

## MARKET REGULATION ADVISORY NOTICE

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<b>Exchange</b>	<b>CBOT</b>
<b>Subject</b>	<b>Limits On Holdings of Registered and Outstanding Shipping Certificates and Warehouse Receipts for Non-Commercial Purposes</b>
<b>Rule References</b>	<b>See Position Limit Rules in Relevant Product Chapters</b>
<b>Advisory Date</b>	<b>February 13, 2009</b>
<b>Effective Date</b>	<b>February 17, 2009 (see grandfather provisions)</b>
<b>Advisory Number</b>	<b>CBOT RA0903-1</b>

This Advisory Notice supersedes Market Regulation Advisory Notice RA0902-1 issued on February 9, 2009, in connection with CBOT's request that the CFTC approve amendments to CBOT rules to limit holdings, for non-commercial purposes, of the delivery instruments underlying the Exchange's Corn, Wheat, Oat, Rough Rice, Soybean, Soybean Oil and Soybean Meal contracts.

**This updated advisory is being issued to announce that the CFTC has approved the amendments, which will become effective on February 17, 2009.** The remainder of the information set forth below remains unchanged from the information communicated in the Advisory Notice issued on February 9.

The rule amendments are intended to reduce the potential for the significant accumulation of delivery instruments by participants employing strategies that are not directly related to commercial activities and that might otherwise negatively impact contract performance.

### **Limits on Holdings of Certificates/Receipts**

Effective on February 17, 2009, and subject to certain exemptions described in this Advisory Notice, CBOT will limit the quantity of registered shipping certificates or warehouse receipts that any person may own or control, at any time, for non-commercial purposes. With the exception of Soybean Oil receipts, persons owning or controlling more than the specified limit of certificates or Rough Rice receipts as of February 17, 2009, will have until May 31, 2009, to come into full compliance with the limits, but may not increase their holdings during that period. Persons owning or controlling more than 540 Soybean Oil receipts as of February 17, 2009, will have until September 25, 2009, to come into full compliance with the limits, but may not increase their holding during that period.

The following limits, set at levels equivalent to the corresponding spot month speculative position limits, will apply:

<u>Commodity</u>	<u>Limit</u>
Corn certificates	600*
Soybean certificates	600*
Wheat certificates	600*
Soybean Oil receipts	540
Soybean Meal certificates	720
Oat certificates	600
Rough Rice receipts	600

\*The limits in corn, wheat and soybeans include mini-sized certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

The limits on certificate/receipt holdings are separate from position limits. However, if a person holding a long position is assigned delivery of certificates/receipts in a quantity that would cause the person to exceed the limit, the person must cancel, retender or sell the quantity of certificates/receipts in excess of the limit by the end of the following business day.

### **Exemptions from Limits**

An entity may seek a hedge exemption from these limits for bona fide commercial purposes by submitting an application to the Market Regulation Department. The Market Regulation Department, in its sole discretion, may grant qualified exemptions. Commercial entities that have already been granted a hedge exemption to exceed speculative position limits will not need to file a separate exemption application. However, Market Regulation will examine holdings of shipping certificates or warehouse receipts in excess the applicable certificate/receipt limits to validate that the excess holdings represent a bona fide commercial hedge.

In addition, entities that offer financing to participants who employ cash and carry strategies and hold certificates or receipts as collateral may qualify for an exemption; however, no single participant will be permitted to employ the cash and carry strategy in quantities above the designated limits. Certain financing arrangements are structured such that the party obtaining the financing sells the certificates to the financing entity with the right, but not the obligation, to buy back the certificates. Certificates that are financed in this manner will be considered under the control of the person with the option to buy back the certificates and will be aggregated with any additional certificates the person may hold.

Some delivery facilities also enter into financing arrangements to finance their own inventory, and exemptions for entities financing their inventory with their *own* certificates/receipts will be permitted.

Questions regarding this advisory may be directed to the following individuals in the Market Regulation Department:

Chris Reinhardt, Senior Director, Market Surveillance, 312.435.3665

William Lange, Director, Market Surveillance, 312.341.7757

The approved rule changes are set forth below, with additions underlined.

## Chapter 10 CORN FUTURES

### 10102.E. Position Limits

*Except for the addition below, the balance of the rule is unchanged.*

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Corn Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Corn. The 600 certificate maximum shall include mini-sized Corn certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Corn certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## Chapter 10B MINI-SIZED CORN FUTURES

### 10B02.E. Position Limits

*Except for the addition below, the balance of the rule is unchanged.*

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Corn Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Corn. The 600 certificate maximum shall include mini-sized Corn certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Corn certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## Chapter 11 SOYBEAN FUTURES

### 11102.E. Position Limits

*Except for the addition below, the balance of the rule is unchanged.*

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Soybean Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Soybeans. The 600 certificate maximum shall include mini-sized Soybean certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Soybean certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## **Chapter 11B MINI-SIZED SOYBEAN FUTURES**

### **11B02.E. Position Limits**

*Except for the addition below, the balance of the rule is unchanged.*

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Soybean Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Soybeans. The 600 certificate maximum shall include mini-sized Soybean certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Soybean certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## **Chapter 14 WHEAT FUTURES**

### **14102.E. Position Limits**

*Except for the addition below, the balance of the rule is unchanged.*

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Wheat Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Wheat. The 600 certificate maximum shall include mini-sized Wheat certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Wheat certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## **Chapter 14B MINI-SIZED WHEAT FUTURES**

### **14B02.E. Position Limits**

*Except for the addition below, the balance of the rule is unchanged.*

**4. Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Wheat Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Wheat. The 600 certificate maximum shall include mini-sized Wheat certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Wheat certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## **Chapter 12 SOYBEAN OIL FUTURES**

### **12102.E. Position Limits**

*Except for the addition below, the balance of the rule is unchanged.*

**4. Limit on Holdings of Registered and Outstanding Receipts** – No person, at any time, shall own or control more than 540 registered and outstanding Soybean Oil Receipts issued by facilities designated by the Exchange as regular to issue receipts for Soybean Oil.

If a person stops Soybean Oil receipts for delivery in a quantity that would cause such person to exceed the 540 receipt limit, the person must cancel, retender or sell the quantity of receipts in excess of 540 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## **Chapter 13 SOYBEAN MEAL FUTURES**

### **13102.E. Position Limits**

*Except for the addition below, the balance of the rule is unchanged.*

**4. Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 720 registered and outstanding Soybean Meal Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Soybean Meal.

If a person stops Soybean Meal certificates for delivery in a quantity that would cause such person to exceed the 720 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 720 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## Chapter 15 OAT FUTURES

### 15102.E. Position Limits

*Except for the addition below, the balance of the rule is unchanged.*

4. Limit on Holdings of Registered and Outstanding Shipping Certificates – No person, at any time, shall own or control more than 600 registered and outstanding Oat Shipping Certificates issued by facilities designated by the Exchange as regular to issue certificates for Oats.

If a person stops Oat Shipping Certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

## Chapter 17 ROUGH RICE FUTURES

### 17102.E. Position Limits

*Except for the addition below, the balance of the rule is unchanged.*

4. Limit on Holdings of Registered and Outstanding Warehouse Receipts – No person, at any time, shall own or control more than 600 registered and outstanding Rough Rice Warehouse Receipts issued by facilities designated by the Exchange as regular to issue receipts for Rice.

If a person stops Rough Rice receipts for delivery in a quantity that would cause such person to exceed the 600 receipt limit, the person must cancel, retender or sell the quantity of receipts in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.