

value of the portfolio closely tracks the value of the Index over time.

Unlike the DBC Fund, the Oil Fund does not invest through a master fund but rather trades directly in futures on crude and heating oil, natural gas, gasoline, and other petroleum-based fuels; in options on such futures contracts; in forward contracts for oil; and in other over-the-counter derivatives based on the price of oil, other petroleum-based fuels, the futures contracts described above, and indexes based on any of the foregoing. The Oil Fund's portfolio is managed by Victoria Bay Asset Management LLC with the aim of tracking the Benchmark.

The Interests and the Units are freely transferable and may be bought and sold like any other ETF interest or other exchange-listed security. In addition to options on the Interests and the Units, there may be other similar options on ETFs regulated as commodity pools ("Pool ETFs") that OCC may be asked to issue, clear, and settle in the future.

The proposed rule change is needed to permit OCC to issue, clear, and settle options on Pool ETFs. The definition of "fund share" in Article I of OCC's By-Laws is currently limited to shares in entities "holding portfolios or baskets of securities." However, the Oil Fund invests directly in commodity futures contracts. Additionally, although as a technical matter the DBC Fund invests exclusively in securities (the units issued by the Master Fund), entities such as the DBC Fund that invest in the securities issued by a commodity pool are themselves deemed to be commodity pools because they represent an indirect investment in commodity futures contracts. OCC is therefore proposing to amend the definition of "fund share" in Article I of its By-Laws to specifically refer to interests in an entity that is a commodity pool. The definition would also be revised to make it clear that (i) it includes entities with actively managed portfolios, (ii) it includes feeder funds, and (iii) it applies only to entities principally engaged in holding portfolios or baskets of securities or currencies and not entities that do so as an incident to some other business.

The proposed rule change will not be implemented until definitive copies of an appropriate supplement to the options disclosure document, *Characteristics and Risks of Standardized Options*, are available for distribution.

OCC believes that the proposed rule change is consistent with the purposes and requirements of Section 17A of the Act, because it is designed to promote the prompt and accurate clearance and settlement of securities transactions, 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. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules 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-2006-17 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission,

100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2006-17. 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, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at <http://www.optionsclearing.com>.

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-2006-17 and should be submitted on or before December 19, 2006.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54786; File No. SR-OCC-2006-16]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to the Definition of Fund Share

November 20, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 21, 2006, The Options

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

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. 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 Substance of the Proposed Rule Change

The proposed rule change would amend the definition of "fund share" in OCC's By-Laws.

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 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 such statements.²

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

OCC issues and clears options on "fund shares" which are defined in Article I of OCC's By-Laws as a publicly traded interest in a trust, investment company, or other entity holding portfolios or baskets of securities.³ The proposed rule change would amend the definition of "fund shares" in order to accommodate requests from OCC participant exchanges that OCC clear and settle options on exchange traded fund ("ETF") shares that represent interests in an entity holding euros and investing the euros in time deposits.⁴ Specifically, the proposed rule change would amend the definition to include interests in entities holding portfolios or

baskets of currencies, including single currencies. The definition would also be revised to make it clear that (i) it includes entities with actively managed portfolios and (ii) it applies only to entities principally engaged in holding portfolios or baskets of securities or currencies and not entities that do so as an incident to some other business.

If approved by the Commission, the proposed rule change would not be implemented until definitive copies of an appropriate supplement to the options disclosure document, *Characteristics and Risks of Standardized Options*, are available for distribution.

OCC believes that the proposed rule change is consistent with the purposes and requirements of Section 17A of the Act because it promotes the prompt and accurate clearance and settlement of securities transactions, fosters cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, removes impediments to and perfects the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and, in general, protects investors and the public interest. The proposed rule change is not inconsistent with the existing rule of OCC, including any other rules 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-2006-16 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-OCC-2006-16. 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, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at <http://www.optionsclearing.com>.

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-2006-16 and should be submitted on or before December 19, 2006.

² The Commission has modified parts of these statements.

³ Securities Exchange Act Release No. 46914 (November 26, 2002), 67 FR 72261 (December 4, 2002) [File No. SR-OCC-2002-22].

⁴ Securities and Exchange Act Release Nos. 54087 (June 30, 2006), 71 FR 38918 (July 10, 2006) [File No. SR-ISE-2005-60] (Order approving a proposed rule change of the International Stock Exchange to allow listing and trading of fund shares that hold specified non-U.S. currency options, futures or options on futures on such currency, or any other derivatives based on such currency.) The American Stock Exchange has filed a similar proposal [File No. SR-AMEX-2006-87], which has not yet been published for notice and comment.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Nancy M. Morris,

Secretary.

