SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; International Securities Exchange, LLC; Order Approving Proposed Rule Change Relating to Foreign Currency Options


I. Introduction

On October 27, 2009, the International Securities Exchange, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) 1 and Rule 19b–4 thereunder, 2 a proposed rule change to amend its rules regarding Foreign Currency Options (“FX Options”) 3 to permit the Exchange to list a single strike price of one cent ($0.01) for each expiration month for FX Options opened for trading on the Exchange. The proposed rule change was published for comment in the Federal Register on November 24, 2009. 4 The Commission received no comment letters on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

ISE Rule 2205 governs the opening for trading of series of FX Options. 4 Pursuant to ISE Rule 2205, after a class of options contracts on any underlying currency pair has been approved for listing and trading, the Exchange may open for trading series of FX Options that expire in consecutive monthly intervals, in three or “cycle” month intervals, or that have up to 36 months to expiration. The Exchange also may open additional consecutive month series of the same class for trading at or about the time a prior consecutive month series expires.

ISE now proposes to amend ISE Rule 2205 to allow the Exchange to list a single strike price of one cent ($0.01) for each expiration month for FX Options opened for trading on the Exchange. The proposed one cent strike would be in addition to the strike prices listed by the Exchange pursuant to ISE Rule 2205.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.5 Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,6 which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,7 that the proposed rule change (SR–ISE–2009–87) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.8

Florence E. Harmon,
Deputy Secretary.

[FR Doc. 2010–1271 Filed 1–22–10; 8:45 am]
BILLING CODE 8011–01–P

SEcurities and EXCHANGE COMMISSION


Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Temporary Membership Status and Interim Trading Permit Access Fees


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),9 notice is hereby given that on December 31, 2009, the Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) 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 by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

CBOE proposes to adjust (i) the monthly access fee for persons granted temporary CBOE membership status (“Temporary Members”) pursuant to Interpretation and Policy .02 under CBOE Rule 3.19 (“Rule 3.19.02”) and (ii) the monthly access fee for Interim Trading Permit (“ITP”) holders under CBOE Rule 3.27. The text of the proposed rule change is available on the Exchange’s Web site (http://www.cboe.org/Legal/), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, CBOE 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 CBOE 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

1. Purpose

The current access fee for Temporary Members under Rule 3.19.022 and the current access fee for ITP holders under Rule 3.27 3 are both $8,991 per month. Both access fees are currently set at the indicative lease rate (as defined below) for December 2009. The Exchange proposes to adjust both access fees effective at the beginning of January 2010 to be equal to the indicative lease rate for January 2010 (which is $7,928). Specifically, the Exchange proposes to revise both the Temporary Member access fee and the ITP access fee to be $7,928 per month commencing on January 1, 2010.

The indicative lease rate is defined under Rule 3.27(b) as the highest clearing firm floating monthly rate4 of the CBOE Clearing Members that assist in facilitating at least 10% of the CBOE transferable membership leases.5 The Exchange determined the indicative lease rate for January 2010 by polling each of these Clearing Members and obtaining the clearing firm floating monthly rate designated by each of these Clearing Members for that month.

The Exchange used the same process to set the proposed Temporary Member and ITP access fees that it used to set the current Temporary Member and ITP access fees. The only difference is that the Exchange used clearing firm floating monthly rate information for the month of January 2010 to set the proposed access fees (instead of clearing firm floating monthly rate information for the month of December 2009 as was used to set the current access fees) in order to take into account changes in clearing firm floating monthly rates for the month of January 2010.

The Exchange believes that the process used to set the proposed Temporary Member access fee and the proposed Temporary Member access fee itself are appropriate for the same reasons set forth in CBOE rule filing SR–CBOE–2008–12 with respect to the original Temporary Member access fee.6 Similarly, the Exchange believes that the process used to set the proposed ITP access fee and the proposed ITP access fee itself are appropriate for the same reasons set forth in CBOE rule filing SR–CBOE–2008–77 with respect to the original ITP access fee.7 Each of the proposed access fees will remain in effect until such time either that the Exchange submits a further rule filing pursuant to Section 19(b)(3)(A)(ii)

5 In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).