



January 31, 2018

VIA ELECTRONIC MAIL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2018-005 Rule Certification

Dear Secretary Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6, enclosed is a copy of the above-referenced rule filing submitted by The Options Clearing Corporation (“OCC”). The date of implementation of the rule is at least 10 business days following receipt of the rule filing by the CFTC or the date the proposed rule is approved by the Securities and Exchange Commission (“SEC”) or otherwise becomes effective under the Securities Exchange Act of 1934 (“Exchange Act”). This rule filing has been submitted to the SEC under the Exchange Act.

In conformity with the requirements of Regulation 40.6(a)(7), OCC states the following:

Explanation and Analysis

The purpose of this proposed rule change is to revise OCC’s Schedule of Fees effective March 1, 2018, to introduce a cash management fee. The cash management fee would cover administrative and other operational expenses incurred by OCC in connection maintaining cash deposits held in an account established by OCC at a Federal Reserve bank and passing-through to Clearing Members the interest earned on such deposits.

Material proposed to be added to OCC’s Fee Schedule as currently in effect is marked by underlining and material proposed to be deleted is marked by strikethrough text; material proposed to be added to OCC’s Fee Schedule by proposed rule change SR-OCC-2018-004 is marked by double underlining and material proposed to be deleted by proposed rule change SR-OCC-2018-004 is marked by double strikethrough text. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.¹

By way of background, on January 5, 2018, OCC certified with the CFTC proposed

¹ OCC’s By-Laws and Rules can be found on OCC’s public website:
<http://optionsclearing.com/about/publications/bylaws.jsp>.

changes to OCC's By-Laws and Rules that establish a new minimum cash contribution requirement for OCC's Clearing Fund and provide for the pass-through to OCC's Clearing Members of interest income earned on cash Clearing Fund deposits held in OCC's Federal Reserve bank account (OCC submission SR-OCC-2017-019). On January 12, 2018, the SEC approved the proposed changes in SR-OCC-2017-019.² As approved, the minimum cash contribution requirement will require OCC's Clearing Members to collectively contribute \$3 billion in cash to OCC's Clearing Fund, with each Clearing Member's proportionate share of the minimum cash requirement being equal in percentage to its proportionate share of the Clearing Fund.³ In addition, OCC's Executive Chairman, Chief Administrative Officer, or Chief Operating Officer, upon providing notice to the Risk Committee of OCC's Board of Directors, will have the ability, under certain limited circumstances, to temporarily increase the amount of cash required to be maintained in the Clearing Fund up to an amount that includes the size of the Clearing Fund.⁴

In connection with the minimum cash Clearing Fund requirement, substantially all of OCC's Clearing Fund deposits consisting of cash will be held in OCC's Federal Reserve bank account.⁵ OCC will pass the interest income earned in such account through to its Clearing Members, provided that each such Clearing Member has provided OCC with all tax documentation as OCC may from time to time require in order to effectuate such payment.⁶ Interest earned will be calculated daily based on each Clearing Member's pro rata share of Clearing Fund cash deposits.⁷ In maintaining these minimum cash balances in OCC's Federal Reserve bank account and facilitating the pass-through of interest earned on such balances, OCC will incur certain administrative and other operational expenses. These expenses will include the operation of the Federal Reserve bank account, certain systems enhancements needed to maintain minimum cash deposits and facilitate pass-through of interest earned, and staffing costs to operate the cash management and funding desk. In order to defray these expenses, OCC is proposing to implement a cash management fee.

The proposed cash management fee would be an annual rate equal to 5 basis points (0.05%), calculated on a 365-day calendar, and billed monthly on each Clearing Member's daily

² See Securities Exchange Act Release No. 34-82502 (January 12, 2018), 82 FR 2825 (January 19, 2018) (SR-OCC-2017-019).

³ Id. Each Clearing Member's proportionate share of the Clearing Fund is determined by the Clearing Fund allocation methodology in current Rule 1001.

⁴ See supra note 2.

