



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
TRADING AND MARKETS

September 19, 2022

Ms. Carolyn H. Jackson
Katten
Paternoster House
65 St Paul's Churchyard
London, EC4M 8AB
United Kingdom

Re: No-Action Relief for Nasdaq Stockholm AB and its Members that Engage in Familiarization Activities with Respect to Options on the OMXS30 and OMXS30 ESG Indices

Dear Ms. Jackson:

In your letter dated August 30, 2022 you request advice that, based on the circumstances stated in your letter, the Division of Trading and Markets ("Division") will not recommend enforcement action to the Securities and Exchange Commission ("Commission") against:

Nasdaq Stockholm AB ("Nasdaq Stockholm") and its members if they engage in certain familiarization activities with certain U.S.-based persons with respect to options on the OMX Stockholm 30 index ("OMXS30") and the OMX Stockholm ESG Responsible Index ("OMXS30 ESG") (each an "Index," and collectively, the "Indices").

You note that the Division previously granted class no-action relief that permits non-U.S. options exchanges and their members and Representatives to undertake certain limited activities to familiarize certain registered broker-dealers and large financial institutions in the United States with their markets and certain equity and index options traded on their markets ("Class Relief").¹ You further note that Nasdaq Stockholm previously advised the Division of its intent to rely on the Class Relief.²

¹ See Letter from James R. Burns, Deputy Director, Division, Commission, to Arthur W. Hahn, Katten Muchin Rosenmann LLP, dated July 1, 2013. Capitalized terms used herein and not otherwise defined have the meanings given in the Class Relief.

² See Letter from Carolyn H. Jackson, Katten, to Brett Redfearn, Director, Division, Commission, dated January 15, 2020 ("Nasdaq Stockholm Relief").

You note that options on securities of U.S. issuers, or on an index that includes any securities of U.S. issuers, do not qualify for the no-action relief provided under the Class Relief. You now request that the Division extend the Nasdaq Stockholm Relief to include options on the Indices as Eligible Options and confirm that the Division will not recommend that the Commission take enforcement action against Nasdaq Stockholm and its members if they engage in the familiarization activities described in the Class Relief (“familiarization activities”), with respect to options on the Indices, even though the Indices contain one Swedish Depository Receipt representing common shares of Autoliv, Inc. (“Autoliv”), a U.S. issuer with its primary listing on the New York Stock Exchange.

You explain that OMXS30 is Nasdaq Stockholm’s leading Swedish share index that consists of 30 of the most actively traded stocks on Nasdaq Stockholm and that OMXS30 ESG is an “environment, social, and governance” focused form of the OMXS30. You further explain that Autoliv, which is headquartered in Stockholm and incorporated in Delaware, was founded in Sweden in 1953. In 1997, Autoliv AB merged with Morton ASP, a U.S. company, which became the surviving legal entity. You describe Autoliv as “predominantly a Swedish company despite being incorporated in Delaware [and] listed on the NYSE.” You represent that Autoliv’s inclusion in the Indices is based on the Swedish Depository Receipts (“SDRs”) representing common shares of Autoliv that trade on Nasdaq Stockholm, not the NYSE-listed shares. You state that “the liquidity of [Autoliv’s] shares is in Sweden,” and close to 60% of Autoliv securities were held by Sweden-based shareholders as of December 31, 2021. Finally, you represent that Autoliv represents a de minimis portion of the Indices – 0.87% of the OMXS30 and 0.93% of the OMXS30 ESG as of February 23, 2022.

You state that providing the no-action relief requested in your letter will allow Nasdaq Stockholm and its members and representatives to familiarize Eligible Broker-Dealers and Eligible Institutions with options on the Indices, even though the Indices include a component security that is a U.S. issuer. You note that although the component security, Autoliv, is a U.S. issuer because of the 1997 merger between Autoliv AB and Morton ASP, the “corporate identity, mind and management” of Autoliv continues to be Swedish.

