

THE OPTIONS CLEARING CORPORATION
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C.F.T.C.
OFFICE OF THE SECRETARIAT

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March 16, 2010

VIA ELECTRONIC SUBMISSION

David A. Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2010-05 —Request for Commission Rule Approval

Dear Mr. Stawick:

The Options Clearing Corporation (“OCC”) hereby submits the above-referenced rule filing for approval by the Commodity Futures Trading Commission (the “Commission”) pursuant to Section 5c(c)(2) of the Commodity Exchange Act (the “CEA”) and Sections 39.4(a) and 40.5 of the Commission’s regulations.

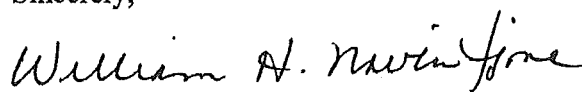
The purpose of this filing is to obtain jurisdictional clarity with respect to cash-settled foreign currency options with an exercise price of one cent that are proposed to be traded on a national securities exchange for which OCC provides clearing services.

In conformity with the requirements of Regulation 40.5(a), OCC states the following: the proposed effective date of the rule change is the earliest date on which the proposed rule change has become effective under the Securities Exchange Act of 1934 and the proposed rule change has been, or is deemed to have been, approved by the Commodity Futures Trading Commission pursuant to regulation Section 40.5. The text of the proposed rule is set forth in Item 1 of the enclosed filing. The proposed rule was duly authorized by the Board of Directors of OCC as described in Item 2 of the enclosed filing, pursuant to the powers granted to the Board by Article III, Section 8 of OCC’s By-Laws. Item 3 of the enclosed filing sets forth the operation, purpose, and effect of the proposed rule. 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 proposes to clear cash-settled foreign currency options with an exercise price of one cent as securities options subject to the jurisdiction of the SEC, and would therefore not require Clearing Members that carry such options for the accounts of their customers to hold them in accounts that are subject to the segregation requirements of the CEA.

As a derivatives clearing organization subject to the jurisdiction of the Commission as well as a registered securities clearing agency, OCC is filing this rule change for prior Commission approval in order to provide legal certainty for the trading of these products. As noted in the attached rule filing, the products for which approval is requested are essentially the same as cash-settled foreign currency options that OCC currently clears except that these options will have nominal strike prices such as one cent. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



William H. Navin

Enclosures

cc: CFTC Central Region (w/ enclosures)
525 West Monroe, Suite 110
Chicago, IL 60661

Ananda K. Radhakrishnan
Director
Division of Clearing and Intermediary Oversight

John C. Lawton
Deputy Director and Chief Counsel
Division of Clearing and Intermediary Oversight

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” or the “Corporation”) proposes to add a sentence, as set forth below, in the Introduction to Article XXII of its By-Laws to make clear that cash-settled foreign currency options traded on national securities exchanges will be treated and cleared as securities options notwithstanding that they may have a nominal exercise price such as one cent. The purpose of the proposed interpretation is to provide legal certainty for the trading of such products. Material proposed to be added to OCC’s By-Laws and Rules as currently in effect is underlined.

THE OPTIONS CLEARING CORPORATION**BY-LAWS****ARTICLE XXII****CASH-SETTLED FOREIGN CURRENCY OPTIONS****Introduction**

By-Laws in this Article are applicable only to cash-settled options where either the trading currency or the underlying interest is a foreign currency. In addition, the By-Laws in Articles I-XI are also applicable to such options, in some cases supplemented by one or more By-Laws in this Article, except for By-Laws that have been replaced in respect of such options by one or more By-Laws in this Article and except where the context otherwise requires. Whenever a By-Law in this Article supplements or, for purposes of this Article, replaces one or more By-Laws in Articles I-XI, that fact is indicated in brackets following the provisions of Article XII of the By-Laws and Chapter XIII of the Rules. Options subject to the provisions of this Chapter will be treated as securities options subject to the jurisdiction of the Securities and Exchange Commission even if the exercise price is fixed at a nominal amount, such as one cent, resulting in options that are deep in the money when they are opened for trading, provided that the Commodity Futures Trading Commission has taken the position, through issuance of exemptive orders or otherwise, that such options may be traded on the listing Exchange and cleared by the Corporation as securities without violating the Commodity Exchange Act.