⁵ See supra note 2. OCC retains discretion to maintain a small portion of Clearing Fund cash deposits in other accounts (e.g., accounts with commercial banks) for various reasons, including facilitating normal substitution activity by its Clearing Members.

⁶ Interest earned will be calculated daily based on each Clearing Member's pro rata share of Clearing Fund cash deposits.

⁷ See supra note 2.

proportionate share of cash on deposit in OCC's Federal Reserve bank account.⁸ This proposed change is designed to provide OCC with a level of revenue sufficient to cover OCC's administrative and operating expenses, as described above.

OCC reviewed the derivatives clearing organization ("DCO") core principles ("Core Principles") as set forth in the Act. During this review, OCC identified the following Core Principles as potentially being impacted:

Public Information. OCC believes that implementing the proposed rule change will be consistent with the Core Principle L, which requires, in part, that each DCO provide to market participants sufficient information to enable the market participants to identify and evaluate accurately the costs associated with using the services of the DCO. OCC believes that by implementing the proposed changes to its Schedule of Fees and by publishing the modified Schedule of Fees to its public website it would provide Clearing Members and other market participants with sufficient information to enable them to identify and evaluate the costs associated with using the services of OCC.

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

OCC hereby certifies that notice of this rule filing has been be given to Clearing Members of OCC in compliance with Regulation 40.6(a)(2) by posting a copy of the submission on OCC's website concurrently with the filing of this submission.

⁸ Accordingly, a Clearing Member can determine the monthly amount of its cash management fee by (1) dividing the annual rate by 365; (2) then multiplying the product by the Clearing Member's proportionate share of cash on deposit in OCC's Federal Reserve bank account for each calendar day in a given month; and (3) taking the sum all of the products in step (2) for the given month.

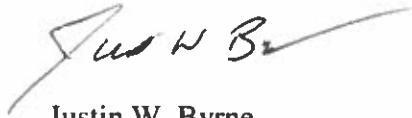
Christopher J. Kirkpatrick
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Certification

OCC hereby certifies that the rule set forth at Item 1 of the enclosed filing complies with the Act and the CFTC's regulations thereunder.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin W. Byrne". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Justin W. Byrne
Vice President, Regulatory Filings

Enclosure

Required fields are shown with yellow backgrounds and asterisks.

Filing by Options Clearing Corporation
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change to revise OCC's Schedule of Fees.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Justin Last Name * Byrne

Title * Vice President, Regulatory Filings

E-mail * jbyrne@theocc.com

Telephone * (202) 971-7238 Fax (312) 322-6280

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 01/29/2018 Vice President, Regulatory Filings

By Justin W. Byrne Justin Byrne, jbyrne@theocc.com

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change
by

THE OPTIONS CLEARING CORPORATION

Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934

Item 1. Text of the Proposed Rule Change

The purpose of this proposed rule change by The Options Clearing Corporation (“OCC”) is to revise OCC’s Schedule of Fees effective March 1, 2018, to introduce a cash management fee. The cash management fee would cover administrative and other operational expenses incurred by OCC in connection maintaining cash deposits held in an account established by OCC at a Federal Reserve bank and passing-through to Clearing Members the interest earned on such deposits. Material proposed to be added to OCC’s Fee Schedule as currently in effect is marked by underlining and material proposed to be deleted is marked by strikethrough text; material proposed to be added to OCC’s Fee Schedule by proposed rule change SR-OCC-2018-004 is marked by double underlining and material proposed to be deleted by proposed rule change SR-OCC-2018-004 is marked by double strikethrough text. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.¹

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved for filing with the Commission by OCC’s Board of Directors on July 20, 2016.

Questions should be addressed to Daniel S. Konar II, Vice President and Associate General Counsel, at (312) 322-2020.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**A. Purpose**

The purpose of this proposed rule change is to revise OCC’s Schedule of Fees to introduce a cash management fee that would cover administrative and other operational expenses

¹ OCC’s By-Laws and Rules can be found on OCC’s public website: <http://optionsclearing.com/about/publications/bylaws.jsp>.

incurred by OCC in connection with maintaining cash deposits that are held in OCC's Federal Reserve bank account and passing-through to Clearing Members the interest earned on such deposits. The revised fee schedule would become effective on March 1, 2018.

