



THE OPTIONS CLEARING  
CORPORATION

C.F.T.C.  
OFFICE OF THE SECRETARIAT

2010 OCT 26 AM 11 19

October 22, 2010

VIA E-MAIL

Mr. David A. Stawick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

**Re: Rule Filing SR-OCC-2010-18 Rule Certification**

Dear Mr. Stawick:

Attached 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 when the proposed rule has been approved by the SEC. No substantive opposing views were expressed to OCC by governing board or committee members, clearing members of OCC, or market participants, that were not incorporated into the 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

SENIOR VICE PRESIDENT AND DEPUTY GENERAL COUNSEL

ONE N. WACKER DRIVE, SUITE 500 CHICAGO, ILLINOIS 60606 TEL 312.322.6269 FAX 312.322.6280

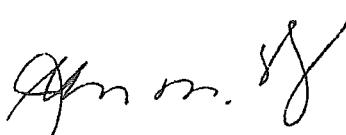
JCAWLEY@THEOCC.COM WWW.OPTIONSCLEARING.COM



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

Sincerely,

  
Jean M. Cawley

Attachments

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

OCC-2010-18 cftc.ltr

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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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 amend its By-Laws and Rules as set forth below to accommodate index futures that are settled in a non-U.S. currency.

The text of the proposed amendments to OCC’s By-Laws and Rules is set forth below. Material proposed to be added to OCC’s By-Laws and Rules as currently in effect is underlined and material proposed to be deleted is enclosed in bold brackets.

**THE OPTIONS CLEARING CORPORATION**

**BY-LAWS**

\* \* \*

**ARTICLE I**

**Definitions**

\* \* \*

**Definitions**

SECTION 1. Unless the context requires otherwise (or except as otherwise specified in the By-Laws or Rules), the terms defined herein shall, for all purposes of these By-Laws and the Rules of the Corporation, have the meanings herein specified.

\* \* \*

**RULES**

\* \* \*

**Chapter XIII**

**Futures, Futures Options and Commodity Options**

\* \* \*

**Variation Payments**

**RULE 1301.** (a) – (c) [No change]

(d) Except as set forth in Interpretation and Policy .02 to this Rule 1301, o[O]n the business day following the maturity date of a series of futures[,]; (i) the Corporation

determine the final variation payment to be made on each contract in such series in accordance with the procedures specified in paragraph (a) above except that the final settlement price shall be used in place of an interim settlement price determined in accordance with Section 6(a) of Article XII of the By-Laws and (ii) settlement of the final variation payments shall be effected in accordance with Chapter V of the Rules at the settlement time for option premiums [on the business day following the maturity date].

(e) A Clearing Member must receive approval from the Corporation to engage in clearing of futures contracts for which variation payments are made in any currency other than U.S. dollars. The Clearing Member must establish one or more accounts at a Clearing Bank designated by the Corporation for purposes of effecting payment in respect of each account with the Corporation in which the Clearing Member clears transactions in such futures contracts and must authorize the Corporation to draft each such bank account. Such authorization to draft may not be revoked except on five business days' prior written notice to the Corporation. In respect of the clearing of such contracts, the definition of "business day" set forth in Article I of the By-Laws shall not apply, and instead such term shall have such meaning as is designated by the Corporation in its procedures. If a Clearing Member or its non-U.S. dollar Clearing Bank fails for any reason to make funds available on a timely basis (as determined by the Corporation in its discretion) to satisfy a non-U.S. dollar variation payment due to the Corporation on any business day, in addition to the authority to take all other actions specified in the By-Laws and Rules, the Corporation shall have the authority to withdraw from the applicable U.S. dollar bank account of the Clearing Member an equivalent amount, as determined by the Corporation in its discretion, in U.S. dollars, and the Clearing Member shall be deemed to have satisfied its non-U.S. dollar payment obligation; provided, however, the Corporation may fine or take other disciplinary action against a Clearing Member with respect to such failure. If the Corporation determines in its sole discretion that it is unable, for any reason, to make a variation payment due to a Clearing Member in non-U.S. dollars on any business day, the Corporation may satisfy such non-U.S. dollar payment obligation by paying an equivalent amount, as determined by the Corporation in its discretion, of U.S. dollars to such Clearing Member.

*...Interpretations and Policies:*

.01 [No change]

.02 For certain non-U.S. dollar settled futures designated by the Corporation, settlement of variation payments, including initial and final variation payments, shall be completed at the settlement time (specified by the Corporation in its procedures) on the second business day following the trading day on which the settlement price is determined.

