

All submissions should refer to File No. SR-GSCC-2002-10 and should be submitted by February 4, 2003.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-691 Filed 1-13-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47130; File No. SR-NQLX-2003-01]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by Nasdaq Liffe Markets, LLC Proposing To Adopt Listing Standards for Physically-Settled Security Futures Contracts That Have Underlying Securities Constituting Shares of an Exchange-Traded Fund, Registered Closed-End Management Investment Company, or Trust-Issued Receipts

January 6, 2003.

Pursuant to section 19(b)(7) of the Securities Exchange Act of 1934 ("Act"),¹ and rule 19b-7 under the Act,² notice is hereby given that on January 6, 2003, Nasdaq Liffe Markets, LLC ("NQLX") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule changes described in items I, II, and III below, which items have been prepared by the NQLX. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

On January 6, 2003, NQLX submitted the proposed rule change to the Commodities Futures Trading Commission ("CFTC") for approval. Under section 19(b)(7)(B) of the Act,³ the proposed rule change may take effect upon approval by the CFTC.

I. Self-Regulatory Organization's Description of the Proposed Rule Change

First, NQLX proposes to adopt rule changes to its listing standards for physically-settled security futures contracts (NQLX rules 902 and 903) that have underlying securities constituting shares of an exchange-traded fund, shares of a registered closed-end management investment company, or trust-issued receipts. Second, NQLX

proposes to correct typographical errors and to add clarifying language to certain other provisions of NQLX rules 902 and 903. NQLX believes that these proposed rule changes are consistent with the requirements under section 6(h)(3) of the Act⁴ and the criteria under Section 2(a)(1)(D)(i) of the Commodities Exchange Act ("CEA"),⁵ as modified by joint orders of the Commission and the CFTC.⁶

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

NQLX has prepared statements concerning the purpose of, and basis for, the proposed rule change, burdens on competition, and comments received from members, participants, and others. The text of these statements may be examined at the places specified in item IV below. These statements are set forth in sections A, B, and C below.

The text of the proposed rule change appears below. New text is in *italics*. Deleted text is in brackets.

Rule 902 Initial Listing Standards: Physically-Settled Security Futures Contract

(a) (1)-(2) No change.

(b) Initial Listing Standards-Underlying Securities are Single Securities: To initially list a physically-settled Security Futures Contract with an underlying single security, the single security must:

(1)-(4) No change.

(5) Have at least seven million shares *or receipts evidencing the underlying security* outstanding owned by Persons that are not required to report their securities holdings pursuant to section 16(a) of the Securities Exchange Act;

(6) Have at least 2,000 holders *when the underlying security is not shares of an exchange-traded fund, shares of a registered closed-end management investment company, or trust-issued receipts*;

(7) (i) Have average daily trading volume (in all markets in which the underlying security has traded) of at least 109,000 shares *or receipts evidencing the underlying security in each of the preceding 12 months when*

the underlying security is not shares of an exchange-traded fund, shares of a registered closed-end management investment company, or trust-issued receipts, or

(ii) Have total trading volume (in all markets in which the underlying security has traded) of at least 2.4 million shares or receipts evidencing the underlying security in the preceding 12 months when the underlying security is shares of an exchange-traded fund, shares of a registered closed-end management investment company, or trust-issued receipts;

(8) Have a market price per [share] security of at least \$7.50 (calculated by the lowest closing price reported in any market on which the underlying security traded[.]) for the majority of trading days during the three calendar months before listing[];

(9) No change.

(c)-(e) No change.

Rule 903 Maintenance Listing Standards-Physically-Settled Security Futures Contracts

(a) (1)-(5) No change.

(b) No change.

(c) Maintenance Standards-Underlying Securities are Single Securities Other than Shares of Exchange-Traded Funds, Shares of Registered Closed-End Management Investment Companies, or Trust-Issued Receipts: When the underlying of a physically-settled Security Futures Contract is a single security other than shares of exchange-traded funds, shares of registered closed-end management investment companies, or trust-issued receipts, to list a new delivery month of the Security Futures Contract, the single security must:

(1) Continue to meet the requirements of rule 902(b)(1), (2), and (4)[.];

(2) Have an issuer that meets requirements of rule 902(b)(3) or corrects any applicable reporting failure within 30 days after the required filing date[.];

(3) Have at least 6.3 million shares *or receipts evidencing the underlying security* outstanding owned by Persons other than those required to report their security holdings under section 16(a) of the Securities Exchange Act[.];

(4) Have at least 1,600 holders[.];

(5) Have average daily trading volume (across all markets that trade the underlying security) of at least 82,000 shares *or receipts evidencing the underlying security* in each of the preceding 12 months;

(6) Have a market price per [share] security of at least \$5.00 on a majority of the trading days during the past six calendar months (measured by the

⁴ 15 U.S.C. 78f(h)(3).

⁵ 7 U.S.C. 2(a)(1)(D)(i).

⁶ See Joint Order Granting the Modification of Listing Standards Requirements (American Depository Receipts), Securities Exchange Act Release No. 44725 (August 20, 2001), and Joint Order Granting the Modification of Listing Standards Requirements (Exchange Traded Funds, Trust Issued Receipts and shares of Closed-End Funds), Securities Exchange Act Release No. 46090 (June 19, 2002), 67 FR 42760 (June 25, 2002).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ 15 U.S.C. 78s(b)(7)(B).