By way of background, on January 12, 2018, the Securities and Exchange Commission ("Commission") approved changes to OCC's By-Laws and Rules that establish a new minimum cash contribution requirement for OCC's Clearing Fund and provide for the pass-through to OCC's Clearing Members of interest income earned on cash Clearing Fund deposits held in OCC's Federal Reserve bank account.² As approved, the minimum cash contribution requirement will require OCC's Clearing Members to collectively contribute \$3 billion in cash to OCC's Clearing Fund, with each Clearing Member's proportionate share of the minimum cash requirement being equal in percentage to its proportionate share of the Clearing Fund.³ In addition, OCC's Executive Chairman, Chief Administrative Officer, or Chief Operating Officer, upon providing notice to the Risk Committee of OCC's Board of Directors, will have the ability, under certain limited circumstances, to temporarily increase the amount of cash required to be maintained in the Clearing Fund up to an amount that includes the size of the Clearing Fund.⁴

In connection with the minimum cash Clearing Fund requirement, substantially all of OCC's Clearing Fund deposits consisting of cash will be held in OCC's Federal Reserve bank account.⁵ OCC will pass the interest income earned in such account through to its Clearing

² See Securities Exchange Act Release No. 34-82502 (January 12, 2018), 82 FR 2825 (January 19, 2018) (SR-OCC-2017-019).

³ Id. Each Clearing Member's proportionate share of the Clearing Fund is determined by the Clearing Fund allocation methodology in current Rule 1001.

⁴ See supra note 2.

⁵ See supra note 2. OCC retains discretion to maintain a small portion of Clearing Fund cash deposits in other accounts (e.g., accounts with commercial banks) for various reasons, including facilitating normal substitution activity by its Clearing Members.

Members, provided that each such Clearing Member has provided OCC with all tax documentation as OCC may from time to time require in order to effectuate such payment.⁶ Interest earned will be calculated daily based on each Clearing Member's pro rata share of Clearing Fund cash deposits.⁷ In maintaining these minimum cash balances in OCC's Federal Reserve bank account and facilitating the pass-through of interest earned on such balances, OCC will incur certain administrative and other operational expenses. These expenses will include the operation of the Federal Reserve bank account, certain systems enhancements needed to maintain minimum cash deposits and facilitate pass-through of interest earned, and staffing costs to operate the cash management and funding desk. In order to defray these expenses, OCC is proposing to implement a cash management fee.

The proposed cash management fee would be an annual rate equal to 5 basis points (0.05%), calculated on a 365-day calendar, and billed monthly on each Clearing Member's daily proportionate share of cash on deposit in OCC's Federal Reserve bank account.⁸ This proposed change is designed to provide OCC with a level of revenue sufficient to cover OCC's administrative and operating expenses, as described above.

B. Statutory Basis

Section 17A(b)(3)(D) of the Securities Exchange Act of 1934, as amended ("Act"), requires that the rules of a clearing agency provide for the equitable allocation of reasonable

⁶ Interest earned will be calculated daily based on each Clearing Member's pro rata share of Clearing Fund cash deposits.

⁷ See supra note 2.

⁸ Accordingly, a Clearing Member can determine the monthly amount of its cash management fee by (1) dividing the annual interest rate by 365; (2) then multiplying the product by the Clearing Member's proportionate share of cash on deposit in OCC's Federal Reserve bank account for each calendar day in a given month; and (3) taking the sum all of the products in step (2) for the given month.

