

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52900; File No. SR-OPRA-2005-04]

Options Price Reporting Authority; Order Approving an Amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (“OPRA Plan”) to Amend Guideline No. 1 of the Best Bid and Offer Guidelines Adopted Pursuant to the OPRA Plan

December 6, 2005.

On October 31, 2005, 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”)¹ and Rule 608 thereunder,² an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (“OPRA Plan”).³ The proposed amendment would amend Guideline No. 1 of the Best Bid and Offer Guidelines (“BBO Guidelines”) previously adopted by OPRA under section II (o) of the OPRA Plan and make a minor editorial correction to the introductory paragraph of the BBO Guidelines. Notice of the proposal was published in the **Federal Register** on November 7, 2005.⁴ The Commission received no comment letters on the proposed OPRA Plan amendment. This order approves the proposal.

The purpose of the proposed amendment is to amend Guideline No.

1 of OPRA’s BBO Guidelines to reduce from five cents to one cent the minimum price differential by which a bid or offer must improve a current quote in order to displace the current quote in the consolidated BBO. In addition, the proposed amendment will revise the introductory paragraph of the BBO Guidelines to correctly refer to the section of the OPRA Plan where the definition of “BBO” is set forth.

Under the current rules of the exchanges that are parties to the OPRA Plan, the minimum quoting increment for options is five cents (ten cents for options quoted at \$3 or higher), and no exchange currently quotes options in penny increments. In the absence of this amendment, if penny quoting were to be introduced on one or more exchange and if an exchange were to improve the current best quote on another exchange by less than five cents, the original quote and not the improved quote would continue to be disseminated over OPRA’s BBO service as the “best” even though a better quote would in fact be available. This amendment would assure that, in the event penny quoting is introduced in the options markets, OPRA’s BBO service would disseminate the actual best-priced bids and offers at any given point in time.

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.⁵ The Commission finds that the proposed OPRA Plan amendment is consistent with section 11A of the Act⁶ and Rule 608 thereunder⁷ 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 mechanism of, a national market system. Specifically, the Commission finds that it is reasonable and appropriate to amend the BBO Guidelines at this time to ensure that, should the options exchanges receive Commission approval to quote options in penny increments, OPRA would be able to disseminate the actual best-priced bids and offers through its BBO service.

It is therefore ordered, pursuant to section 11A of the Act,⁸ and Rule 608 thereunder,⁹ that the proposed OPRA

Plan amendment (SR-OPRA-2005-04) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

[FR Doc. E5-7304 Filed 12-13-05; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52904; File No. SR-Amex-2005-092]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change and Amendment No. 1 Thereto Relating to the Trading Privileges of the iShares S&P Global 100 Fund

December 7, 2005.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 13, 2005, the American Stock Exchange LLC (“Amex” or the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. On November 22, 2005, Amex filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons and approving the proposal on an accelerated basis.

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

The Amex proposes to trade shares (the “Fund Shares” or “Shares”) of the iShares S&P Global 100 Fund (ticker symbol: IOO) (the “Global 100 Fund” or “Fund”) pursuant to unlisted trading privileges (“UTP”).

The text of the proposed rule change is available on the Exchange’s Web site at (<http://www.amex.com>) at the principal office of the Exchange, and at

¹⁰ 17 CFR 200.30-3(a)(29).

¹ 15 U.S.C. 78k-1.

² 17 CFR 242.608.

³ 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, Inc., the Pacific Exchange, Inc., and the Philadelphia Stock Exchange, Inc.

⁴ See Securities Exchange Act Release No. 52714 (November 1, 2005), 70 FR 67501.

⁵ 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).

⁶ 15 U.S.C. 78k-1.

⁷ 17 CFR 242.608.

⁸ 15 U.S.C. 78k-1.

⁹ 17 CFR 242.608.