Response:

This letter responds to your request by confirming that the Division will not recommend enforcement action to the Commission against Nasdaq Stockholm or its members or Representatives, subject to the conditions outlined below, if Nasdaq Stockholm and its members and Representatives treat options on the Indices as Eligible Options and include options on the Indices as part of their familiarization activities, as described in the Class Relief, provided that Nasdaq Stockholm and its members and Representatives satisfy the conditions outlined in your August 30, 2022 letter and comply with the conditions described below. The relief provided in this letter differs in one material respect from the Class Relief. The Class Relief did not extend no-action relief to options on an index that includes any securities of U.S. issuers. This relief applies to options on the Indices, which include the securities of a U.S. issuer that represents a de

minimis portion of the Indices, as noted above. Except as indicated below, all of the other terms and conditions of the Class Relief remain unchanged and continue to apply.³

No-Action Relief:

Subject to the continued compliance with conditions in the Class Relief as supplemented by the additional conditions described below, the Division will not recommend to the Commission enforcement action under Sections 5, 6, 15, or 17A of the Securities Exchange Act of 1934 (“Exchange Act”) against:

- (1) Nasdaq Stockholm, any of its officers, directors, employees, Representatives, or members, or any corporate parent of Nasdaq Stockholm or the officers, directors, or employees of such corporate parent, under Section 5 of the Exchange Act by reason of Nasdaq Stockholm not registering as a national securities exchange under Section 6 of the Exchange Act;
- (2) Nasdaq Stockholm, any of its officers, directors, employees, Representatives, or members, or any corporate parent of Nasdaq Stockholm, or the officers, directors, or employees of such corporate parent, under Section 15(a) of the Exchange Act by reason of Nasdaq Stockholm and its members and Representatives not registering under Section 15(b) of the Exchange Act as broker-dealers; or
- (3) Nasdaq Stockholm, its associated clearing organization, or any of its respective officers, directors, or employees, as well as any corporate parent of Nasdaq Stockholm, or the officers, directors, or employees of such corporate parent, under Section 17A of the Exchange Act, by reason of Nasdaq Stockholm’s not registering under the Exchange Act as a clearing agency;

with respect to the familiarization activities described in the Class Relief concerning options on the Indices.

The Division’s position is subject to the following additional conditions that supplement the conditions set forth in the Class Relief. Specifically, in place of Condition #11 on page 7 of the Class Relief, the following shall apply:

Nasdaq Stockholm advises its members that any options on securities of U.S. issuers, or on an index that includes any securities of U.S. issuers, that are traded on Nasdaq Stockholm are not available for sale to U.S. persons [footnote omitted], except that Nasdaq Stockholm and its members may engage in familiarization activities with respect to options on the OMXS30 and OMSX30 ESG Indices, provided that the

³ A Foreign Options Market that registers the offer and sale of its options on Form S-20, e.g., because it does not qualify for an exemption from registration under the Securities Act of 1933 (“Securities Act”), would be subject, among other things, to the requirements of Rule 9b-1 under the Exchange Act, including the requirement to prepare and distribute an options disclosure document, as provided in that rule.

market capitalization weight of the Autoliv SDRs in the respective Index remains equal to or less than 5% of the applicable Index and the value of such 5% remains at or below \$25 billion USD, which levels will be monitored by Nasdaq Stockholm. If the Autoliv percentage in an Index exceeds those thresholds, Nasdaq Stockholm must, without delay, (i) publish a notice to its members and Representatives notifying them of the threshold(s) being exceeded, stating that options on the Index will no longer be available for sale to U.S. persons and instructing members and Representatives to immediately cease familiarization activities with respect to options on the Index, (ii) send a letter to the Division Director to notify the Division when the threshold was exceeded, confirm that options on the Index are no longer treated as an Eligible Option, and represent that it has instructed all members and Representatives to cease familiarization activities with respect to options on the Index, and (iii) remove mention of options on the Index from its website and any marketing materials used in connection with familiarization activities and instruct members and Representatives to do the same.

This position of the Division concerns enforcement action only and does not purport to express any conclusions on the applicability of statutory or regulatory provisions of the federal securities laws. The positions of the Division in this letter are based on the circumstances contemplated above; any different facts or conditions might require a different response, and these positions are subject to modification or revocation if the facts and representations set forth are altered. In addition, these positions are subject to modification or revocation at any time the Commission or Division determines that such is necessary or appropriate in furtherance of the purposes of the Exchange Act or Securities Act. The Division expresses no view with respect to other questions that your letter may raise, including the applicability of any other federal or state laws.

