

temporary registration as a clearing agency through June 30, 2010.¹

On February 2, 1987, pursuant to Sections 17A(b) and 19(a) of the Securities Exchange Act of 1934 ("Act")² and Rule 17Ab2-1 promulgated thereunder,³ the Commission granted the MBS Clearing Corporation ("MBSCC") registration as a clearing agency on a temporary basis for a period of eighteen months.⁴ The Commission subsequently extended MBSCC's registration through June 30, 2003.⁵

On May 24, 1988, pursuant to Sections 17A(b) and 19(a) of the Act⁶ and Rule 17Ab2-1 promulgated thereunder,⁷ the Commission granted the Government Securities Clearing Corporation ("GSCC") registration as a clearing agency on a temporary basis for a period of three years.⁸ The Commission subsequently extended GSCC's registration through June 30, 2003.⁹

On January 1, 2003, MBSCC was merged into GSCC, and GSCC was renamed FICC.¹⁰ The Commission subsequently extended FICC's temporary registration through June 30, 2009.¹¹

¹ FICC is the successor to MBS Clearing Corporation and Government Securities Clearing Corporation.

² 15 U.S.C. 78q-1(b) and 78s(a).

³ 17 CFR 240.17Ab2-1.

⁴ Securities Exchange Act Release No. 24046 (February 2, 1987), 52 FR 4218.

⁵ Securities Exchange Act Release Nos. 25957 (August 2, 1988), 53 FR 29537; 27079 (July 31, 1989), 54 FR 34212; 28492 (September 28, 1990), 55 FR 41148; 29751 (September 27, 1991), 56 FR 50602; 31750 (January 21, 1993), 58 FR 6424; 33348 (December 15, 1993), 58 FR 68183; 35132 (December 21, 1994), 59 FR 67743; 37372 (June 26, 1996), 61 FR 35281; 38784 (June 27, 1997), 62 FR 36587; 39776 (March 20, 1998), 63 FR 14740; 41211 (March 24, 1999), 64 FR 15854; 42568 (March 23, 2000), 65 FR 16980; 44089 (March 21, 2001), 66 FR 16961; 44831 (September 21, 2001), 66 FR 49728; 45607 (March 20, 2002), 67 FR 14755; 46136 (June 27, 2002), 67 FR 44655.

⁶ *Supra* note 2.

⁷ *Supra* note 3.

⁸ Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19839.

⁹ Securities Exchange Act Release Nos. 25740 (May 24, 1988), 53 FR 19639; 29236 (May 24, 1991), 56 FR 24852; 32385 (June 3, 1993), 58 FR 32405; 35787 (May 31, 1995), 60 FR 30324; 36508 (November 27, 1995), 60 FR 61719; 37983 (November 25, 1996), 61 FR 64183; 38698 (May 30, 1997), 62 FR 30911; 39696 (February 24, 1998), 63 FR 10253; 41104 (February 24, 1999), 64 FR 10510; 41805 (August 27, 1999), 64 FR 48682; 42335 (January 12, 2000), 65 FR 3509; 43089 (July 28, 2000), 65 FR 48032; 43900 (January 29, 2001), 66 FR 8988; 44553 (July 13, 2001), 66 FR 37714; 45164 (December 18, 2001), 66 FR 66957; 46135 (June 27, 2002), 67 FR 44655.

¹⁰ Securities Exchange Act Release No. 47015 (December 17, 2002), 67 FR 78531 (December 24, 2002) [File Nos. SR-GSCC-2002-07 and SR-MBSCC-2002-01].

¹¹ Securities Exchange Act Release Nos. 48116 (July 1, 2003), 68 FR 41031; 49940 (June 29, 2004),

On May 7, 2009, FICC requested that the Commission grant FICC permanent registration as a clearing agency or in the alternative extend FICC's temporary registration until such time as the Commission is prepared to grant FICC permanent registration.¹²

In April 2006, FICC announced its plan to have its Mortgage-Backed Securities Division ("MBS Division") act as a central counterparty ("CCP").¹³ As such, FICC would act as the CCP for MBS Division members and would become the new legal counterparty to all original parties for eligible mortgage-backed securities transactions. Currently, FICC acts as the CCP for its Government Securities Division members' eligible U.S. Government securities transactions but does not act as the CCP for its MBS Division members' eligible mortgage-backed securities transactions.