\* \* \*

**Item 2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Board of Directors of OCC on May 25, 2010.

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 this rule change is to revise OCC's By-Laws and Rules to accommodate index futures that are settled in a non-U.S. currency. NYSE Liffe US, LLC ("NYL") is proposing to introduce for trading futures contracts on certain broad-based securities indexes which are settled in Euros ("Euro-Settled Futures"). The proposed rule amendments are drafted generically to apply to other futures contracts that are settled in a non-U.S. currency and in a similar manner.

Futures variation payments typically are settled on each business day based on a price established on the prior business day. However, because of time zone differences and the planned use of accounts at North American and European clearing banks, variation settlements, including final variation settlement, with respect to Euro-Settled Futures will occur on the second business day following the date as of which the settlement value is determined — a "T+2" basis. Settlement times will vary depending on the clearing bank through which settlement is effected, and in any case will differ from those used for option premiums.

To accommodate Euro-Settled Futures, which will settle only on days in which both OCC and the relevant clearing banks are open for business, OCC proposes to provide for a definition of “business day” in respect of such futures which is different from that used in OCC’s By-Laws, and to revise its rules governing variation payments and add an interpretation and policy to those rules to accommodate the two-day settlement cycle for Euro-Settled Futures and other futures settled in a currency other than the U.S. dollar. In order to address the possibility that a Clearing Member might fail to meet a settlement obligation in a non-U.S. currency and to avoid the need for OCC to have credit facilities in non-U.S. currencies, OCC reserves the right to make settlement in the U.S. dollar equivalent of the non-U.S. currency if necessary, and, in addition to taking any other actions authorized under its By-Laws and Rules, to draft the Clearing Member’s U.S. dollar bank account for equivalent funds, which payment will be deemed to satisfy the Clearing Member’s settlement obligation. In order to discourage Clearing Members from failing to settle in the non-U.S. currency and thereby potentially imposing hardship on other Clearing Members, OCC reserves the right to fine or discipline Clearing Members that fail to settle.

In addition, OCC and NYL propose to enter into Schedule C-2 under the Agreement for Clearing and Settlement Services, dated March 9, 2009 between OCC and NYL to accommodate the Euro-Settled Futures. A copy of proposed Schedule C-2 is attached hereto as Exhibit 5.

\* \* \*

The proposed changes to OCC’s By-Laws and Rules are consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), because they would promote the prompt and accurate settlement of Euro-

Settled Futures by accommodating the two-day settlement date for such futures necessitated by the use of European banks and time zone differences. The proposed rule change is not inconsistent with OCC's existing rules, 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 burden on competition.

**Item 5. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change**

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**

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)**

OCC is filing the proposed rule change for immediate effectiveness pursuant to Section 19(b)(3) of the Exchange Act and Rule 19b-4(f)(4) thereunder. Pursuant to Rule 19b-4(f)(4), a rule change may take effect upon filing with the Commission if it effects a change in an existing service of OCC that does not (i) adversely affect the safeguarding of securities or funds in OCC's custody or control or for which OCC is responsible or (ii) significantly affect the



respective rights or obligations of OCC or persons using the service. Euro-Settled Futures are futures within the exclusive jurisdiction of the U.S. Commodity Futures Trading Commission (“CFTC”), and OCC will therefore clear Euro-Settled Futures in its capacity as a registered derivatives clearing organization under the CFTC’s regulatory jurisdiction. This rule change will not affect the safeguarding of funds or securities in OCC’s possession because OCC will apply the same procedures and safeguards to the clearing of these contracts that it does to the clearing of securities options and security futures over which the Commission has direct regulatory authority. The respective rights and obligations of OCC and Clearing Members with respect to matters within the Commission’s jurisdiction will be unaffected.

**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.

Exhibit 5. Schedule C-2 to the Agreement for Clearing and Settlement Services.

SIGNATURE

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

**THE OPTIONS CLEARING CORPORATION**

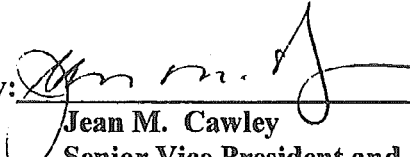
By:   
\_\_\_\_\_  
**Jean M. Cawley**  
**Senior Vice President and**  
**Deputy General Counsel**

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_ ; File No. SR-OCC-2010-18

SELF-REGULATORY ORGANIZATION

Proposed Rule Change By  
The Options Clearing Corporation

Relating to Clearing Index Futures  
That are Settled in Other Than  
US Dollars

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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 revise OCC's By-Laws and Rules to accommodate index futures that are settled in a non-U.S. currency.