Sincerely,

Eric Juzenas
Associate Director

30 August 2022

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Ref No. 385248 00020 CHJ:sh

VIA E-MAIL AND FEDERAL EXPRESS

Mr. Haoxiang Zhu
Director, Division of Trading and Markets
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-7010
United States of America

Re: Request of Nasdaq Stockholm AB to Extend the Familiarization No-Action Relief to Include Options on the OMXS 30 and the OMXS 30 ESG Indices

Dear Mr. Zhu,

In a letter dated January 15, 2020,¹ our client, Nasdaq Stockholm AB ("Nasdaq Stockholm"), notified the Securities and Exchange Commission's ("SEC" or "Commission") Division of Trading and Markets ("Division") of Nasdaq Stockholm's intent to rely on the class no-action relief issued by the Division for foreign options markets and their members that engage in familiarization activities with certain U.S.-based persons.² At the request of our client, we are writing to provide you with a request that the Nasdaq Stockholm Relief be extended to include as Eligible Options, as defined below, options on the OMX Stockholm 30 Index ("OMXS30") and the OMX Stockholm ESG Responsible Index ("OMXS30 ESG") (each an "Index", and collectively, the "Indices," and the requested relief is the "Extended Relief"). The inclusion of options on the Indices in the requested Extended Relief is subject to certain restrictions as detailed later in this letter ("Restrictions on the Indices") including the 5% Restriction and USD Value Restriction, each as defined below. We are requesting the Extended Relief be a one-off relief on behalf of Nasdaq Stockholm and not as a form of amendment to the Class Relief which would apply to any other party seeking to rely on the Class Relief.

Nasdaq Stockholm continues to make all representations contained in the Nasdaq Stockholm Relief as part of the Class Relief, complies with the Restrictions on the Indices and makes additional representations as detailed in this letter (the "Additional Representations").

¹ See Letter to Mr. Brett Redfearn from Carolyn H. Jackson dated January 15, 2020 ("Nasdaq Stockholm Relief") available at: <https://www.sec.gov/divisions/marketreg/mr-noaction/2020/nasdaq-stockholm-011520.pdf>

² See LIFFE A&M and Class Relief, SEC No-Action Letter (Jul. 1, 2013) ("Class Relief"). Capitalized terms used herein and not otherwise defined have the meanings given in the Class Relief. Pursuant to the Class Relief, a Foreign Options Market is not required to apply de novo for similar no-action or other relief; it can file with the Division a notice of intent to rely on the Class Relief.

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BACKGROUND

In the Class Relief, the Division took a no-action position under which a Foreign Options Market,³ its Representatives⁴ and the Foreign Options Market's members, could engage in activities to familiarize Eligible Broker-Dealers/Eligible Institutions⁵ regarding the Foreign Options Market and Eligible Options available on that market without the Division recommending enforcement to the Commission under Sections 5, 6, 15, or 17A of the Securities Exchange Act of 1934 ("Exchange Act"). Under the terms of the Class Relief, a Foreign Options Market that does not already have no-action relief from the Division may rely on the Class Relief to engage in familiarization activities if it notifies the Director of the Division of its intent to do so.

More specifically, in order to make use of the Class Relief, a Foreign Options Market must send a letter, signed either by the Foreign Options Market's chief legal officer or the Foreign Options Market's U.S. counsel, to the Director of the Division that:

- Identifies the Foreign Options Market;
- Describes the Eligible Options for which the Foreign Options Market, its personnel, and its members seek to engage in familiarization activities with Eligible Broker-Dealers/Eligible Institutions; and
- Makes the following representations:
 - The parties will provide Division staff promptly upon request a list of the specific equity and index options covered by the request for relief and will

³ The Class Relief defines a Foreign Options Market as a "non-U.S. derivatives market: (i) on which Eligible Options trade; and (ii) that is an organized exchange operated and regulated outside the United States." Nasdaq Stockholm qualifies as a Foreign Options Market. An Eligible Option is defined in the Class Relief to mean "an index option or option on an individual security traded on a Foreign Options Market that is not fungible or interchangeable with options traded on any market other than the Foreign Options Market, and, accordingly, each position in an Eligible Option issued by a clearing member of the Foreign Options Market can be closed out only on the Foreign Options Market."

