October 22, 2012

VIA ELECTRONIC MAIL

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

Re: Rule Filing SR-OCC-2012-20 Rule Certification

Dear Secretary Stawick:

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 Commodity Futures Trading Commission (the "CFTC" or "Commission") Regulation 40.6. The date of implementation of the rule is the later of 10 business days following receipt of the rule filing by the CFTC hereof or the date the proposed rule is approved by the Securities and Exchange Commission (the "SEC") or otherwise becomes effective under the Securities Exchange Act of 1934 (the "Exchange Act"). This rule filing has been, or is concurrently being, submitted to the SEC under the Exchange Act. The text of the amended rule filing is set forth at Item 1 of the enclosed filing.

In conformity with the requirements of Regulation 40.6(a)(7), OCC states the following:

Explanation and Analysis

The purpose of this proposed rule change is to clarify the applicability of OCC's Rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 years, which are currently traded on ELX Futures, L.P. ("ELX").

Clearing members that are, or that represent, the seller of a physically-settled Treasury future must make delivery of the underlying Treasury security in accordance with the procedures set forth in Rule 1302B. Subject to the condition that all Treasury securities delivered against a single physically-settled Treasury futures contract be of the same issue, to satisfy a delivery obligation a clearing member need not deliver Treasury securities of a particular issue. Instead, Interpretation and Policy .02 to Rule 1302B sets forts forth criteria for specific Treasury securities that may be delivered in settlement of Treasury futures contracts. For example, for a Treasury futures contract with an underlying interest that is a Treasury bond, a clearing member may deliver Treasury bonds, if not callable, with a remaining term of at least fifteen years or, if callable, that are not callable for at least 15 years.

ELX trades futures on Treasury securities of various maturities, including futures on treasury bonds with a maturity of greater than 25 years ("Ultra-Long Treasury Futures"). Under delivering Treasury bonds that, if not callable, have a remaining term of at least 25 years, or if callable, are not callable for at least 25 years. Interpretation and Policy .02 does not specifically address the delivery of Treasury bonds with maturities of 25 years or greater against Ultra-Long Treasury Futures. Accordingly, OCC is proposing to amend Interpretation and Policy .02 to Rule 1302B to provide that the characteristics of Treasury securities that may be delivered in settlement of futures on Treasury securities will be as set forth in the relevant exchange rules and reflected in OCC's procedures. This amendment will clarify the applicability of Rule 1302B to Ultra-Long Treasury Futures, as well as accommodate futures on other Treasury securities that may be introduced by an exchange at a later date that allow for delivery of Treasury securities with different maturity dates than those currently listed in Interpretation and Policy .02.

The proposed rule change is designed to clarify the applicability of OCC's Rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 years and is consistent with DCO Core Principle C (Participant and Product Eligibility) which, in relevant part, requires each DCO to "establish appropriate requirements for determining the eligibility of agreements, contracts, or transactions submitted to the derivatives clearing organization for clearing, taking into account the derivatives clearing organization's ability to manage the risks associated with such agreements, contracts, or transactions...."

Deletions are indicated by bold brackets.

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

OCC hereby certifies that notice of this rule filing has been be given to Clearing Members of OCC in compliance with Regulation 40.6(a)(2) by posting a copy of the submission on OCC's website concurrently with the filing of this submission.

Certification

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

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Stephen Szarmack

Stephen Szarmack

Enclosure

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

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 amend its Rules applicable to delivery of Treasury securities underlying Treasury futures contracts to clarify their applicability to futures on Treasury securities with a maturity of greater than 25 years. 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

RULES

* * *

CHAPTER XIII

Futures, Futures Options and Commodity Options

* * *

Delivery of Underlying Treasury Securities

RULE 1302B.

(a) – (k) [No change]

. . . Interpretations and Policies:

.01 [No change]

.02 Subject to the condition that all Treasury securities delivered against a single physically-settled Treasury futures contract shall be of the same issue, the delivery obligation of the Delivering Clearing Member in respect of a physically-settled Treasury future shall not require delivery of a particular issue of Treasury securities, but rather may be satisfied through delivery of Treasury securities that have a fixed principal amount and fixed semi-annual coupon payments and satisfy the criteria [set forth below corresponding to the specified underlying interest:] <u>specified by the Exchange on which the Treasury future is traded and reflected in the Corporation's procedures</u>.

[1. Treasury Bonds

Treasury bonds, if not callable, shall have a remaining term to maturity of at least fifteen years or, if callable, shall not be callable for at least fifteen years.]

[2. Treasury Notes Designated by Exchange as "Long-Term"

Long-Term Treasury notes shall have a remaining term to maturity of at least six-and-a-half years, but no more than ten years.]

[3. Treasury Notes Designated by the Exchange as "Medium-Term"

Medium-Term Treasury notes shall have an original term to maturity of not less than five years and three months and a remaining term to maturity of at least four years and two months.]

[4. Treasury Notes Designated by the Exchange as "Short-Term"

Short-Term Treasury notes shall have an original term to maturity of not more than five years and three months and a remaining term to maturity of at least one year and nine months as of the first day of the delivery month and not more than two years from the last day of the delivery month.

Except as otherwise specified above, for the purpose of determining whether a Treasury security meets the above specifications its remaining term to maturity (or, if callable, its remaining term to first call) shall be calculated from the first day of the delivery month, and shall be rounded down to the nearest three-month increment, *e.g.*, fifteen years, five months and eighteen days shall be taken to be fifteen years and three months. New issues of Treasury securities that meet the specifications set forth in this Interpretation and Policy will become eligible for delivery as they are issued or such later date as the criteria are met.]

Notwithstanding the foregoing, the Corporation shall have the right to determine that any new issue is not eligible for delivery or to further limit outstanding issues from delivery eligibility, or to permit delivery of Treasury securities not satisfying the above criteria.

The per-contract delivery payment amount for a series of physically-settled Treasury futures consists of a base settlement price, multiplied by the unit of trading and a conversion factor established by the Exchange on which such series is trading, with accrued interest added to the resulting product. The base settlement price in respect of a delivery on any date other than the final permissible delivery date for a series of physically-settled Treasury futures shall be the interim settlement price for such series on the date on which the delivery intent is submitted to the Corporation, and in respect of a delivery on the final permissible delivery date shall be the final settlement price for such series. The conversion factor is designed to adjust the base settlement price to account for the characteristics of the Treasury securities being delivered.

.03 [No change]

Item 2. <u>Procedures of the Self-Regulatory Organization</u>

The proposed rule change was approved by OCC's Board of Directors at a meeting held on July 24, 2012.

Questions regarding the proposed rule change should be addressed to Stephen Szarmack, Vice President and Associate General Counsel, at (312) 322-4802.

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

The purpose of this proposed rule change is to clarify the applicability of OCC's Rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 years, which are currently traded on ELX Futures, L.P. ("ELX").

Clearing members that are, or that represent, the seller of a physically-settled Treasury future must make delivery of the underlying Treasury security in accordance with the procedures set forth in Rule 1302B. Subject to the condition that all Treasury securities delivered against a single physically-settled Treasury futures contract be of the same issue, to satisfy a delivery obligation a clearing member need not deliver Treasury securities of a particular issue. Instead, Interpretation and Policy .02 to Rule 1302B sets forts forth criteria for specific Treasury securities that may be delivered in settlement of Treasury futures contracts. For example, for a Treasury futures contract with an underlying interest that is a Treasury bond, a clearing member may deliver Treasury bonds, if not callable, with a remaining term of at least fifteen years or, if callable, that are not callable for at least 15 years.

ELX trades futures on Treasury securities of various maturities, including futures on treasury bonds with a maturity of greater than 25 years ("Ultra-Long Treasury Futures").

Under the rules of ELX, delivery obligations on Ultra-Long Treasury Futures may be satisfied by delivering Treasury bonds that, if not callable, have a remaining term of at least 25 years, or if callable, are not callable for at least 25 years. Interpretation and Policy .02 does not specifically address the delivery of Treasury bonds with maturities of 25 years or greater against Ultra-Long Treasury Futures. Accordingly, OCC is proposing to amend Interpretation and Policy .02 to Rule 1302B to provide that the characteristics of Treasury securities that may be delivered in settlement of futures on Treasury securities will be as set forth in the relevant exchange rules and reflected in OCC's procedures. This amendment will clarify the applicability of Rule 1302B to Ultra-Long Treasury Futures, as well as accommodate futures on other Treasury securities that may be introduced by an exchange at a later date that allow for delivery of Treasury securities with different maturity dates than those currently listed in Interpretation and Policy .02.

* * *

The proposed changes to OCC's By-Laws are consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934, because they are designed to permit OCC to perform clearing services for products that are subject to the jurisdiction of the Commodity Futures Trading Commission ("CFTC") without adversely affecting OCC's obligations with respect to the prompt and accurate clearance and settlement of securities transactions or the protection of investors and the public interest. The proposed rule change is not inconsistent with any rules of OCC, including any that are 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 not necessary or appropriate in furtherance of the purposes of the Act.

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

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. <u>Extension of Time Period for Commission Action</u>

OCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act.

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

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)(ii) thereunder. Pursuant to Rule 19b-4(f)(4)(ii), a rule change may take effect upon filing with the Commission if it effects a change in an existing service of OCC that (i) primarily affects the futures clearing operations of OCC with respect to futures that are not securities futures; and (ii) does not significantly affect any securities clearing operations of OCC or any related rights of OCC or persons using the service. Treasury futures are futures that are not securities futures and therefore are within the exclusive jurisdiction of the CFTC, and the proposed changes discussed above do not significantly affect OCC's securities clearing operations or the rights and obligations of OCC or Clearing Members in respect of securities or security futures cleared by OCC. In accordance with the regulations of the CFTC, OCC will not implement the rule change prior to the 10^{th} business day after the date of filing.

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: Stephen Szarmack

Stephen Szarmack
Vice President and Associate General Counsel

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[**Leave Blank**]; File No. SR-OCC-2012-20)

October 22, 2012

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Clarify the Applicability of OCC's Rules Governing Delivery of Treasury Securities Underlying Treasury Futures Contracts to Futures on Treasury Securities with Maturities of Greater than 25 Years

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder[2] notice is hereby given that on October 22, 2012, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared primarily by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)[3] of the Act and Rule 19b-4(f)(4)[4] thereunder.

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

OCC proposes to clarify the applicability of OCC's rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 Years.

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

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A).

4 17 CFR 240.19b-4(f)(4).

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

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

The purpose of this proposed rule change is to clarify the applicability of OCC's Rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 years, which are currently traded on ELX Futures, L.P. ("ELX").

Clearing members that are, or that represent, the seller of a physically-settled Treasury future must make delivery of the underlying Treasury security in accordance with the procedures set forth in Rule 1302B. Subject to the condition that all Treasury securities delivered against a single physically-settled Treasury futures contract be of the same issue, to satisfy a delivery obligation a clearing member need not deliver Treasury securities of a particular issue. Instead, Interpretation and Policy .02 to Rule 1302B sets forts forth criteria for specific Treasury securities that may be delivered in settlement of Treasury futures contracts. For example, for a Treasury futures contract with an underlying interest that is a Treasury bond, a clearing member may deliver Treasury bonds, if not callable, with a remaining term of at least fifteen years or, if callable, that are not callable for at least 15 years.

ELX trades futures on Treasury securities of various maturities, including futures on treasury bonds with a maturity of greater than 25 years ("Ultra-Long Treasury Futures"). Under the rules of ELX, delivery obligations on Ultra-Long Treasury Futures may be satisfied by delivering Treasury bonds that, if not callable, have a remaining term of at least 25 years, or if callable, are not callable for at least 25 years. Interpretation and Policy .02 does not specifically address the delivery of Treasury bonds with maturities of 25 years or greater against Ultra-Long Treasury Futures. Accordingly, OCC is proposing to amend Interpretation and Policy .02 to Rule 1302B to provide that the characteristics of Treasury securities that may be delivered in settlement of futures on Treasury securities will be as set forth in the relevant exchange rules and reflected in OCC's procedures. This amendment will clarify the applicability of Rule 1302B to Ultra-Long Treasury Futures, as well as accommodate futures on other Treasury securities that may be introduced by an exchange at a later date that allow for delivery of Treasury securities with different maturity dates than those currently listed in Interpretation and Policy .02.

OCC believes that the proposed rule change is consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934, because they are designed to permit OCC to perform clearing services for products that are subject to the jurisdiction of the Commodity Futures Trading Commission ("CFTC") without adversely affecting OCC's obligations with respect to the prompt and accurate clearance and settlement of securities transactions or the protection of investors and the public interest. The proposed rule change is not inconsistent with any rules of OCC, including any that are proposed to be amended.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe 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 on the proposed rule change 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 upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act and Rule 19b-4(f)(4) thereunder because it establishes or changes a due, fee, or other charge applicable only to a member. OCC will delay the implementation of the rule change until it is deemed certified under CFTC Regulation § 40.6. At any time within 60 days of the filing of such rule change, the Commission summarily may temporarily suspend such rule change 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 Commissions 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-2012-20 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-OCC-2012-20. 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 website (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 website viewing and printing in the Commission's Public Reference Section, 100 F Street, N.E., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's website at (http://www.theocc.com/about/publications/bylaws.jsp).

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-2012-20 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated Authority.[5]

Kevin M. O'Neill
Deputy Secretary

Action as set forth recommended herein
APPROVED pursuant to authority delegated by
the Commission under Public Law 87-592.
For: Division of Trading and Markets

By:______________________________

Print Name:________________________

Date:_____________________________

[5] 17 CFR 200.30-3(a)(12).