

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-57192; File No. SR-OCC-2007-17)

January 24, 2008

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Its Clearing Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> notice is hereby given that on December 7, 2007, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change 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)(ii) of the Act<sup>2</sup> and Rule 19b-4(f)(2) thereunder<sup>3</sup> so that 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 parties.

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

The proposed rule change would implement a new discounted fee schedule and continue the market maker scratch fee discount with all changes being effective January 1, 2008.

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

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

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>3</sup> 17 CFR 240.19b-4(f)(2).

below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>4</sup>

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

Effective May 1, 2007, OCC adopted a new permanent reduced clearing fee schedule for (i) securities options and (ii) security futures where at least one side of the trade is cleared by an OCC clearing member.<sup>5</sup> Simultaneous with the adoption of the new standard clearing fee schedule, OCC additionally discounted clearing fees. Effective September 1 through December 31, 2007, OCC further reduced its discounted clearing fees and halved the market-maker scratch fee.<sup>6</sup> Effective January 1, 2008, OCC will implement a new discounted clearing fee schedule that will replace the May 1 discounted fees and will continue the discounted market-maker scratch fee of \$0.01 per side. The following chart sets forth the new discounted clearing fee schedule.

<b>Contracts/Trade</b>	<b>Current Permanent Standard Fee Schedule, Effective May 1, 2007</b>	<b>Discounted Standard Fee Schedule, Effective January 1, 2008</b>
1-500	\$0.05/contract	\$0.03/contract
501-1,000	\$0.04/contract	\$0.024/contract
1,001-2,000	\$0.03/contract	\$18.00 (capped)
>2,000	\$55.00 (capped)	\$18.00 (capped)

<sup>4</sup> The Commission has modified the text of the summaries prepared by OCC.

<sup>5</sup> Securities Exchange Act Release No. 55709 (May 4, 2007), 72 FR 26669 (May 10, 2007) [File No. SR-OCC-2007-05].

<sup>6</sup> Securities Exchange Act Release No. 56386 (September 11, 2007), 72 FR 53273 (September 18, 2007) [File No. SR-OCC-2007-09]. In addition, OCC permanently adopted the standard fee schedule for commodity futures and eliminated the alternative fee schedule previously offered to futures markets.

The discounted clearing fee schedule and market maker scratch fee will remain in effect until further action by OCC's Board of Directors.

The adoption of the new discounted fee schedule reflects the strong contract volume experienced by OCC in 2007. OCC believes that these discounted fees will financially benefit clearing members and other market participants without adversely affecting OCC's ability to meet its expenses and maintain an acceptable level of retained earnings.

The proposed rule change is consistent with the requirements of Section 17A of the Act<sup>7</sup> and the rules and regulations thereunder applicable to OCC because it benefits clearing members and other market participants by discounting fees and allocating them in a fair and equitable manner. 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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and Rule 19b-4(f)(2)<sup>9</sup> thereunder because the proposed rule

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<sup>7</sup> 15 U.S.C. 78q-1.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

establishes or changes a due, fee, or other charge. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate 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 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-2007-17 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-2007-17. 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

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<sup>9</sup> 17 CFR 240.19b-4(f)(2).

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 Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. The text of the proposed rule change is available at OCC, the Commission's Public Reference Room, and [http://www.theocc.com/publications/rules/proposed\\_changes/sr\\_occ\\_07\\_17.pdf](http://www.theocc.com/publications/rules/proposed_changes/sr_occ_07_17.pdf). 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-2007-17 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.<sup>10</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).