



July 16, 2019

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-2019-006 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.

OCC has requested confidential treatment for Exhibits 5A - 5G of SR-OCC-2019-006 (contained in pages 28-121 of SR-OCC-2019-006).

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

Explanation and Analysis

The primary purpose of the proposed rule change is to make administrative changes to OCC’s Risk Management Framework Policy (“RMF Policy”), Clearing Fund Methodology Policy (“CFM Policy”), Collateral Risk Management Policy (“CRM Policy”), Counterparty Credit Risk Management Policy (“CCRM Policy”), Default Management Policy (“DM Policy”), Margin Policy, and Model Risk Management Policy (“MRM Policy”) (collectively, “OCC Policies”).

The proposed changes to the OCC Policies are included in confidential Exhibits 5A - 5G. Material proposed to be added to the OCC Policies as currently in effect is underlined and material

proposed to be deleted is marked in strikethrough text. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.¹

Background

On September 28, 2016 the SEC adopted amendments to Rule 17Ad-22² and added new Rule 17Ab2-2³ pursuant to Section 17A of the Exchange Act⁴ and the Payment, Clearing, and Settlement Supervision Act of 2010⁵ to establish enhanced standards for the operation and governance of those clearing agencies registered with the SEC that meet the definition of a “covered clearing agency,” as defined by Rule 17Ad-22(a)(5)⁶ (collectively, the new and amended rules are herein referred to as “CCA Rules”). The CCA Rules require that covered clearing agencies “establish, implement, maintain and enforce written policies and procedures reasonably designed to . . .” comply with these enhanced standards. OCC is a covered clearing agency under the CCA Rules and therefore is subject to the CCA Rules. Accordingly, OCC maintains a number of policies that have been filed with the SEC and CFTC and which need to be updated periodically so that those policies remain accurate and consistent with other OCC rules.

On February 13, 2019, the SEC approved a proposed rule change by OCC concerning changes in OCC’s management structure specifically related to, at that time, OCC’s Executive Chairman and Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), and Chief Administrative Officer (“CAO”) (collectively referred to as the “Office of the Chief Executive Officer” or “Office of the CEO”).⁷ The primary purpose of the proposed rule change was to: (1) reestablish the separation of the roles of Executive Chairman and CEO and reallocate authority and responsibilities between the two roles and (2) remove the requirement from OCC’s By-Laws that the Board of Directors (“Board”) elect a CAO and delete the references to the CAO throughout OCC’s By-Laws, Rules, and Board/Board Committee charters. The proposed rule change was certified with the CFTC on February 15, 2019.

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

² 17 CFR 240.17Ad-22.

³ 17 CFR 240.17Ab2-2.

⁴ 15 U.S.C. 78q-1.

⁵ 12 U.S.C. 5461 et seq.

⁶ 17 CFR 240.17Ad-22(a)(5).

⁷ See Securities Exchange Act Release No. 85129 (February 13, 2019), 84 FR 5129 (February 20, 2019) (SR-OCC-2018-015) (Order Approving Proposed Rule Change, as Modified by Partial Amendment No. 1, Concerning Changes to The Options Clearing Corporation’s Management Structure). Upon adoption of the proposed rule change, the Office of the CEO is now comprised of the Executive Chairman, CEO, and COO.

OCC proposes to revise the OCC Policies to align the policies with these recently approved and certified changes to OCC's By-Laws and Rules and to otherwise enhance the accuracy, clarity, and consistency of the OCC Policies.

Proposed Changes

OCC proposes to make administrative changes to the OCC Policies to: (1) conform them to the recently approved management structure changes implemented in OCC's By-Laws and Rules,⁸ (2) update various internal OCC policy and procedure names, and (3) make other non-substantive clarifying and conforming changes.