⁴ The Class Relief defines a "Representative" as "an employee or agent of the Foreign Options Market located inside or outside the United States who has been appointed to act as representative of the Foreign Options Market and may undertake the activities described in Section II [of the Class Relief] with respect to Eligible Broker-Dealers/Eligible Institutions [as defined below]."

⁵ An "Eligible Broker-Dealer/Eligible Institution" (and, individually, an "Eligible Broker-Dealer" or "Eligible Institution") is any entity that meets the following standards: (a) it must be a "qualified institutional buyer" as defined in Rule 144A(a)(1) under the Securities Act of 1933 ("Securities Act"), or an international organization excluded from the definition of "U.S. person" in Rule 902(k)(2)(vi) of Regulation S under the Securities Act; and (b) it must have had prior actual experience with traded options in the U.S. options market (and, therefore, would have received the disclosure document for U.S. standardized options called for by Rule 9b-1 under the Exchange Act).

identify a primary listing market for each underlying equity security and index component;

- The requesting entities have taken steps to comply with, and assure continued compliance with, each of the representations and conditions contained in the Class Relief and acknowledge that the Class Relief is only available to the requesting entities to the extent they are in compliance with each of the representations and conditions contained in the Class Relief; and
- All subject entities covered by the Class Relief will comply with each of the representations and conditions contained in the Class Relief, including the restriction on securities of U.S. issuers.

DESCRIPTION OF NASDAQ STOCKHOLM

As stated in the Nasdaq Stockholm Relief, Nasdaq Stockholm is an entity organized under the laws of Sweden. The company holds a license as a regulated market and as a multi-lateral trading facility under the Swedish Securities Market Act, transposing the revised Markets in Financial Instruments Directive (“MiFID II”) into Swedish law. Nasdaq Stockholm is subject to supervision by the Swedish Financial Supervisory Authority (the “SFSA”). The company operates Nasdaq Derivatives Markets (also the brand name), which is essentially a MiFID regulated market for trading in equity, index and fixed income derivatives, all of which would fall within the definition of a “security” under U.S. federal securities laws.

Eligible Options traded on Nasdaq Stockholm are exclusively cleared by Nasdaq Clearing AB (“Nasdaq Clearing”). Nasdaq Clearing is authorized as a central counterparty by the European Securities and Markets Authority in accordance with the European Market Infrastructure Regulation and is also authorized to conduct clearing operations via its Norwegian branch by the Norwegian Ministry of Finance. Nasdaq Clearing is subject to supervision by the SFSA for its primary operations and by the Norwegian Financial Supervisory Authority (the “NFSA”) in regards to its Norwegian branch.

An affiliate of Nasdaq Stockholm, Nasdaq Oslo ASA (“Oslo ASA”) lists commodity futures and options thereon which are also exclusively cleared through the Norwegian branch of Nasdaq Clearing. Oslo ASA is licensed by the Norwegian Ministry of Finance under the Norwegian Exchange Act and is supervised by the NFSA. Oslo ASA is also registered with the Commodity Futures Trading Commission (the “CFTC”) as a foreign board of trade (“FBOT”). FBOTs are permitted under Part 48 of the CFTC Regulations to permit certain U.S. persons to trade in the FBOT’s products known as “foreign futures” through direct electronic access. The derivatives clearing organization to a CFTC-registered FBOT can clear the foreign futures trades of such U.S. persons and have U.S. persons as clearing members in respect of foreign commodity futures and options thereon without being required to register with the CFTC as a derivatives clearing organization provided it has filed a Supplement S-1 with the CFTC,

certifying its observance of the Principles for Financial Market Infrastructure, among other requirements.⁶

Nasdaq Clearing therefore does clear for U.S. persons and does permit U.S. persons to be clearing members, but only for the commodity futures and options thereon listed on Oslo ASA and not in respect of any “security” listed on Nasdaq Stockholm, including the Eligible Options. Nasdaq Clearing’s rules prohibit any transaction that would be considered a security under the U.S. federal securities laws to be submitted for clearing to Nasdaq Clearing “by or for the account of a U.S. Person or a person located in the United States, unless permitted under applicable U.S. federal law and the regulations promulgated thereunder.”⁷