dues, fees, and other charges among its participants.⁹ The proposed cash management fee would cover administrative and other operational expenses incurred by OCC in connection with passing through to Clearing Members the interest earned on Clearing Fund cash deposits that are held in an account established by OCC at a Federal Reserve bank. OCC believes the proposed fee change is reasonable because the new cash management fee would be set at a level intended to cover OCC's expenses associated with maintaining a minimum amount of Clearing Fund cash (which requirement is designed to satisfy certain liquidity requirements under Rule 17Ad-22(e)(7)) and with passing-through to Clearing Members the interest earned on such deposits held in OCC's Federal Reserve bank account. Moreover, OCC believes that the proposed fee change would result in an equitable allocation of fees among its participants because it is a fee that would be equally applicable to all similarly situated participants (*i.e.*, Clearing Members). As a result, OCC believes that the proposed fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.¹⁰ The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹¹ requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. OCC does not believe that the proposed rule change would have any impact or impose a burden on competition. Although this proposed rule change affects Clearing Members, their customers, and the markets that OCC serves, OCC believes that the proposed rule change would not

⁹ 17 U.S.C. 78q-1(b)(3)(D).

¹⁰ 17 U.S.C. 78q-1(b)(3)(D).

¹¹ 15 U.S.C. 78q-1(b)(3)(I).

disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed cash management fee would apply equally to all Clearing Members. Accordingly, OCC does not believe that the proposed rule change would have any impact or impose a burden on competition.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

Item 6. Extension of Time Period for Commission Action

OCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act.¹²

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Pursuant to Section 19(b)(3)(A)(ii)¹³ of the Act, and Rule 19b-4(f)(2) thereunder,¹⁴ the proposed rule change is filed for immediate effectiveness as it constitutes a change in fees charged to OCC clearing members. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹⁵

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory

¹² 15 U.S.C. 78s(b)(2).

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ 17 CFR 240.19b-4(f)(2).

¹⁵ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

Organization or of the Commission

Not applicable.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1A. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed changes to OCC Schedule of Fees, effective March 1, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, The Options Clearing Corporation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By:

Daniel S. Konar II
Vice President and Associate General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-[_____]; File No. SR-OCC-2018-005)

January 29, 2018

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise The Options Clearing Corporation's Schedule of Fees

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 January 29, 2018, The Options Clearing Corporation ("OCC") 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 primarily by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii)³ of the Act and Rule 19b-4(f)(2)⁴ thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change by OCC would revise OCC's Schedule of Fees to introduce a cash management fee that would cover administrative and other operational expenses incurred by OCC in connection with maintaining cash deposits that are held in OCC's Federal Reserve bank account and passing-through to Clearing Members the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

interest earned on such deposits. The proposed changes to the Schedule of Fees can be found in Exhibit 5 to the proposed rule change. Material proposed to be added to OCC's Fee Schedule as currently in effect is marked by underlining and material proposed to be deleted is marked by strikethrough text; material proposed to be added to OCC's Fee Schedule by proposed rule change SR-OCC-2018-004 is marked by double underlining and material proposed to be deleted by proposed rule change SR-OCC-2018-004 is marked by double strikethrough text. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.⁵

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(1) Purpose

The purpose of this proposed rule change is to revise OCC's Schedule of Fees to introduce a cash management fee that would cover administrative and other operational expenses incurred by OCC in connection with maintaining cash deposits that are held in OCC's Federal Reserve bank account and passing-through to Clearing Members the

⁵ OCC's By-Laws and Rules can be found on OCC's public website: <http://optionsclearing.com/about/publications/bylaws.jsp>.

interest earned on such deposits. The revised fee schedule would become effective on March 1, 2018.

By way of background, on January 12, 2018, Commission approved changes to OCC's By-Laws and Rules that establish a new minimum cash contribution requirement for OCC's Clearing Fund and provide for the pass-through to OCC's Clearing Members of interest income earned on cash Clearing Fund deposits held in OCC's Federal Reserve bank account.⁶ As approved, the minimum cash contribution requirement will require OCC's Clearing Members to collectively contribute \$3 billion in cash to OCC's Clearing Fund, with each Clearing Member's proportionate share of the minimum cash requirement being equal in percentage to its proportionate share of the Clearing Fund.⁷ In addition, OCC's Executive Chairman, Chief Administrative Officer, or Chief Operating Officer, upon providing notice to the Risk Committee of OCC's Board of Directors, will have the ability, under certain limited circumstances, to temporarily increase the amount of cash required to be maintained in the Clearing Fund up to an amount that includes the size of the Clearing Fund.⁸

In connection with the minimum cash Clearing Fund requirement, substantially all of OCC's Clearing Fund deposits consisting of cash will be held in OCC's Federal Reserve bank account.⁹ OCC will pass the interest income earned in such account

⁶ See Securities Exchange Act Release No. 34-82502 (January 12, 2018), 82 FR 2825 (January 19, 2018) (SR-OCC-2017-019).

