## FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

#### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Ty	pe Response	s)															
1. Name and Address of Reporting Person * MARGOLIN CHRISTOPHER J				2. Issuer Name and Ticker or Trading Symbol XOMA LTD /DE/ [XOMA]							mbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner				
(Last) (First) (Middle) C/O XOMA LTD., 2910 SEVENTH STREET				3. Date of Earliest Transaction (Month/Day/Year) 12/31/2005							y/Year)		X Officer (give title below) Other (specify below)  VP, General Counsel & Sec'y				
(Street) BERKELEY, CA 94710				4. If Amendment, Date Original Filed(Month/Day/Year)							n/Day/Year)		6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting PersonForm filed by More than One Reporting Person				
(City) (State) (Zip)				Table I - Non-Derivative Securities Acqui						Acqui	ired, Disposed of, or Beneficially Owned						
1.Title of Security (Instr. 3)			2. Transaction Date (Month/Day/Year)	Exec	A. Deemed xecution Date, if ny Month/Day/Year)	(Instr. 8)		4. Securities Acqu (A) or Disposed o (Instr. 3, 4 and 5)			(D) Beneficially Owned F Reported Transaction		Following (s) O Fo	Ownership Form:	7. Nature of Indirect Beneficial		
				(Mor	ith/Day/	y ear)		ode	V	Amour	(A) or (D)	Price	C		Direct (D) or Indirect (I) (Instr. 4)	Ownership (Instr. 4)	
Common Shares		12/31/2005(1)					J		5,316	A	\$ 20,828				I	by 401(k)	
Common	Common Shares											55,687			D		
reminder.	report on a c	separate line re	or each class of secur Table II - 1	Deriva	ative Sec	uriti	les Ac	equire	Pers conta the f	ons whained in orm dis	no respor n this for splays a c	m are currer eficiall	not requ ntly valid		formation spond unlead trol number	ss	1474 (9-02)
1 Tid 6	l <sub>a</sub>	2 T						ts, opt			tible secur	1	41	0 D.:£	0. No	£ 10	11 N-6-
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/	Execution Da	te, if	Code	ion (	5. Numbor Of Deriv Secur Acqu (A) or Dispo of (D) (Instrut, and	rative rities ired rosed ) . 3,	and Expiration Date (Month/Day/Year)  tive ies ed ed  3,		Amo Undo Secu	tle and ount of erlying rities r. 3 and	Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	Owners Form of Derivati Security Direct ( or Indire	Ownersh (Instr. 4) (D)	
									Date Exer		Expiration Date	Title	Amount or Number of				

### **Reporting Owners**

		Relationships								
Reporting Owner Name / Addre	Director	10% Owner	Officer	Other						
MARGOLIN CHRISTOPHE C/O XOMA LTD. 2910 SEVENTH STREET BERKELEY, CA 94710	R J		VP, General Counsel & Sec'y							

### **Signatures**

Christopher J. Margolin	01/04/2006
**Signature of Reporting Person	Date

#### **Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) All shares were acquired during the 2005 fiscal year under the XOMA Corporation Deferred Savings Plan. All shares were acquired in a transaction exempt from Section 16(b).
- (2) Held indirectly under the XOMA Ltd. Deferred Savings Plan. All shares were acquired in a transaction exempt from Section 16(b).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.