Nasdaq Stockholm’s trading rules expressly prohibit any U.S. person from being either an exchange member or an exchange trader as defined under Nasdaq Stockholm’s rules. Nasdaq Stockholm’s rules require an exchange member to also be a clearing member or be authorized as a general clearing member client of a clearing member of Nasdaq Clearing.⁸

DESCRIPTION OF ELIGIBLE OPTIONS IN THE NASDAQ STOCKHOLM RELIEF

The Eligible Options that were the subject of the Nasdaq Stockholm Relief are options that Nasdaq Stockholm offers or may in the future offer on: (1) individual stocks that are listed and traded on Nasdaq Stockholm, Nasdaq Copenhagen or Nasdaq Helsinki; (2) exchange traded funds (“ETFs”); and (3) various equity indices, such as the OMX Copenhagen 25 index (“OMXC25”). The Eligible Options are not fungible or interchangeable with options traded on any market other than Nasdaq Stockholm. In addition, each position in an eligible option on Nasdaq Stockholm can be closed out only on Nasdaq Stockholm and is cleared by Nasdaq Clearing.

The Eligible Options that were the subject of the Nasdaq Stockholm Relief did not include options on the Indices. The Indices include “SDRs” representing common shares of Autoliv Inc. (“Autoliv”), which has its primary listing on the New York Stock Exchange (“NYSE”) and is therefore a U.S. issuer. An index that includes any securities of U.S. issuers, such as

⁶ The Principles for Financial Market Infrastructure, published in February 2012 and developed jointly by the Committee on Payments and Market Infrastructures and the Technical Committee of the International Organization of Securities Commissions, are the successor standards to the Recommendations for Central Counterparties.

⁷ See Rule 1.1.13 of Chapter 1 of the Clearing Rules of Nasdaq Clearing for Nasdaq Derivatives Markets (*i.e.*, Nasdaq Stockholm).

⁸ See Rule 1.1.13a of Chapter 1 of Nasdaq Stockholm’s Trading Rules.

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Autoliv, currently does not qualify for the no-action relief provided under the Class Relief or the Nasdaq Stockholm Relief.⁹

REQUEST TO EXTEND THE NASDAQ STOCKHOLM RELIEF TO INCLUDE OPTIONS ON THE INDICES AS ELIGIBLE OPTIONS

Nasdaq Stockholm requests that the Division extend the Nasdaq Stockholm Relief to include options on the Indices as Eligible Options. As stated above, options on the Indices were excluded from the Nasdaq Stockholm Relief due to the inclusion of the Autoliv SDR, which has its primary listing on the NYSE, making Autoliv a U.S. issuer for purposes of the Nasdaq Stockholm Relief.

We understand that the policy reason behind the granting of the Class Relief to Foreign Options Markets and their members that engage in familiarization activities is to permit “Eligible Broker-Dealers/Eligible Institutions” to be presented with investment opportunities that would otherwise not be available to them in the United States whereby they would be protected under the U.S. federal and state securities laws, the rules and regulations of the SEC and the U.S. courts. Thus, to rely on the Class Relief, a Foreign Options Market must represent that it has advised its members that any options on securities of U.S. issuers, or on an index that includes any securities of U.S. issuers, that are traded on the Foreign Options Market are not available for sale to U.S. persons.

Given the unique composition of the Indices and circumstances of the Autoliv SDRs we are of the view for the reasons discussed below that inclusion of the Autoliv SDR in the Indices should not prevent options on the Indices being included as Eligible Options pursuant to the Nasdaq Stockholm Relief. The inclusion of options on the Indices as Eligible Options would not violate the principal that Eligible Broker-Dealers/Eligible Institutions are being provided with an investment opportunity that would not otherwise be available to them in the United States.