⁷ Id. Each Clearing Member's proportionate share of the Clearing Fund is determined by the Clearing Fund allocation methodology in current Rule 1001.

⁸ See supra note 6.

⁹ See supra note 6. OCC retains discretion to maintain a small portion of Clearing Fund cash deposits in other accounts (e.g., accounts with commercial banks) for

through to its Clearing Members, provided that each such Clearing Member has provided OCC with all tax documentation as OCC may from time to time require in order to effectuate such payment.¹⁰ Interest earned will be calculated daily based on each Clearing Member's pro rata share of Clearing Fund cash deposits.¹¹ In maintaining these minimum cash balances in OCC's Federal Reserve bank account and facilitating the pass-through of interest earned on such balances, OCC will incur certain administrative and other operational expenses. These expenses will include the operation of the Federal Reserve bank account, certain systems enhancements needed to maintain minimum cash deposits and facilitate pass-through of interest earned, and staffing costs to operate the cash management and funding desk. In order to defray these expenses, OCC is proposing to implement a cash management fee.

The proposed cash management fee would be an annual rate equal to 5 basis points (0.05%), calculated on a 365-day calendar, and billed monthly on each Clearing Member's daily proportionate share of cash on deposit in OCC's Federal Reserve bank account.¹² This proposed change is designed to provide OCC with a level of revenue sufficient to cover OCC's administrative and operating expenses, as described above.

(2) Statutory Basis

various reasons, including facilitating normal substitution activity by its Clearing Members.

¹⁰ See supra note 6. Interest earned will be calculated daily based on each Clearing Member's pro rata share of Clearing Fund cash deposits.

¹¹ See supra note 6.

¹² Accordingly, a Clearing Member can determine the monthly amount of its cash management fee by (1) dividing the annual interest rate by 365; (2) then multiplying the product by the Clearing Member's proportionate share of cash on deposit in OCC's Federal Reserve bank account for each calendar day in a given month; and (3) taking the sum all of the products in step (2) for the given month.

Section 17A(b)(3)(D) of the Act requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.¹³ The proposed cash management fee would cover administrative and other operational expenses incurred by OCC in connection with passing through to Clearing Members the interest earned on Clearing Fund cash deposits that are held in an account established by OCC at a Federal Reserve bank. OCC believes the proposed fee change is reasonable because the new cash management fee would be set at a level intended to cover OCC's expenses associated with maintaining a minimum amount of Clearing Fund cash (which requirement is designed to satisfy certain liquidity requirements under Rule 17Ad-22(e)(7)) and with passing-through to Clearing Members the interest earned on such deposits held in OCC's Federal Reserve bank account. Moreover, OCC believes that the proposed fee change would result in an equitable allocation of fees among its participants because it is a fee that would be equally applicable to all similarly situated participants (*i.e.*, Clearing Members). As a result, OCC believes that the proposed fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.¹⁴ The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

(B) Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹⁵ requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. OCC does not believe that the proposed rule change would have any

¹³ 17 U.S.C. 78q-1(b)(3)(D).

¹⁴ 17 U.S.C. 78q-1(b)(3)(D).

¹⁵ 15 U.S.C. 78q-1(b)(3)(I).

impact or impose a burden on competition. Although this proposed rule change affects Clearing Members, their customers, and the markets that OCC serves, OCC believes that the proposed rule change would not disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed cash management fee would apply equally to all Clearing Members. Accordingly, OCC does not believe that the proposed rule change would have any impact or impose a burden on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A)(ii)¹⁶ of the Act, and Rule 19b-4(f)(2) thereunder,¹⁷ the proposed rule change is filed for immediate effectiveness as it constitutes a change in fees charged to OCC Clearing Members. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹⁸

IV. Solicitation of Comments

¹⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁷ 17 CFR 240.19b-4(f)(2).