Pursuant to this Notice and Order, the Commission is extending FICC's temporary registration as a clearing agency in order that FICC may continue to operate as a registered clearing agency and may continue to provide uninterrupted clearing and settlement services its users. The Commission will consider permanent registration of FICC at a future date after the Commission and FICC have had the opportunity to evaluate how FICC is functioning with its MBS Division acting as a CCP, assuming the MBS Division CCP service is implemented.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. 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 600-23 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number 600-23. This file number

69 FR 40695; 51911 (June 23, 2005), 70 FR 37878; 54056 (June 28, 2006), 71 FR 38193; 55920 (June 18, 2007), 72 FR 35270; and 57949 (June 11, 2008), 73 FR 34808.

¹² Letter from Nikki Poulos, Managing Director and General Counsel, FICC (May 7, 2009).

¹³ FICC White Paper: "A Central Counterparty For Mortgage-Backed Securities: Paving The Way" at <http://www.dtc.com/downloads/leadership/whitepapers/ccp.pdf>.

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 Section, 100 F Street, NE., Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FICC and on FICC's Web site at <http://www.ficc.com>. 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 600-23 and should be submitted on or before July 28, 2009.

It is therefore ordered that FICC's temporary registration as a clearing agency (File No. 600-23) be and hereby is extended through June 30, 2010.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Elizabeth M. Murphy,
Secretary.

[FR Doc. E9-15902 Filed 7-6-09; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, July 9, 2009 at 1 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

¹⁴ 17 CFR 200.30-3(a)(16).

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), (8), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Casey, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.

The subject matter of the Closed Meeting scheduled for Thursday, July 9, 2009 will be:

institution and settlement of injunctive actions; institution and settlement of administrative proceedings; adjudicatory matters; regulatory matter regarding financial institutions; and other matters related to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 551-5400.

Dated: July 2, 2009.

Elizabeth M. Murphy,
Secretary.

[FR Doc. E9-16035 Filed 7-2-09; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-60194; International Series Release No. 1311]

Order Under Section 36 of the Securities Exchange Act of 1934 Granting an Exemption From Exchange Act Section 6(h)(1) for Certain Persons Effecting Transactions in Foreign Security Futures and Under Exchange Act Section 15(a)(2) and Section 36 Granting Exemptions From Exchange Act Section 15(a)(1) and Certain Other Requirements

June 30, 2009.

I. Introduction and Background

The Commodity Futures Modernization Act of 2000 ("CFMA")¹ authorized the trading of futures on individual stocks and narrow-based stock indexes, *i.e.*, security futures.² The CFMA defined security futures

products³ as "securities" under the Exchange Act,⁴ the Securities Act of 1933 ("Securities Act"),⁵ the Investment Company Act of 1940,⁶ and the Investment Advisers Act of 1940,⁷ and as contracts of sale for future delivery under the CEA.⁸ Accordingly, the regulatory framework established by the CFMA provides the Securities and Exchange Commission ("Commission") and the Commodity Futures Trading Commission ("CFTC") with joint jurisdiction over security futures products. Futures on broad-based security indexes (security indexes that are not narrow-based), and options on such futures, remain under the exclusive jurisdiction of the CFTC. To distinguish between futures on narrow-based security indexes and futures on broad-based security indexes, the CFMA also amended the CEA and the Exchange Act to add an objective definition of a narrow-based security index.⁹ This definition applies both to security indexes that underlie futures contracts listed and traded in the United States and those that underlie futures contracts traded on or subject to the rules of a foreign board of trade.¹⁰

The CFMA also added Section 6(h)(1) to the Exchange Act,¹¹ which makes it unlawful for any person to effect transactions in security futures products that are not listed on a national securities exchange or a national securities association registered pursuant to Section 15A(a) of the Exchange Act.¹² Because of this

prohibition, U.S. persons are currently unable to enter into contracts for narrow-based index or single stock futures traded on or subject to the rules of a foreign board of trade.

The Food, Conservation and Energy Act of 2008 requires the Commission, the CFTC, or both, as appropriate, to take action under their existing authorities to permit, by June 30, 2009, the trading of futures on certain security indexes by resolving issues related to foreign security indexes.¹³ The exemption the Commission is issuing today fulfills this statutory directive on the part of the Commission.

