



January 19, 2005

Via Electronic Mail

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CBOE Futures Exchange, LLC Rule Certification
Submission Number CFE-2005-02

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits an amendment to CFE Rule 414, which sets forth CFE's Exchange of Future for Physical rule ("Amendment"). The Amendment broadens the types of products that may be subject to an Exchange of Future for Physical on CFE. The Amendment will become effective on January 21, 2005.

CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

* * * * *

Rule 414. Exchange of Future for Physical

(a) A *bona fide* Exchange of Future for Physical may be entered into with respect to any Contract in accordance with the applicable trading increments set forth in the rules governing such Contract, at a price mutually agreed upon by the parties to such transaction. Each Exchange of Future for Physical must contain the following three essential elements:

(i) A Futures transaction and a [cash] transaction [that are integrally related] in a related physical or an option on the related physical (known as the "Related Physical");

(ii) An exchange of Futures for the Related Physical [underlying commodity where the commodity contract provide for the transfer of ownership of the commodity to the cash buyer upon performance of the terms of such contract, with delivery to take place within a reasonable time thereafter, in accordance with prevailing cash market practice]; and

(iii) Separate parties, such that the accounts involved on each side of the Exchange of Future for Physical have different beneficial ownership or are under separate control, provided that separate profit centers of a futures commission merchant operating under separate control are deemed to be separate parties for purposes of this Rule 414.

(b) In every Exchange of Future for Physical, one party must be the buyer of the Related Physical [commodity] and the seller of the corresponding Futures and the other party must be the seller of the Related Physical [commodity] and the buyer of the corresponding Futures. Further, the quantity of the commodity traded in an Exchange of Future for Physical must [be equivalent] correlate to the quantity of the commodity represented by the Futures portion of the transaction.

(c) The trading day for Exchange of Future for Physical transactions with respect to any Contract shall be as set forth in the rules governing such Contract.

(d) Each Exchange of Future for Physical shall be designated as such, and cleared through the Clearing Corporation as if it were a transaction executed through the CBOE System.

(e) Each Clearing Member involved in any Exchange of Future for Physical shall either maintain records evidencing compliance with the criteria set forth in this Rule 414 or be able to obtain such records from its Customer involved in the Exchange of Future for Physical. Upon request, each such Clearing Member shall provide documentation evidencing the underlying cash transaction to the Exchange.

(f) For purposes of this Rule 414, the Related Physical shall include, but not be limited to, a security, a group or basket of securities, or any commodity as that term is defined by the CEA. The Related Physical being exchanged need not be the same as the underlying of the Futures transaction being exchanged, but the Related Physical must have a high degree of price correlation to the underlying of the Futures transaction so that the Futures transaction would serve as an appropriate hedge for the Related Physical.

* * * * *

Questions regarding this submission may be directed to David Doherty at (312) 786-7466. Please reference our submission number CFE-2005-02 in any related correspondence.

CBOE Futures Exchange, LLC

By: _____
Edward J. Joyce
President

cc: Mark Baumgardner (OCC)