

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-55049; File No. SR-OPRA-2006-02)

January 5, 2007

Options Price Reporting Authority; Order Approving an Amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information to Provide that Classes of Foreign Currency Options Newly Introduced for Trading by Any of the Parties to the Plan Be Treated under the Provision “Special Temporary Provision for Newly Traded FCO Securities” During a Temporary Period Ending on December 31, 2007

On November 17, 2006, the Options Price Reporting Authority (“OPRA”) submitted to the Securities and Exchange Commission (“Commission”), pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (“OPRA Plan”).<sup>3</sup> The proposed OPRA Plan amendment would provide that classes of Foreign Currency Options (“FCO Securities” or “FCOs”), newly introduced for trading in the securities markets maintained by any of the parties to the OPRA Plan, will be treated by OPRA under the provision “Special Temporary Provision for Newly Traded FCO Securities” during a temporary period ending no later than December 31, 2007. Notice of the proposal was published in the Federal

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

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The OPRA Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Act and Rule 608 thereunder (formerly Rule 11Aa3-2). See Securities Exchange Act Release No. 17638 (March 18, 1981), 22 S.E.C. Docket 484 (March 31, 1981). The full text of the OPRA Plan is available at <http://www.opradata.com>.

The OPRA Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the participant exchanges. The six participants to the OPRA Plan are the American Stock Exchange LLC, the Boston Stock Exchange, Inc., the Chicago Board Options Exchange, Incorporated, the International Securities Exchange, LLC (“ISE”), the NYSE Arca, Inc., and the Philadelphia Stock Exchange, Inc. (“Phlx”).

Register on December 11, 2006.<sup>4</sup> The Commission received no comment letters on the proposed OPRA Plan amendment. This order approves the proposal.

Under the terms of the OPRA Plan, subject to the exception described in Section VIII (c)(iii), FCOs traded on any of the exchanges that are parties to the Plan are ordinarily assigned to a separate “FCO service” rather than OPRA’s “basic service” to which equity and index options are assigned. As a result, subject to the exception described below, separate fees and charges are imposed for access to the FCO service, and all revenues and expenses pertaining to the FCO service are allocated to a separate “FCO Accounting Center” established under Section VIII(c) of the OPRA Plan.

To date, FCOs have been traded only on the Phlx. In late 2005, at the request of the Phlx and with the Commission’s approval, OPRA amended Section VIII(c) of the ORPA Plan by adding a new subparagraph (iii) thereto, which provides that during a temporary period ending on December 31, 2007, new classes of FCO Securities introduced for trading on the Phlx (such classes are defined as “New FCO Securities”) will be included in OPRA’s basic service and not in its FCO service.<sup>5</sup> The effect of the amendment is to treat New FCO Securities as if they were equity options and not FCO Securities, with the result that during the period when subparagraph (c)(iii) of Section VIII is in effect, access to market information pertaining to New FCO Securities is not subject to the separate fees and charges that apply to OPRA’s FCO service, and revenues and expenses pertaining to market information pertaining to New FCO Securities are not allocated to OPRA’s FCO accounting center but instead are allocated to its basic accounting center.

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<sup>4</sup> See Securities Exchange Act Release No. 54870 (December 5, 2006), 71 FR 71597.

<sup>5</sup> See Securities Exchange Act Release No. 52901 (December 6, 2005), 70 FR 74061 (December 14, 2005) (SR-OPRA-2005-03).

The ISE recently advised OPRA that it intends to commence trading in certain classes of FCOs and that none of the FCOs it intends to trade will be fungible with classes of FCOs traded on the Phlx. Since by its terms Section VIII(c)(iii) of the OPRA Plan currently applies to new classes of FCOs that are listed on the Phlx, in response to the ISE's request, OPRA proposes to amend that section to make it apply to all classes of FCOs newly listed by any exchange that is a party to the OPRA Plan while that section remains in effect. This will assure that all classes of newly listed FCOs will be treated the same by being included in OPRA's basic service, rather than in its FCO service regardless of the exchange on which those classes are traded.

After careful review, the Commission finds that the proposed OPRA Plan amendment is consistent with the requirements of the Act and the rules and regulations thereunder.<sup>6</sup> The Commission finds that the proposed OPRA Plan amendment is consistent with Section 11A of the Act<sup>7</sup> and Rule 608 thereunder<sup>8</sup> in that it is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system. Specifically, the Commission finds that it is appropriate generally and consistent with OPRA's prior filing<sup>9</sup> to amend the language of the OPRA Plan to temporarily accommodate any of the parties to the OPRA Plan that are maintaining classes of FCO Securities newly introduced for trading in the securities markets and to treat such new FCO Securities under the provision "Special Temporary Provision for Newly Traded FCO Securities" during a temporary period ending no later than December 31, 2007.

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<sup>6</sup> In approving this proposed OPRA Plan Amendment, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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

<sup>8</sup> 17 CFR 242.608.

<sup>9</sup> See supra note 5.

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act,<sup>10</sup> and Rule 608 thereunder,<sup>11</sup> that the proposed OPRA Plan amendment (SR-OPRA-2006-02) be, and it hereby is, approved on a temporary basis, until December 31, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>10</sup> 15 U.S.C. 78k-1.

<sup>11</sup> 17 CFR 242.608.

<sup>12</sup> 17 CFR 200.30-3(a)(29).