



THE OPTIONS CLEARING
CORPORATION

RECEIVED
C.F.T.C.

2003 AUG 22 PM 1:38

August 21, 2003

VIA FEDERAL EXPRESS

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

Re: Rule Filing SR-OCC-2003-09 Rule Certification

Dear Secretary Webb:

Enclosed is a copy of the above-referenced rule filing, which The Options Clearing Corporation ("OCC") is submitting pursuant to the self-certification procedures of Commission Regulation 40.6. This rule filing has been, or is concurrently being, submitted to the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act").

In conformity with the requirements of Regulation 40.6(a)(3), OCC states the following: The text of the rule is set forth at Item 1 of the enclosed filing. The date of implementation of the rule is the date the proposed rule is approved by the SEC or otherwise becomes effective under the Exchange Act. Item 5 of the enclosed filing sets forth a description of any written comments on the rule filing, including any such comments expressing opposing views that were not incorporated into the proposed rule.

OCC hereby certifies that the rule set forth at Item 1 of the enclosed filing complies with the Commodity Exchange Act and the Commission's regulations thereunder.

JEAN M. CAWLEY

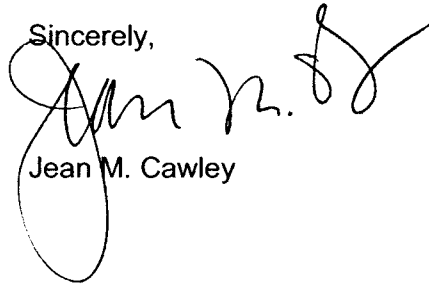
FIRST VICE PRESIDENT AND DEPUTY GENERAL COUNSEL

ONE N. WACKER DRIVE, SUITE 600 CHICAGO, ILLINOIS 60606 TEL 312.322.6269 FAX 312.322.6280

JCAWLEY@THEOCC.COM WWW.OPTIONSCLEARING.COM

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at (312) 322-6269.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean M. Cawley". The signature is stylized and cursive, with a large loop at the end.

Jean M. Cawley

Enclosure

cc: CFTC Central Region (w/ enclosure)
525 West Monroe Street, Suite 1100
Chicago, IL 60661
Attn: Frank Zimmerle

Jerry W. Carpenter
Assistant Director (SEC)

2003-09cftc.ltr





THE OPTIONS CLEARING
CORPORATION

August 21, 2003

VIA COURIER DELIVERY

Jerry W. Carpenter
Assistant Director
Division of Market Regulation
Mail Stop 10-1
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

**Re: The Options Clearing Corporation
File No. SR-OCC-2003-09**

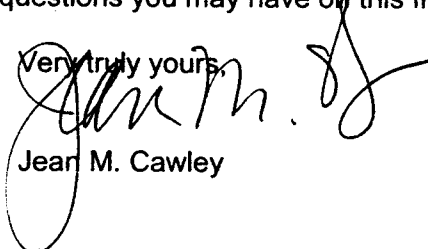
Dear Jerry:

The Options Clearing Corporation hereby files a manually signed original and eight copies of the referenced rule change. This rule change proposes to amend OCC's rules to set minimum net capital standards for appointed clearing members.

This filing is being made pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934, as amended, and Rule 19b-4 thereunder. The Federal Register notice for this filing will be emailed to you.

Please call me at (312) 322-6269 with any questions you may have on this filing.

Very truly yours,



Jean M. Cawley

cc: Jean A. Webb
Secretary (CFTC)

JC/sd
2003-09sec.ltr

JEAN M. CAWLEY

FIRST VICE PRESIDENT AND DEPUTY GENERAL COUNSEL

ONE N. WACKER DRIVE, SUITE 600 CHICAGO, ILLINOIS 60606 TEL 312.322.6269 FAX 312.322.6280

JCAWLEY@THEOCC.COM WWW.OPTIONSCLEARING.COM

File No. SR-OCC-2003-09

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change
by

THE OPTIONS CLEARING CORPORATION

**Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934**

Item 1. Text of the Proposed Rule Change

The Options Clearing Corporation (“OCC”) proposes to amend its rules as set forth below. Underlining indicates material proposed to be added indicate material proposed to be deleted.

THE OPTIONS CLEARING CORPORATION

RULES

CHAPTER II

Appointed Clearing Members and Appointing Clearing Members

RULE 309A. (a) Every Appointed Clearing Member shall at all times maintain net capital of not less than the greater of (i) the minimum net capital required under the provisions of Rule 302 or (ii) the sum of (A) \$2,000,000 plus (B) \$100,000 times the number of Appointing Clearing Members in excess of four on whose behalf the Appointed Clearing Member makes settlement of obligations to deliver or receive underlying securities arising from the exercise or maturity of cleared securities.

(b) An Appointed Clearing Member shall notify the Corporation promptly, and in any event prior to 3:00 p.m. Central Time (4:00 p.m. Eastern Time) of the following business day, if such Appointed Clearing Member's net capital shall become less than the net capital required by paragraph (a) of this Rule 309A.