¹⁸ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Rule 40.6.

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change 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-OCC-2018-005 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2018-005. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the

principal office of OCC and on OCC's website at

<https://www.theocc.com/about/publications/bylaws.jsp>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-OCC-2018-005 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Eduardo A. Aleman
Assistant Secretary

¹⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Underlined text indicates new text
~~Strikethrough~~ text indicates deleted text

Double underlined text indicates proposed rule text pending in SR-OCC-2018-004
~~Double strikethrough~~ text indicates proposed deletions pending in SR-OCC-2018-004

THE OPTIONS CLEARING CORPORATION
SCHEDULE OF FEES – ~~DECEMBER 2016~~MARCH 2018

**CLEARING MEMBER
CLEARING**

Clearing Fees			
Trades with contracts of:		MEMBERSHIP	
0 – 11001018	\$.050054	New Clearing Member Qualification Fee	\$ 4,000.00
Greater than 11001018	\$ 55.00/trade		
New Products		Stock and Market Loan Program Transaction Fees	
Unless otherwise agreed to by OCC and the applicable exchange, from the first day of listing through the end of the following calendar month:	\$ 0.00	Per transaction assessed against each lender and borrower	\$ 1.00
Linkage per side*	\$ 0.02	Stock and Market Loan Program Borrower Fees	
		Monthly annualized charge on average daily notional outstanding balance	0.4 basis point
Minimum Monthly Clearing Fee	\$ 200.00	STAMPS	
Exercise Fee – per line item on exercise notice	\$ 1.00	Clearing Member Authorization Stamp	\$ 23.00 per stamp

* A Linkage transaction that includes more than 2,750 contracts will be charged a flat fee of \$55.00 per trade per side.

ANCILLARY SERVICES

TIER I		
- ENCORE Access		- Data Service – proprietary position and trade data (includes transmission to service bureau)
- MyOCC Access		- Report Bundle
- Data Service – proprietary position and trade data (includes transmission to service bureau)		- Leased line charges are additional
- Report Bundle		\$ 1,000.00 per month
- Series File		TIER III
- Special Settlement File		- ENCORE Access
- Open Interest File		- MyOCC Access
- Prices File		\$ 650.00 per month
- Stock Loan File		TIER IV (Stock Loan Only)
- Theoretical Profit and Loss Values		- ENCORE Access
- Leased line charges are additional		- MyOCC Access
\$ 1,500.00 per month		\$ 300.00 per month
Additional Clearing Member:		
No Charge		

TIER II

- ENCORE Access
- MyOCC Access

LEASED LINE SERVICES

T1 line to a Midwest Destination	\$1,000.00 per month, per line
T1 line to an East Coast Destination	\$1,500.00 per month, per line
T1 line to a West Coast Destination	\$2,000.00 per month, per line

CASH MANAGEMENT FEE

Monthly annualized charge on Clearing Member's average daily cash balance in OCC's Federal Reserve bank account. 5 basis points

CLEARING MEMBER/NON-CLEARING MEMBER

PUBLICATIONS/BROCHURES

Disclosure Documents	\$.45
OCC/ICC By-Laws and Rules	\$ 47.00

(Updates can be obtained on a subscription basis for \$47.00 per year.)

NON-CLEARING MEMBER

SERIES INFORMATION

Non-Clearing Member

Non-Distribution	\$1,750.00 per month
Distribution	\$3,000.00 per month
Real Time Data	\$250.00 per month (in addition to fees listed above)

PRICES INFORMATION

Non-Clearing Member	\$3,000.00 per month
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THEORETICAL PROFIT AND LOSS VALUES*

Non-Clearing Member	\$1,000.00 per month
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ESCROW BANKS
ESCROW PROGRAM FEES

Escrow Bank Monthly Program Fee	\$200.00
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ALL FEES ARE SUBJECT TO CHANGE

For further information, contact Member Services at 1-800-621-6072.