Autoliv, although a Delaware entity, is primarily a Swedish Company

Autoliv, a Delaware incorporated entity, was originally a Swedish company founded in 1953. Autoliv is the result of a merger in 1997 between Autoliv AB and Morton ASP, a U.S. company, which became the surviving legal entity. As mentioned above, its shares are listed on the NYSE and its SDRs are listed on Nasdaq Stockholm. Autoliv is headquartered in Stockholm and its current chairman is Swedish. Although due to the merger, Autoliv became a Delaware incorporated entity, its corporate identity, mind and management is Swedish.

The liquidity for the Autoliv shares is in Sweden not in the United States

⁹ Additionally, the Eligible Options that are the subject of this notification will not include single stock options on Norwegian companies listed on Oslo Børs or the OMX Oslo 20 index (“OMX020”) which is an index comprised of 20 shares listed on Oslo Børs.

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Despite being listed on the NYSE, interest in the Autoliv shares is predominantly Swedish. As of December 31, 2021, approximately 23% of Autoliv securities were held by U.S. based shareholders, whereas close to 60% were held by Sweden-based shareholders. Most of the remaining Autoliv securities were held in the UK, Switzerland, Norway, France and Germany. Additionally, Autoliv's five largest shareholders known to the company by December 31, 2021 were Sweden-based (Cevian Capital, Alecta, AMF, Swedbank Robur, Nordea).

The OMXS30 is Nasdaq Stockholm's leading share index and represents the Swedish economy; the OMXS30 ESG is an ESG responsible form of the OMXS30

The OMXS30 is Nasdaq Stockholm's leading Swedish share index. It consists of 30 of the most actively traded stocks on Nasdaq Stockholm. The limited number of constituents provides that all of the underlying shares of the OMXS30 have excellent liquidity. As of February 23, 2022, the index is comprised of issuers in predominantly the industrial sector (approximately 35.75%) followed by the financial sector (approximately 22.68%). The index also includes issuers in the Swedish technological, consumer goods, consumer services, telecommunications, health care and basic materials market sectors.

Additional information about the OMXS30 can be found at:

<https://indexes.nasdaqomx.com/Index/Overview/OMXS30>

The OMXS30 ESG is an environmental, social and governance ("ESG") responsible version of the OMXS30 which is derived from conducting systematic criteria-based ESG screening where securities that fail the criteria are excluded. As of February 23, 2022, the Index is comprised of issuers in predominantly the industrial sector (approximately 37.96%) followed by the financial sector (approximately 24.18%). The index also includes issuers in the Swedish technological, consumer goods, consumer services, telecommunications, health care and basic materials market sectors.

Additional information about the OMXS30 ESG can be found at:

<https://indexes.nasdaqomx.com/Index/Overview/OMXS30ESG>

The Autoliv Shares represent a de minimis portion of the Indices

As mentioned above, the OMXS30 is an index comprised of the shares (and in the case of Autoliv, SDRs) of 30 different issuers. All of the issuers in the OMXS30 are Swedish listed companies, although as stated above, Autoliv, a Swedish headquartered company which is predominantly a Swedish company despite being incorporated in Delaware is listed on the NYSE and is incorporated in the OMXS30 as SDRs. As of February 23, 2022, the Autoliv SDRs only comprise 0.87% of the OMXS30 as weighted by market capital. Since July 2018 to January 2022, the highest month-end percentage of the OMXS30 that Autoliv has comprised is 1.41%. As of June 29, 2018, Autoliv spun off a non-insignificant portion of the company

into a new company, Veoneer. Please let us know if you would like to review any historical data on the weighting of Autoliv SDRs in the OMXS30.

All of the issuers in the OMXS30 ESG are also Swedish listed companies, although as stated above, Autoliv, a Swedish headquartered company which is predominantly a Swedish company despite being incorporated in Delaware is listed on the NYSE and is incorporated in the OMXS30 ESG as SDRs. As of February 23, 2022, the Autoliv SDRs only comprise 0.93% of the OMXS30 ESG as weighted by market capital. Since July 2018 to January 2022, the highest month-end percentage of the OMXS30 ESG that Autoliv has comprised is 1.44%.

Autoliv is headquartered in Sweden and the liquidity of its shares is in Sweden. The Indices are therefore each an index on the Swedish economy despite the inclusion of Autoliv. Autoliv only became a Delaware incorporated company, following a merger of the originally Swedish entity with a U.S. entity in which the latter was the surviving legal entity.