¹⁰ 17 CFR 200.30-3(a)(29).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, the Exchange clarified and supplemented certain aspects of its proposal. Amendment No. 1 supplements the information provided in various sections, as indicated, of the Exchange’s Form 19b-4.

the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Amex 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 III below. The Amex has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to list and trade Fund Shares which are Index Fund Shares under Amex Rule 1000A *et seq.*, pursuant to UTP. The Commission previously approved the original listing and trading of the Fund Shares on the New York Stock Exchange, Inc. ("NYSE").⁴ The Fund is a separate series of the iShares Trust (the "Trust"). Standard & Poor's Corporation, a division of The McGraw-Hill Companies, Inc. ("S&P"), calculates and maintains the S&P Global 100 Index (the "Index" or "Underlying Index") in cooperation with the NYSE. The Underlying Index is governed and maintained by S&P through an Index Committee drawn from professionals at S&P. Additional information about the Fund is also available at <http://www.ishares.com>.

The investment objective of the Fund is to provide investment results that correspond generally to the performance of the Underlying Index. The Underlying Index seeks results that correspond generally to the price and yield performance, before fees and expenses, of 100 multinational, blue chip companies of major importance in the global equity markets as defined by the Index. The Index includes 100 large-cap companies drawn from the S&P 1200 Index, whose businesses are global in nature and derive a substantial portion of their operating income, assets and employees from multiple countries.⁵ The Index description,

including any changes thereto, may be found on the S&P Global Web site at <http://www.spglobal.com>.

(a) Dissemination of Information About the Fund Shares

Quotations for and last sale information regarding the Fund is disseminated through the Consolidated Tape Association ("CTA"). The net asset value ("NAV") of the Fund is calculated each business day, normally at the close of regular trading of the NYSE, and is published in a number of places, including <http://www.iShares.com> and through the facilities of CTA. According to the Funds' prospectus, Investors Bank & Trust Company, the administrator, custodian and transfer agent for the Fund, determines the NAV for the Funds as of the close of regular trading on the NYSE (ordinarily 4 p.m., Eastern time) on each day that the NYSE is open for trading.⁶ The Funds and the index calculation methodology for the Index is both described in more detail in the NYSE Order.

In order to provide updated information relating to the Funds for use by investors, professionals, and persons wishing to create or redeem Fund Shares in creation unit aggregation ("Creation Units"), the NYSE disseminates, through the facilities of CTA, the indicative optimized portfolio value ("IOPV"), calculated by Bloomberg, L.P., every fifteen (15) seconds during the trading hours for the Shares of 9:30 a.m. to 4:15 p.m. ET.

As described in the Funds' prospectus, dividends are accrued daily from net investment income and will be declared and paid to beneficial owners of record at least annually by the Funds. The process for payment of dividends and other distributions is described in more detail in the Funds' Prospectus and in the NYSE Order.

(b) Trading Rules

The Exchange deems the Fund Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The trading hours for the Funds on the Exchange will be 9:30 a.m. to 4:15 p.m. Eastern Time ("ET"). Shares trade with a minimum price variation of \$0.01.

Amex Rule 190 generally precludes certain business relationships between

an issuer and the specialist in the issuer's securities. Exceptions in the rule permit specialists in Fund Shares to enter into Creation Unit transactions to facilitate the maintenance of a fair and orderly market. Commentary .04 to Amex Rule 190 specifically applies to Index Fund Shares listed on the Exchange, including the Shares. Commentary .04 states that nothing in Amex Rule 190(a) should be construed to restrict a specialist registered in a security issued by an investment company from purchasing and redeeming the listed security, or securities that can be subdivided or converted into the listed security, from the issuer as appropriate to facilitate the maintenance of a fair and orderly market.

Amex Rule 154, Commentary .04(c) provides that stop and stop limit orders to buy or sell a security (other than an option, which is covered by Rule 950(f) and Commentary thereto) the price of which is derivatively priced based upon another security or index of securities, may with the prior approval of a Floor Official, be elected by a quotation, as set forth in Commentary .04(c)(i-v). The Exchange has designated Index Fund Shares, including the Funds Shares, as eligible for this treatment.

The rules of the Exchange require its members to deliver a prospectus or product description to investors purchasing Shares of the Fund prior to or concurrently with the confirmation of a transaction in such Shares. The Exchange notes, however, that although Exchange Rule 1000A provides for delivery of written descriptions to customers of Funds that have received an exemption from section 24(d) of the Investment Company Act of 1940 and the Trust has received such an exemption, there is at this time no written description available for these Funds. The Exchange will advise its members and member organizations that delivery of a prospectus in lieu of a written description would satisfy the requirements of Rule 1000A.