(c) At any time when the net capital of a Appointed Clearing Member shall be less than the minimum amount prescribed by paragraph (a) of this Rule 309A, the Appointed Clearing Member shall be subject to the restrictions on distributions set forth in Rules 304(a) and 304(b), and the Chairman, the Management Vice Chairman, or the President of the Corporation shall have the authority to impose any or all of the limitations or restrictions set forth in Rule 305(a) on the positions, stock loan and borrow positions and transactions of the Appointed Clearing Member and each of its Appointing Clearing Members.

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of OCC at a meeting held on July 22, 2003.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, First Vice President and Deputy General Counsel at (312) 322-6269.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to specify a minimum net capital requirement for Appointed Clearing Members.

OCC's by-laws define an "underlying security" in respect of physically settled stock options and stock futures to mean the security or other asset that OCC is obligated to sell or purchase upon exercise or maturity of the contract. Normally, underlying securities are delivered and paid for through the facilities of NSCC, and clearing members that are eligible to clear and carrying stock options and stock futures contracts must be NSCC participants except as otherwise provided in OCC's rules. OCC's by-laws and rules permit a clearing member ("Appointing Clearing Member") that is not an NSCC participant to appoint another clearing member ("Appointed Clearing Member") to make settlement of obligations of the Appointing Clearing Member to deliver or receive underlying securities and effect payment therefor through the facilities of NSCC. OCC has noted an increase in the number of such appointments with the commencement of trading in security futures.

In connection with providing stock settlement services, an Appointed Clearing Member may be subject to increased risk of operational or other errors that could be charged against the Appointed Clearing Member's net capital. As a result, OCC has determined that Appointed Clearing Members should be required to maintain a specified minimum amount of net capital in order to perform such services. OCC therefore is proposing to modify its financial requirements rules to apply to stock settlement arrangements between clearing members (newly proposed Rule 309A) the minimum net capital standards that currently are applied to facilities management arrangements between clearing members (See Rule 309). This minimum net capital standard will require every Appointed Clearing Member to maintain net capital of not less than the greater of (i) the minimum net capital required under the provisions of OCC Rule 302 or (ii) the sum of (A) \$2,000,000 plus (B) \$100,000 times the number of Appointing Clearing Members in excess of four on whose behalf the Appointed Clearing Member effect settlements.

* * *

The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended ("Exchange Act"), because it specifies a minimum net capital requirement for clearing members that facilitate stock settlements on behalf of other clearing members.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

Item 8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule of another self-regulatory organization or of the Commission.

Item 9. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, The Options Clearing Corporation has caused this filing to be signed on its behalf by the undersigned hereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By: William H. Navin

**William H. Navin
Executive Vice President and
General Counsel**

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-OCC-2003-09)

SELF-REGULATORY ORGANIZATION

Proposed Rule Change By
The Options Clearing Corporation

Relating to Minimum Net Capital
Requirements for Appointed
Clearing Members

Comments requested within _____ days
after the date of this publication.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. '78s(b)(1), notice is hereby given that on _____, 2003, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the
Terms of Substance of the Proposed Rule Change**

The proposed rule change would specify minimum net capital requirements for Appointed Clearing Members, which are OCC clearing members that facilitate stock settlements for other clearing members.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to specify a minimum net capital requirement for Appointed Clearing Members.

OCC's by-laws define an "underlying security" in respect of physically settled stock options and stock futures to mean the security or other asset that OCC is obligated to sell or purchase upon exercise or maturity of the contract. Normally, underlying securities are delivered and paid for through the facilities of NSCC, and clearing members that are eligible to clear and carrying stock options and stock futures contracts must be NSCC participants except as otherwise provided in OCC's rules. OCC's by-laws and rules permit a clearing member ("Appointing Clearing Member") that is not an NSCC participant to appoint another clearing member ("Appointed Clearing Member") to make settlement of obligations of the Appointing Clearing Member to deliver or receive underlying securities and effect payment therefor through the facilities of NSCC.

In connection with providing stock settlement services, an Appointed Clearing Member may be subject to increased risk of operational or other errors that could be charged against

the Appointed Clearing Member's net capital. As a result, OCC has determined that Appointed Clearing Members should be required to maintain a specified minimum amount of net capital in order to perform such services. OCC therefore is proposing to modify its financial requirements rules to apply to stock settlement arrangements between clearing members (newly proposed Rule 309A) the minimum net capital standards that currently are applied to facilities management arrangements between clearing members (See Rule 309). This minimum net capital standard will require every Appointed Clearing Member to maintain net capital of not less than the greater of (i) the minimum net capital required under the provisions of OCC Rule 302 or (ii) the sum of (A) \$2,000,000 plus (B) \$100,000 times the number of Appointing Clearing Members in excess of four on whose behalf the Appointed Clearing Member effect settlements.

* * *

The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended ("Exchange Act"), because it specifies a minimum net capital requirement for clearing members that facilitate stock settlements on behalf of other clearing members.

B. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) by order approve the proposed rule change; or,
- (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by _____.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Secretary

Dated: _____