The Indices are dynamic indices. During certain time periods if an index share of the OMXS 30 is not among the 45 most traded shares on Nasdaq Stockholm, it will be replaced by a non-index share with the highest traded volume on Nasdaq Stockholm during the period. If a share listed on Nasdaq Stockholm is not an index share and is among the fifteen most traded shares on Nasdaq Stockholm during a certain time period, that share will replace the index share with the lowest traded volume. Thus, Nasdaq Stockholm will not necessarily be able to control what weighting Autoliv will have at any given time. However, should the Division extend the Nasdaq Stockholm Relief to include the Indices, Nasdaq Stockholm represents that it will monitor Autoliv's composition in the Indices and notify the Division should the percentage exceed 5% for Autoliv, as discussed below in the section, "Restrictions on the Indices".

U.S. investors will not be able to purchase shares in the Indices as a way to circumvent buying shares in Autoliv or the underlying U.S. issuers of the Indices on the NYSE

As mentioned above, we understand there may be concerns about the appropriateness of granting relief to a Foreign Option Market and their members if the securities that comprise a foreign index are include securities that U.S. investors already have access to in the U.S. as such U.S. investors would lose the protections of the U.S. federal and state securities laws, the rules and regulations of the SEC and the U.S. courts if purchased outside of the United States. However, it would be highly unlikely that a U.S. investor would purchase options on either of the Indices to obtain exposure to Autoliv rather than buying Autoliv outright on the NYSE. If such U.S. investor wanted exposure to Autoliv, they would somehow need to short the remaining 29 Swedish shares in the same weightings, which as noted above are dynamic and can change over time, which would mean they would continuously have to rebalance their shorted positions. If a U.S. investor chose not to buy Autoliv on the NYSE but rather to purchase options on one of the Indices, it would most likely be to invest in an index having a broad exposure to the Swedish economy and not as a means to circumvent the U.S securities laws to invest in a single security.

Extending the Nasdaq Stockholm Relief to include Options on the Indices gives Eligible Broker-Dealers/Eligible Institutions access to new markets that they would otherwise not have exposure to in the United States

For the reasons discussed above, options on the OMXS30 provides an investment opportunity in a broad measure of the Swedish economy with the OMXS30 ESG being an ESG responsible version of such Index. The OMXS30 is Nasdaq Stockholm's leading Swedish share index. Extending the Nasdaq Stockholm Relief to include options on the OMXS30 and its ESG responsible version, the OMXS30 ESG, would enable Eligible Broker-Dealers/Eligible Institutions to have an investment opportunity not available to them in the U.S. The fact that Autoliv, a Swedish headquartered company, chose to merge with a U.S. entity in 1997, which for corporate reasons remained the surviving entity and therefore had a share listing on the NYSE, should not penalize Nasdaq Stockholm from being able to include options on the Indices as part of the Nasdaq Stockholm Relief.

RESTRICTIONS ON THE INDICES

Should the Division determine to include options on the Indices as part of Nasdaq Stockholm Relief as additional Eligible Options, Nasdaq Stockholm represents that it would only engage in the familiarization activities in respect of options on the Indices, provided that the market capitalization weight of the Autoliv SDRs remained equal to or less than 5% of the applicable Index and that the USD value of such 5% remain at or below 25 billion. Nasdaq Stockholm also represents that once the Autoliv percentage in the applicable Index exceeds 5% or the market capitalization of such U.S. issuers exceeds USD 25 billion, it will promptly send a letter to the Division stating that options on the applicable Index are no longer included as part of the Nasdaq Stockholm Relief and all familiarization activities that are part of the Nasdaq Stockholm Relief have been stopped with respect to options on the applicable Index.

If the Autoliv SDRs, exceed the threshold of 5% or USD value of 25 billion, Nasdaq Stockholm will without undue delay publish an exchange notice to its members and employees, stating that the 5% threshold or USD value of 25 billion has been exceeded and the Options on the applicable Index are no longer Eligible Options and that all members and employees are consequently no longer, effective immediately, to engage in "familiarization activities" in respect of such options.