The Amex will cease trading in the Fund Shares if (a) the primary market stops trading the Fund Shares because of a regulatory halt akin to a halt based on Amex Rule 117 and/or a halt because dissemination of the indicative optimized portfolio value ("IOPV") and/or underlying index value has ceased or (b) the primary market delists the Fund Shares.

(c) Surveillance

The Exchange notes that the Underlying Index is broad-based and has components with significant market

⁴ See Securities Exchange Act Release No. 43658 (December 1, 2000), 65 FR 77408 (December 11, 2000) (SR-NYSE-00-53) ("NYSE Order"). The Fund commenced trading on the NYSE on December 8, 2000.

⁵ A global company is defined as a corporation that has production facilities and/or other fixed

assets in at least one nation other than its home country and makes its major management decisions in a global context. The degree to which sales are executed outside the home country is a factor in determining a company's global reach.

⁶ The Web site for the Trust, <http://www.iShares.com>, makes available a variety of other relevant information about the Shares.

capitalizations and liquidity.⁷ Nevertheless, the Exchange represents that its surveillance procedures are adequate to properly monitor the trading of the Shares. Specifically, the Amex will rely on its existing surveillance procedures governing Index Fund Shares, which have been deemed adequate under the Act.

(d) Information Circular

In connection with the trading of the Shares, the Amex will inform its members in an Information Circular of the special characteristics and risks associated with trading of the Shares, such as, a description of the Fund and associated Shares, how the Fund Shares are created and redeemed in Creation Units (e.g., that Fund Shares are not individually redeemable), foreign currency risks, foreign securities characteristics, applicable foreign country laws and restrictions, applicable Exchange rules, dissemination information, trading information, the applicability of suitability rules and a discussion of any relief provided by the Commission or the staff from any rules under the Act. Additionally, in the Information Circular, the Exchange will advise its members to deliver a prospectus to investors purchasing Shares of the Fund prior to or concurrently with the confirmation of a transaction in such Shares. The Information Circular will also discuss the information that will be publicly available about the Shares.

The Information Circular will also remind members of their suitability obligations, including Amex Rule 411, which impose a duty of the due diligence on its members and member firms to learn the essential facts relating to every customer prior to trading the Shares.⁸

2. Statutory Basis

The proposed rule change, as amended, is consistent with section 6(b) of the Act⁹ in general and furthers the objectives of section 6(b)(5)¹⁰ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with

persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transaction in securities, and, in general to protect investors and the public interest. In addition, the Exchange believes that the proposal is consistent with Rule 12f-5 under the Act¹¹ because it deems the Fund Shares to be equity securities, thus rendering the Shares subject to the Exchange's existing rules governing the trading of equity securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that the proposed rule change, as amended, will impose no burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-Amex-2005-092 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File Number SR-Amex-2005-092. 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 Room. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. 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 publicly available. All submissions should refer to File Number SR-Amex-2005-092 and should be submitted on or before January 4, 2006.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹² In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act,¹³ which requires that an exchange have rules designed, among other things, 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.

In addition, the Commission finds that the proposal is consistent with section 12(f) of the Act,¹⁴ which permits an exchange to trade, pursuant to UTP, a security that is listed and registered on another exchange.¹⁵ The Commission notes that it previously approved the listing and trading of the Shares on the NYSE.¹⁶ The Commission also finds that the proposal is consistent with Rule

¹² In approving this rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ 15 U.S.C. 78l(f).

¹⁵ Section 12(a) of the Act, 15 U.S.C. 78l(a), generally prohibits a broker-dealer from trading a security on a national securities exchange unless the security is registered on that exchange pursuant to section 12 of the Act. Section 12(f) of the Act excludes from this restriction trading in any security to which an exchange "extends UTP." When an exchange extends UTP to a security, it allows its members to trade the security as if it were listed and registered on the exchange even though it is not so listed and registered.

¹⁶ See NYSE Order, *supra* note 4.

⁷ Telephone conversation between Florence Harmon, Senior Special Counsel, Division of Market Regulation, Commission, and Jeffrey Burns, Associate General Counsel, Amex, on December 6, 2005.

