

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-61368; File No. SR-ISE-2009-87)

January 15, 2010

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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its rules regarding Foreign Currency Options (“FX Options”) 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.<sup>3</sup> 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.<sup>4</sup> 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

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 61024 (November 18, 2009), 74 FR 61395 (November 24, 2009).

<sup>4</sup> ISE began trading FX options on April 17, 2007. See Securities Exchange Act Release No. 55575 (April 3, 2007), 72 FR 17963 (April 10, 2007) (SR-ISE-2006-59) (the “FX Options Order”).

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.<sup>5</sup> Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,<sup>6</sup> 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.

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<sup>5</sup> 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).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> 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.<sup>8</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> 17 CFR 200.30-3(a)(12).