1. Changes to Conform to By-Laws and Rules

As noted above, OCC recently adopted a proposed rule change that separated the roles of Executive Chairman and CEO, removed the requirement from OCC's By-Laws that the Board elect a CAO, and deleted references to the CAO throughout OCC's By-Laws, Rules, and Board/Board Committee charters. OCC now proposes to make conforming revisions to the OCC Policies to align any responsibilities or authority of members of the Office of the CEO in such policies with the recently approved changes to OCC's By-Laws and Rules. The proposed rule change is intended to ensure the accuracy of the OCC Policies and their consistency with OCC's By-Laws and Rules and is not intended to substantively change the responsibility or authority of members of the Office of the CEO.

OCC proposes to revise sections of its CFM Policy concerning (i) temporary increases to the minimum Clearing Fund cash requirement, (ii) temporary increases in the overall size of the Clearing Fund, (iii) escalation of intra-day margin calls that exceed 100% of a Clearing Member's net capital, (iv) notification and approvals of intra-month resizing of the Clearing Fund, and (v) authority to make proportionate changes against the Clearing Fund to reflect the new composition the Office of the CEO. OCC also proposes to revise its CCRM Policy to reflect that the CEO and COO now have the authority to approve Clearing Members, banks, liquidity providers, investment counterparties, and financial market utility relationships to align with the recently approved changes to OCC's By-Laws and Rules re-assigning responsibility for routine day-to-day business decisions to these senior officers.⁹ OCC also proposes to revise sections of the CCRM Policy concerning the Watch Level Reporting process to reflect the new composition of the Office of the CEO and appropriately describe Watch Level notification and escalation requirements under the new management structure.

In addition, OCC proposes to revise its DM Policy to reflect the new composition of the Office of the CEO and their responsibilities in the default management process, including the

⁸ Id.

⁹ Id.

authority for any member of the Office of the CEO to (i) suspend a Clearing Member, (ii) authorize a draw on OCC's credit facilities, (iii) authorize an extension of daily settlement times under OCC Rule 505, (iv) defer the close-out of some or all positions of a suspended clearing member, and (v) make proportionate charges against and require the replenishment of OCC's Clearing Fund consistent with OCC's By-Laws and Rules. OCC also proposes to revise its Margin Policy to reflect the new composition of the Office of the CEO and the authority of the officers thereof to approve intra-day margin calls outside of standard equity trading hours. OCC would also revise certain of the OCC Policies to include a defined term for "Office of the Chief Executive Officer."

2. Related Policy and Procedure Updates

As discussed above, the CCA Rules require OCC to "establish, implement, maintain and enforce written policies and procedures reasonably designed to . . ." comply with the objectives and standards of the CCA Rules.¹⁰ The OCC Policies currently contain references to certain related policies and procedures that OCC maintains in support of the OCC Policies. These policies and procedures are reviewed and updated on a periodic basis, which at times may result in the consolidation of certain related procedures or changes in policy or procedure names. OCC proposes to revise the OCC Policies to update internal policy and procedure names to reflect any changes resulting from these periodic reviews to ensure the accuracy, consistency, and clarity of the OCC Policies. The proposed changes are administrative in nature and are not intended to change the substance of the OCC Policies.

3. Other Non-substantive Clarifying and Conforming Changes

OCC proposes to make a number of other administrative changes to the OCC Policies that would improve the accuracy, consistency, and clarity of those documents but would not change the substance or requirements of those policies. OCC proposes to revise its RMF Policy to clarify that the term "Residual Risk" represents the level of risk exposure posed "to" (as opposed to "from") a process or activity after the application of controls or other risk-mitigating factors and to align the definition and usage of the term throughout the policy. OCC would also revise a section header in the RMF Policy to note that the section in question discusses OCC's use of risk tolerances in addition to OCC's Risk Appetite Framework.

OCC proposes to revise its DM Policy to update cross-references to certain provisions of OCC's By-Laws relating to the Clearing Fund that were relocated to Chapter X of OCC's Rules.¹¹

¹⁰ See 17 CFR 240.17Ad-22.