[FR Doc. E6-20053 Filed 11-27-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54785; File No. SR-OCC-2006-18]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Cash-Settled Interest Rate Futures

November 20, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on October 3, 2006, 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) of the Act² whereby the proposal was effective upon filing with the Commission. 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 Substance of the Proposed Rule Change

The proposed rule change allows OCC to clear and settle cash-settled interest rate futures.

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 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 such statements.³

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

The Philadelphia Board of Trade (“PBOT”) has proposed to trade futures contracts on the three-month London Interbank Offered Rate for U.S. dollars as announced by the British Bankers Association (“BBA”) (“LIBOR Futures”). PBOT intends to list LIBOR Futures with eleven and one-half consecutive years of daily maturities. A separate series of LIBOR Futures will mature on each day on which PBOT and OCC are both open for business. A new series will be opened each business day to replace the maturing series so that on any given date approximately 2,900 series will be outstanding.

The daily settlement price for each LIBOR Future will be the average of the closing PBOT best bid/best offer, and the final settlement price will be based on the three-month LIBOR rate as reported by the BBA in its daily fixing at 6 a.m. Greenwich Mean Time on the maturity date. PBOT has set the multiplier at \$2,500 in order to size the contract to reflect the three-month return on a deposit of \$1,000,000 earning interest at LIBOR. Prices for LIBOR Futures will be quoted as 100 minus a percentage rate expressed in increments of .0025. For example, if the three-month LIBOR rate is 5.0050%, the 100-RATE futures contract would be priced at 94.9950.

The final variation payment will be made on the business day following the last day of trading and will equal the difference between the final settlement price and the most recent settlement price (or the contract price if the contract was entered into since the most recent daily settlement price was established) times the multiplier.

Interest rate futures fall within the definition of “commodity futures” in Section 1a(4) of the Commodity Exchange Act (“CEA”), which includes “all * * * rights, and interests in which contracts for future delivery are presently or in the future dealt in.” OCC therefore proposes to clear this product in its capacity as a “derivatives clearing organization” registered under Section 5b of the CEA. The Commission previously approved amendments to Article XII of OCC’s By-Laws and Chapter XIII of OCC’s Rules, both of which are titled Futures and Futures Options, to allow OCC to provide clearance and settlement services for commodity futures.⁴

OCC’s rules currently provide for the trading of cash-settled futures contracts, and only very minor changes are needed to accommodate LIBOR Futures. From OCC’s perspective, LIBOR Futures will look like any other cash-settled future. The proposed rule change amends OCC’s By-Laws to add the defined term “interest rate future” and to revise the definition of “multiplier” to make it more generic and more accurate as applied to cash-settled futures contracts. The proposed rule change also amends the definition of “unit of trading” to make it more generic in its application to futures contracts even though for purposes of the present rule change there is no need to use the term with respect to interest rate futures. OCC further proposes to add a reference to interest rate futures in Rule 1301, which describes the manner in which variation payments are calculated.

OCC is also making several changes to the Clearing Agreement with PBOT. The most significant of these changes is to expand the types of PBOT commodity contracts that are cleared and settled by OCC. The Clearing Agreement currently provides for the clearance and settlement of foreign currency futures only. OCC is proposing to amend Section 3 of the Clearing Agreement to provide for the clearance and settlement of futures with underlyings other than foreign currencies as well as to accommodate the trading of futures options and commodity options, and to permit the parties to agree on underlyings for futures, futures options, and commodity options by completion and execution of a schedule in the form attached to the Clearing Agreement as Schedule C. The parties have also agreed upon and included with the Clearing Agreement a Schedule C-1 for interest rate futures. The provisions of Section 3 of the Amended and Restated Clearing Agreement with respect to the selection of underlying interests are similar to those in the Agreement for Clearing and Settlement Services between OCC and CBOE Futures Exchange, LLC (“CFE Agreement”) filed for immediate effectiveness in Filing No. SR-OCC-2003-06.⁵

In addition, OCC is proposing to amend the Clearing Agreement to: provide that OCC will attempt where possible to consult with PBOT with respect to margin requirements for products governed by the Clearing Agreement; allow PBOT to consult with OCC to the extent it believes margin requirements are too high or otherwise inappropriate; provide for

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(ii).

³ The Commission has modified parts of these statements.

⁴ Securities Exchange Act Release No. 45946 (May 16, 2002), 67 FR 36056 (May 22, 2002) [File No. SR-OCC-2001-16].

⁵ Securities Exchange Act Release No. 49124 (January 26, 2004), 69 FR 4554 (January 30, 2004).