The Commission understands that institutional investors could use futures on foreign securities and foreign security indexes for, among other things, risk management and asset allocation. In particular, in connection with the Commission's rulemaking in 2001 relating to the definition of narrow-based security index and exclusions from that definition,¹⁴ commenters expressed strong views that U.S. investors, particularly institutional investors, need to be able to trade in futures on foreign security indexes for risk management, asset allocation, and other purposes, and would suffer substantial adverse impact and competitive disadvantage with respect to non-U.S. investors if they could not trade such products.¹⁵

of the Exchange Act. See Section 6(h)(3)(A) of the Exchange Act, 15 U.S.C. 78f(h)(3)(A), and Section 2(a)(1)(D)(i)(I) of the CEA, 7 U.S.C. 2(a)(1)(D)(i)(I). Accordingly, if the securities that compose foreign security indexes listed on or subject to the rules of a foreign board of trade are not registered under Section 12 of the Exchange Act, absent relief, a national securities exchange or national securities association would not be able to list and trade a security future based on such an index. The Exchange Act and CEA also require that securities underlying security futures be equity securities. Section 6(h)(3)(D) of the Exchange Act, 15 U.S.C. 78f(h)(3)(D), and Section 2(a)(1)(D)(i)(III) of the CEA, 7 U.S.C. 2(a)(1)(D)(i)(III). The Commission and the CFTC have exercised their authority pursuant to Sections 1a(25)(B)(vi) and 2(a)(1)(D) of the CEA and Sections 3(a)(55)(C)(vi), 3(b), 6(h), 23(a), and 36 of the Exchange Act, to adopt rules to allow security futures on debt securities and debt securities indexes under certain conditions. 7 U.S.C. 1a(25)(B)(vi) and 2(a)(1)(D) and 15 U.S.C. 78c(a)(55)(C)(vi), 78c(b), 78f(h), 78w(a), and 78mm. See Securities Exchange Act Release No. 54106 (July 6, 2006), 71 FR 39534 (July 13, 2006).

¹³ Public Law 110-246, Sec. 13, 106, 122 Stat. 1651, 2197 (2008), *reprinted in* Notes to 7 U.S.C.A. Sec. 2.

¹⁴ See Securities Exchange Act Release Nos. 44288 (May 9, 2001), 66 FR 27560 (May 17, 2001), and 44724, *supra* note 9.

¹⁵ See *e.g.*, Comment Letters from Barclay's Global Investors, N.A., dated July 17, 2001; Futures Industry Association, dated July 18, 2001; General Motors Investment Management Corporation, dated June 11, 2001; The Goldman Sachs Group and its subsidiaries, dated July 18, 2001; and The Montreal Exchange, dated June 14, 2001 (cited in Securities Exchange Act Release No. 44724, *supra* note 9).

¹ Public Law 106-554, 114 Stat. 2763 (2000).

² A security future is defined in Section 3(a)(55)(A) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. 78c(a)(55)(A), and Section 1a(31) of the Commodity Exchange Act ("CEA"), 7 U.S.C. 1a(31).

³ A security futures product is defined as a security future or any put, call, straddle, option, or privilege on any security future. See Section 3(a)(56) of the Exchange Act, 15 U.S.C. 78c(a)(56), and Section 1a(32) of the CEA, 7 U.S.C. 1a(32).

⁴ Section 3(a)(10) of the Exchange Act, 15 U.S.C. 78c(a)(10).

⁵ Section 2(a)(1) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. 77b(a)(1).

⁶ Section 2(a)(36) of the Investment Company Act of 1940, 15 U.S.C. 80a-2(a)(36).

⁷ Section 202(a)(18) of the Investment Advisers Act of 1940, 15 U.S.C. 80b-2(a)(18).

⁸ Section 1a(31) of the CEA, 7 U.S.C. 1a(31).

⁹ See Section 1a(25) of the CEA, 7 U.S.C. 1a(25), and Section 3(a)(55)(B) and (C) of the Exchange Act, 15 U.S.C. 78c(a)(55)(B) and (C). See also Rules 3a55-1 and 3a55-2 under the Exchange Act, 17 CFR 240.3a55-1 and 240.3a55-2; Rules 41.11, 41.12, and 41.13 under the CEA, 17 CFR 41.11, 41.12, and 41.13; and Securities Exchange Act Release No. 44724 (August 20, 2001), 66 FR 44490 (August 23, 2001).

¹⁰ See Rule 3a55-3 under the Exchange Act, 17 CFR 240.3a55-3; Rule 41.13 under the CEA, 17 CFR 41.13; and Securities Exchange Act Release No. 44724, *supra* note 9.

¹¹ 15 U.S.C. 78f(h)(1).

¹² 15 U.S.C. 78o-3(a). The Exchange Act and the CEA also require that any security underlying a security future listed on a national securities exchange or national securities association, including each component security of a narrow-based security index, be registered under Section 12