in KCBT's "Futures Commission Merchant Participation Agreement" (required by Rule 2100.01), a copy of which is attached and included in this submission.

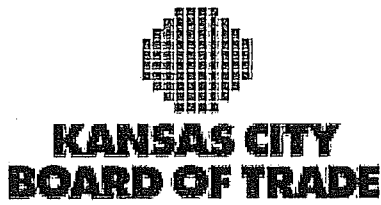
Any questions regarding this submission should be directed to the undersigned at 816-753-7500.

Sincerely,



Jeff C. Borchardt
President

Cc: Phyllis Dietz – CFTC Washington
Eileen Donovan – CFTC Washington
Tom Bloom – CFTC Kansas City



Cleared-Only Wheat Swaps
Futures Commission Merchant Participation Agreement
(Page 1 of 2)

This Agreement must be completed by any Futures Commission Merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC") that carries the account of a customer desiring to enter into Kansas City Board of Trade ("KCBT") / Kansas City Board of Trade Clearing Corporation ("KCC") Cleared-Only Wheat Swaps ("COWS") transactions, regardless of whether such FCM is a member of KCBT or KCC. In executing this Agreement, FCM herein agrees to the following requirements established by KCBT/KCC as a condition to such FCM's customer's participation in COWS transactions:

1. FCM acknowledges that COWS are individually-negotiated, off-exchange transactions between Eligible Swap Participants in compliance with CFTC Regulation 35.2.
2. FCM understands that each customer desiring to participate in COWS must be an Eligible Swap Participant ("ESP") as defined by CFTC Regulation 35.1(b)(2) (a copy of which is attached hereto). Accordingly, FCM agrees (a) to verify each customer's qualification as an ESP prior to allowing such customer to enter into a COWS transaction and (b) upon request by KCBT, to provide documentary evidence of a customer's qualification as an ESP;
3. FCM agrees that upon discovery or notification that a customer no longer meets the qualifications of an ESP, FCM shall not accept any additional COWS transactions for the customer's account unless such transactions are in liquidation of open COWS positions in the customer's account at the time of discovery or notification.
4. FCM understands that it is exposed to off-exchange position liquidation risk in the event of a customer default involving COWS positions. FCM has contemplated the COWS customer default risk and has sufficient procedures and relationships in place to mitigate (in the case of the use of exchange-traded contracts) or offset (in the case of off-exchange traded swaps contracts) such risks in the event of a customer default;
5. FCM understands that COWS transactions are subject to KCBT minimum margin requirements as well as daily variation (marked-to-market) margin;
6. FCM understands that COWS are subject to KCBT customer position limits and reportable position reporting requirements in the same manner as customer exchange-traded contracts;

7. As it relates to customer accounts participating in COWS transactions, FCM agrees to be bound by all KCBT rules pertaining to COWS and to cooperate with, promptly respond to any inquiries or requests for information from, and make available its books and records for inspection to KCBT personnel.
8. FCM agrees to act in compliance with the CFTC order dated [DATE] and attached hereto.

Acknowledged by:

Futures Commission Merchant

(Printed name of FCM)

(Authorized FCM Signature)

(Print name & title of authorized FCM signatory)

(Date)

For KCBT use only:

(Date Received)

(Approved by)