Simultaneously with the above, Nasdaq Stockholm will amend the list of "Eligible Options" on their website, by removing the options on the applicable Index from the list.

ADDITIONAL REPRESENTATIONS

To have the Nasdaq Stockholm Relief extended to include the Indices as Eligible Options, Nasdaq Stockholm makes the following Additional Representations to the Division:

- Nasdaq Stockholm represents it has rules and procedures in place to monitor the Autoliv SDRs in the Indices and will without delay inform the Division if the market capitalization percentage of the Autoliv SDRs in an Index exceeds 5% (“5% Restriction”) or the USD value of such market capitalization exceeds 25 billion (“USD Value Restriction”), by sending a letter (both by e-mail and certified copy) to the Division that options on the Index are no longer included as part of the Nasdaq Stockholm Relief as an Eligible Option and has instructed its members and employees to immediately cease all familiarization activities with respect to options on that Index with U.S. persons, including any Eligible Broker-Dealers/Eligible Institutions as options on such Index are no longer part of the Nasdaq Stockholm Relief as an Eligible Option and may not be sold to U.S. persons;
- Nasdaq Stockholm represents it will without delay update any marketing materials relating to options on an Index that has exceeded either the 5% Restriction or USD Value Restriction to make clear that options on such Index are no longer part of the Nasdaq Stockholm Relief as an Eligible Option and that any marketing material relating to options on such Index may not be forwarded to any U.S. person including Eligible Broker-Dealers/Eligible Institutions;
- Nasdaq Stockholm represents it has rules and procedures in place requiring it to publish a notice to its members and employees when an Index has exceeded the 5% Restriction or USD Value Restriction informing its members and employees that they must immediately cease all familiarization activities regarding options on such Index with U.S. persons, including any Eligible Broker-Dealers/Eligible Institutions, because options on such Index are no longer part of the Nasdaq Stockholm Relief as an Eligible Option and may not be sold to U.S. persons;
- Nasdaq Stockholm represents it has informed its members and employees that if at a future date they receive a notification from Nasdaq Stockholm that an Index has exceeded the 5% Restriction or USD Value Restriction they must immediately cease all familiarization activities regarding options on such Index because they are no longer part of the Nasdaq Stockholm Relief as an Eligible Option and may not be sold to U.S. persons;
- Nasdaq Stockholm represents that Nasdaq Clearing does not have any U.S. person clearing members (*i.e.*, direct members) that clear Eligible Options or any other product listed on Nasdaq Stockholm that would fall within the definition of a “security” under the U.S. federal securities laws and will only do so in the future in a manner consistent with U.S. federal securities laws or written relief it obtains from the Commission or its staff, as applicable;
- Nasdaq Stockholm represents that Nasdaq Clearing does not clear any Eligible Options or any other product listed on Nasdaq Stockholm that would fall within the definition of a “security” under the U.S. federal securities laws for or on the account of any U.S.

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person and will only do so in the future in a manner consistent with U.S. federal securities laws or written relief it obtains from the Commission or its staff, as applicable;

- Nasdaq Stockholm represents that no U.S. person can be an exchange member of Nasdaq Stockholm nor can any exchange member or trader on Nasdaq Stockholm trade directly for or on the account of any U.S. person;
- Nasdaq Stockholm represents that Nasdaq Clearing's rules prohibit submission for clearing by or for the account of a U.S. person or a person located in the United States, unless permitted under applicable U.S. federal law and the regulations promulgated thereunder; and
- Nasdaq Stockholm represents that its rules prohibit any transaction from being entered on Nasdaq Stockholm by or for the account of a U.S. person or a person located in the United States, unless permitted under applicable U.S. federal law and the regulations promulgated thereunder.

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We would be pleased to answer any questions that you or the Division might have with regards to the request to extend the Nasdaq Stockholm Relief to include options on the OMXS30 and OMXS30 ESG, as "Eligible Options". Please do not hesitate to contact me at + 44 207 776 7625 or at carolyn.jackson@katten.co.uk.

Sincerely,

Carolyn H. Jackson

cc. Mr. Richard Holley III, Assistant Director - U.S. Securities and Exchange Commission