Item 2. Procedures of the Self-Regulatory Organization

OCC's Board of Directors approved the clearance and settlement of cash-settled foreign currency options as proposed for trading by ISE at a meeting held on July 26, 2006.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, Senior 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 remove any potential cloud on the jurisdictional status of cash-settled foreign currency options with an exercise price of one cent.

In its capacity as a "derivatives clearing organization" registered as such with the CFTC, OCC is filing this proposed rule change for prior approval by the CFTC pursuant to provisions of the Commodity Exchange Act (the "CEA") in order to foreclose any potential argument that the clearing by OCC of such options as securities options constitutes a violation of the CEA. The products for which approval is requested are essentially the same as cash-settled foreign currency options that OCC currently clears except for the low strike price.

* * *

The proposed interpretation of OCC's By-Laws is consistent with the purposes and requirements of Section 17A of the Exchange Act because it is designed to promote the prompt and accurate clearance and settlement of transactions in securities options, to foster cooperation and coordination with persons engaged in the clearance and settlement of such transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of such transactions, and, in general, to protect investors and

the public interest. It accomplishes this purpose by reducing the likelihood of a dispute as to the SEC's jurisdiction over cash-settled foreign currency options with an exercise price of one cent. The proposed rule change is not inconsistent with the By-Laws and Rules of OCC, including those proposed to be amended.

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

OCC does not believe that the proposed rule change would impose any material 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 has been received.

Item 6. Extension of Time Period for Commission Action

OCC does not consent to an extension of the time period for Commission action on the proposed rule change.

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 Rules of Another Regulatory Organization or of the Commission

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

Item 9. Exhibits

Exhibit 1 Completed notice of the 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 duly caused this filing to be signed on its behalf by the undersigned thereunto 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-2010-05

SELF-REGULATORY ORGANIZATION

Proposed Rule Change By
The Options Clearing Corporation

Relating to Cash-Settled
Foreign Currency Options With
One-Cent Exercise Prices

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 _____, 2010, 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 the Substance of the Proposed Rule Change**

The proposed rule change would remove any potential cloud on the jurisdictional status of cash-settled foreign currency options with an exercise price of one cent.

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 remove any potential cloud on the jurisdictional status of cash-settled foreign currency options with an exercise price of one cent.

In its capacity as a "derivatives clearing organization" registered as such with the CFTC, OCC is filing this proposed rule change for prior approval by the CFTC pursuant to provisions of the Commodity Exchange Act (the "CEA") in order to foreclose any potential argument that the clearing by OCC of such options as securities options constitutes a violation of the CEA. The products for which approval is requested are essentially the same as cash-settled foreign currency options that OCC currently clears except for the low strike price.

* * *

The proposed interpretation of OCC's By-Laws is consistent with the purposes and requirements of Section 17A of the Exchange Act because it is designed to promote the prompt and accurate clearance and settlement of transactions in securities options, to foster cooperation and coordination with persons engaged in the clearance and settlement of such transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of such transactions, and, in general, to protect investors and

the public interest. It accomplishes this purpose by reducing the likelihood of a dispute as to the SEC's jurisdiction over cash-settled foreign currency options with an exercise price of one cent. The proposed rule change is not inconsistent with the By-Laws and Rules of OCC including those proposed to be amended.

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, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-OCC-2010-05 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2010-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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, 100 F Street, N.E., Washington, D.C. 20549-1090. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All comments received will be posted without change; the Commission does not edit personal

identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2010-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register]

_____.

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

Secretary

Dated: _____