

MARKET REGULATION ADVISORY NOTICE

Exchange	CBOT
Subject	Position Limits in Treasury Futures During Last Ten Trading Days
Rule References	CBOT Rule 559
Advisory Date	August 26, 2008
Advisory Number	CBOT – RA0813-1

The relevant CBOT Treasury futures product chapters establish position limits in CBOT Treasury futures contracts that are applicable during the last ten trading days of an expiring contract. The position limits for each contract and the relevant dates for the expiring September 2008 contracts are detailed in the table below:

September 2008 Contract	Position Limit During Last Ten Trading Days	Effective Date (by close of business on)
Treasury Bonds	25,000 contracts	September 5, 2008
Ten-Year Treasury Notes	60,000 contracts	September 5, 2008
Five-Year Treasury Notes	45,000 contracts	September 16, 2008
Two-Year Treasury Notes	25,000 contracts	September 16, 2008

No hedge exemptions are permitted.

Aggregation Standards for Treasury Futures Position Limits

Pursuant to CBOT Rule 559 ("Position Limits and Exemptions"), in determining compliance with these limits, all positions in accounts for which a person by power of attorney or otherwise directly or indirectly holds positions or controls trading, except as set forth below, shall be included with the positions held by the person. The limits upon positions also apply to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single person.

An eligible entity, as defined in CFTC Regulation §150.1(d), will not be considered to have violated the position limits based on positions established on its behalf by one or more independent account controllers, as defined in CFTC Regulation §150.1(e), if each such account controller does not exceed the Treasury futures position limits. If an independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must:

- 1) Have and enforce written procedures to preclude the affiliated entities from having knowledge of, gaining access to, or receiving data about, trades of the other. Such procedures must include document routing, and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities. However, such procedures may provide for the disclosure of information which is reasonably necessary for an eligible entity to maintain the level of control consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf;
- 2) Trade such accounts pursuant to separately developed and independent trading systems;
- 3) Market such trading systems separately; and
- 4) Solicit funds for such trading by separate Disclosure Documents that meet the standards of CFTC Regulations §4.24 or §4.34, as applicable, where such documents are required.

Additionally, Treasury futures positions carried in independently controlled accounts owned by different legal entities, irrespective of whether the entities qualify as eligible entities, may exceed the position limits provided that affiliated legal entities meet the independence standards specified above and provided that the overall positions held or controlled by each such independent account controller do not exceed the limits.

CBOT Rule 560 ("Position Accountability") which establishes position accountability for Treasury futures contracts also applies to these contracts.

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

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