⁸ Telephone conversation between Florence Harmon, Senior Special Counsel, Division of Market Regulation, Commission, and Jeffrey Burns, Associate General Counsel, Amex, on December 6, 2005.

⁹ 15 U.S.C. 78s(b).

¹⁰ 15 U.S.C. 78s(b)(5).

¹¹ 17 CFR 240.12f-5.

12f-5 under the Act,¹⁷ which provides that an exchange shall not extend UTP to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends UTP. Amex rules deem the Shares to be equity securities, thus trading in the Shares will be subject to the Exchange's existing rules governing the trading of equity securities.¹⁸

The Commission further believes that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,¹⁹ which sets forth Congress's finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotations for and last sale information regarding the Shares are disseminated through the Consolidated Quotation System. Furthermore, the NYSE disseminates through the facilities of CTA an updated IOPV for the Shares at least every 15 seconds from 9:30 a.m. to 4:15 p.m. E.T.

The Exchange will cease trading in the Shares if (a) the primary market stops trading the Shares because of a regulatory halt similar to a halt based on Amex Rule 117 and/or a halt because dissemination of the IOPV and/or underlying index value has ceased or (b) the primary market delists the Shares.

In support of this proposed rule change, the Exchange has made the following representations:

1. Amex has appropriate rules to facilitate transactions in this type of security.
2. Amex surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange.
3. Amex will distribute an Information Circular to its members prior to the commencement of trading of the Shares on the Exchange that explains the terms, characteristics, and risks of trading such shares.
4. Amex will require a member with a customer that purchases the Shares on the Exchange to provide that customer with a product prospectus and will note this prospectus delivery requirement in the Information Circular.

5. Amex will cease trading in the Shares if (a) the primary market stops trading the Shares because of a regulatory halt similar to a halt based on Amex Rule 117 and/or a halt because dissemination of the IOPV and/or underlying index value has ceased or (b) the primary market delists the Shares.

This approval order is conditioned on Amex's adherence to these representations.

The Commission finds good cause for approving this proposed rule change, as amended, before the thirtieth day after the publication of notice thereof in the **Federal Register**. As noted previously, the Commission previously found that the listing and trading of these Shares on the NYSE is consistent with the Act.²⁰ The Commission presently is not aware of any issue that would cause it to revisit that earlier finding or preclude the trading of these funds on the Exchange pursuant to UTP. Therefore, accelerating approval of this proposed rule change should benefit investors by creating, without undue delay, additional competition in the market for these Shares.

V. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (SR-Amex-2005-092), is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²¹

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52925; File No. SR-Amex-2005-126]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt an Options Licensing Fee for Options on Certain PowerShares Exchange-Traded Funds

December 8, 2005.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 5, 2005, the American Stock Exchange

LLC ("Amex" or "Exchange") 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 by the Exchange. Amex has designated this proposal as one establishing or changing a due, fee, or other charge imposed by a self-regulatory organization pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal 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

Amex proposes to modify its Options Fee Schedule by adopting a per-contract license fee for the orders of specialists, registered options traders, firms, non-member market makers, and broker-dealers (collectively, "Market Participants") in connection with options transactions in two (2) new PowerShares exchange-traded funds ("ETFs").

The text of the proposed rule change is available on the Exchange's Internet Web site (<http://www.amex.com>), at the Exchange's principal office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange has entered into numerous agreements with various index providers for the purpose of trading options on certain ETFs. As a result, the Exchange is required to pay index license fees to third parties as a condition to the listing and trading of

¹⁷ 17 CFR 240.12f-5.

¹⁸ The Commission notes that Commentary .04 to existing Amex Rule 190 will permit a specialist in the Shares to create or redeem creation units of these funds to facilitate the maintenance of a fair and orderly market. The Commission previously has found Commentary .04 to Amex Rule 190 to be consistent with the Act. See Securities Exchange Act Release No. 36947 (March 8, 1996), 61 FR 10606, 10612 (March 14, 1996) (SR-Amex-95-43).

¹⁹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²⁰ See NYSE Order, *supra* note 4.

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).