**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 this rule change is to revise OCC's By-Laws and Rules to accommodate index futures that are settled in a non-U.S. currency. NYSE Liffe US, LLC ("NYL") is proposing to introduce for trading futures contracts on certain broad-based securities indexes which are settled in Euros ("Euro-Settled Futures"). The proposed rule amendments are drafted generically to apply to other futures contracts that are settled in a non-U.S. currency and in a similar manner.

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To accommodate Euro-Settled Futures, which will settle only on days in which both OCC and the relevant clearing banks are open for business, OCC proposes to provide for a

definition of "business day" in respect of such futures which is different from that used in OCC's By-Laws, and to revise its rules governing variation payments and add an interpretation and policy to those rules to accommodate the two-day settlement cycle for Euro-Settled Futures and other futures settled in a currency other than the U.S. dollar. In order to address the possibility that a Clearing Member might fail to meet a settlement obligation in a non-U.S. currency and to avoid the need for OCC to have credit facilities in non-U.S. currencies, OCC reserves the right to make settlement in the U.S. dollar equivalent of the non-U.S. currency if necessary, and, in addition to taking any other actions authorized under its By-Laws and Rules, to draft the Clearing Member's U.S. dollar bank account for equivalent funds, which payment will be deemed to satisfy the Clearing Member's settlement obligation. In order to discourage Clearing Members from failing to settle in the non-U.S. currency and thereby potentially imposing hardship on other Clearing Members, OCC reserves the right to fine or discipline Clearing Members that fail to settle.

In addition, OCC and NYL propose to enter into Schedule C-2 under the Agreement for Clearing and Settlement Services, dated March 9, 2009 between OCC and NYL to accommodate the Euro-Settled Futures. A copy of proposed Schedule C-2 is attached hereto as Exhibit 5.

\* \* \*

The proposed changes to OCC's By-Laws and Rules are consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because they would promote the prompt and accurate settlement of Euro-Settled Futures by accommodating the two-day settlement date for such futures necessitated by

the use of European banks and time zone differences. The proposed rule change is not inconsistent with OCC's existing rules, 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**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**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](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2010-10-18 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-2010-18. 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, 100F Fifth 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-2010-18 in the caption above 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: \_\_\_\_\_



SCHEDULE C-2

INTRODUCTION OF UNDERLYING INTEREST:  
EURO-SETTLED BROAD-BASED SECURITIES INDEXES

[Insert Date,] 2010

1. This is one of the Schedules C referred to in Section 3(c) of the Agreement for Clearing and Settlement Services dated March 9, 2009 (the "Agreement") between NYSE Liffe US, LLC (the "Market") and The Options Clearing Corporation (the "Corporation"). When completed and duly executed by the parties, this Schedule C shall be incorporated into the Agreement and become a part thereof. Terms used herein and defined in the Agreement shall have the meanings they are given in the Agreement.

2. Pursuant to Section 3(b)(ii) of the Agreement, the Market may select underlying interests, in addition to those specified in Section 3(b)(i) of the Agreement, to be the subject of commodity futures to be traded on the Market and cleared by the Corporation, subject to the agreement of the Corporation which shall not be unreasonably withheld. For purposes of this Schedule C-2, the Market has selected broad-based securities indexes as an underlying interest for commodity futures ("broad-based index futures") for which variation settlement would be made in Euros. Subject to Section 3 of the Agreement, the Corporation agrees to provide the clearing services specified in the Agreement for such Euro-settled broad-based index futures traded on the Market. Nothing herein shall affect the clearing services provided by the Corporation for cash-settled broad-based index futures pursuant to Schedule C-1.

3. The Market will submit a Certificate with respect to any class of broad-based index futures no later than ten trading days before the trading day on which the Market wishes to commence trading such class. Each such Certificate shall set forth, in addition to the information required under Section 3(c) of the Agreement, a representation by the Market that the underlying interest for the class is a broad-based securities index. The Market may begin listing and trading broad-based index futures on such class on the tenth trading day after the Certificate has been properly submitted to, and accepted by, the Corporation.

IN WITNESS WHEREOF, the parties hereto have duly executed this Schedule as of the date first above written.

NYSE LIFFE US, LLC

THE OPTIONS CLEARING CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title: