

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42832; File No. SR-ODD-00-02]

### Self-Regulatory Organizations; OM London Exchange Limited; Order Approving Proposed Amendment to Options Disclosure Document

May 25, 2000.

On May 25, 2000, the OM London Exchange Limited ("OM London") submitted to the Securities and Exchange Commission ("Commission" or "SEC"), pursuant to Rule 9b-1 under the Securities Exchange Act of 1934 ("Act")<sup>1</sup> five definitive copies of OM London's options disclosure document ("ODD"), which OM London has revised to reflect the introduction of OMXcap Index options.<sup>2</sup>

OM London's ODD currently contains general disclosures concerning the characteristics and risks of trading equity and index options on OM London. Prior to May 26, 2000, OM London listed options on Swedish equity securities and on the OMX Index. On May 26, 2000, OM London will also list options on the OMXcap Index, a modified capital-weighted index designed to reflect the development of the Swedish stock market. OM London has revised its ODD to accommodate the introduction of OMXcap Index options. OM London's revised ODD also includes disclosures concerning certain restrictions on the trading of OMX Index options after May 26, 2000.

The Commission has reviewed OM London's revised ODD and finds that it complies with Rule 9b-1 under the Act. OM London's revised ODD provides information regarding OMXcap Index options sufficient to describe the special characteristics of OMXcap Index options.

Rule 9b-1 provides that an options market must file five preliminary copies of an amended ODD with the Commission at least 30 days prior to the date definitive copies of the ODD are furnished to customers, unless the Commission determines otherwise, having due regard for the adequacy of information disclosed and the protection of investors.<sup>3</sup> The Commission has reviewed OM London's

revised ODD and finds that it is consistent with the protection of investors and in the public interest to allow the distribution of OM London's revised ODD as of the date of this order.<sup>4</sup>

*It is Therefore Ordered*, pursuant to Rule 9b-1 under the Act,<sup>5</sup> that OM London's ODD as amended to reflect the listing of OMXcap index options (File NO. SR-ODD-00-02) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-13960 Filed 6-2-00; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42833; File No. SR-CBOE-00-11]

### Self Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Listing and Trading of Index Portfolio Shares

May 26, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 29, 2000, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposal on an accelerated basis.

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

The Exchange proposes to adopt listing standards to list and trade Index

Portfolio Shares ("IPS"), securities issued by an open-end management investment company that seek to provide investment results similar to the price and yield performance of its underlying index. Once these listing standards have been approved, the Exchange intends to trade IPSs of a Fund based on the S&P 100 Index. Below is the text of the proposed rule change. New language is *italicized* and deletions are bracketed.

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Chicago Board Options Exchange, Incorporated Rules

#### Rule 1.1

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. . . Interpretations and Policies:

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.03 *the term "Index Portfolio Shares" or IPSs means securities that (a) are issued by an open-end management investment company based on a portfolio of stocks designed to provide investment results that correspond generally to the price and yield performance of a specified foreign or domestic stock index; (b) are issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified number of shares of stock and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end management investment company which will pay to the redeeming holder stock and/or cash with a value equal to the next determined net asset value.*

\* \* \* \* \*

Rule 30.10 The unit of trading in stocks, [and] the unit of trading in IPRs and the unit of trading in IPSs shall be 100 shares or units, except as otherwise established [in either case] by the Exchange. The unit of trading in all other securities traded subject to the rules in this Chapter shall be as determined by the Board of Directors.

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#### Rule 30.33

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. . . Interpretations and Policies:

.01 The minimum fractional change for IPRs and IPSs shall be 1/64 of \$1.00.

\* \* \* \* \*

Rule 30.36 Rule 24.7 shall apply to the trading of stock index warrants, IPSs and IPRs. The term "option" as used therein shall be deemed for the purposes of this Rule to include a stock index warrant, IPSs or IPRs, as the case may be.

\* \* \* \* \*

<sup>1</sup> 17 CFR 240.9b-1.

<sup>2</sup> The Commission previously reviewed OM London's ODD and found that it complied with Rule 9b-1 under the Act. See Securities Exchange Act Release No. 39080 (September 15, 1997), 62 FR 49553 (September 22, 1997) (order approving File No. SR-ODD-97-1).

<sup>3</sup> This provision is intended to permit the Commission either to accelerate or extend the time period in which definitive copies of a disclosure document may be distributed to the public.

<sup>4</sup> Rule 9b-1 provides that the use of an ODD shall not be permitted unless the option class to which the document relates is the subject of an effective registration statement on Form S-20 under the Securities Act of 1933. On September 12, 1997, the Commission, pursuant to delegated authority, declared effective OM London's revised Form S-20 registration statement. See File No. 333-34519.

<sup>5</sup> 17 CFR 240.9b-1.

<sup>6</sup> 17 CFR 200.30-3(a)(39)(i).

<sup>6</sup> 17 CFR 200.30-3(a)(39)(i)

<sup>15</sup> U.S.C. 78s(b)(1).