¹¹ See Securities Exchange Act Release No. 83714 (July 26, 2018), 83 FR 37570 (August 1, 2018) (SR-OCC-2018-803) (Notice of No Objection to Advance Notice, as Modified by Amendments No. 1 and 2, Concerning Proposed Changes to The Options Clearing Corporation's Stress Testing and Clearing Fund Methodology) and Securities Exchange Act Release No. 83735 (July 27, 2018), 83 FR 37855 (August 2, 2018) (SR-OCC-2018-008) (Order Approving Proposed Rule Change, as Modified by

The DM Policy would also be revised to eliminate an incorrect reference to Rule 913, which does not currently exist in OCC's Rules. OCC also proposes to revise its Margin Policy to update cross-references to relevant chapters of OCC's Margins Methodology. Additionally, OCC would update the Recalibration section of the policy to clarify that, consistent with current practice, the standard historical data look-back period used for econometric estimation is ten years for univariate parameters and 500 days for correlations.¹² Finally, OCC proposes to revise its MRM Policy to clarify that OCC's Model Risk Working Group is responsible for tracking "model issues and activities" as opposed to "model defects and remediation."

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:

Risk Management . OCC believes that implementing the proposed rule change would be aligned with Core Principle D,¹³ which requires, in general, that each DCO possesses the ability to manage the risks associated with discharging the responsibilities of the DCO through the use of appropriate tools and procedures. The proposed rule change is designed to align the OCC Policies with previously approved changes to OCC's By-Laws, Rules, and risk models¹⁴ and otherwise enhance the accuracy, clarity, and consistency of the OCC Policies. The proposed changes would, among other things, ensure that the OCC Policies maintain accurate descriptions of the roles and responsibilities of the Office of the CEO and reference the appropriate procedures maintained under the OCC Policies to effectively carry out the requirements of those policies and thereby facilitate the effective operation of OCC's core clearance, settlement, and risk management activities. For these reasons, OCC believes the proposed rule change is consistent with Core Principle D.¹⁵

Amendments No. 1 and 2, Related to The Options Clearing Corporation's Stress Testing and Clearing Fund Methodology). This rule change was certified with the CFTC on August 20, 2018.

¹² See Securities Exchange Act Release No. 83305 (May 23, 2018), 83 FR 24536 (May 29, 2018) (SR-OCC-2017-811) (Notice of No Objection to Advance Notice Filing Concerning The Options Clearing Corporation's Margin Methodology) and Securities Exchange Act Release No. 83326 (May 24, 2018), 83 FR 25081 (May 31, 2018) (SR-OCC-2017-022) (Order Approving Proposed Rule Change Related to The Options Clearing Corporation's Margin Methodology). This rule change was certified with the CFTC on December 28, 2017.

¹³ 7 U.S.C. 7a-1(c)(2)(D).

¹⁴ See supra notes 7- 9, 11, 12 and associated text.

¹⁵ 7 U.S.C. 7a-1(c)(2)(D).

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

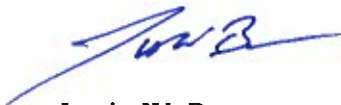
OCC hereby certifies that notice of this rule filing has been be given to Clearing Members of OCC in compliance with Regulation 40.6(a)(2) by posting a copy of the submission on OCC's website concurrently with the filing of this submission.

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 blue ink, appearing to read "Justin W. Byrne", with a long horizontal flourish extending to the right.

Justin W. Byrne
Vice President, Regulatory Filings

Enclosure

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 121	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2019 - * 006	Amendment No. (req. for Amendments *)
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Filing by Options Clearing Corporation
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input checked="" 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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/>	Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to Make Administrative Updates to The Options Clearing Corporation's Risk Management Policies

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 *)
Vice President, Regulatory Filings

Date 07/12/2019
By Justin W. Byrne
(Name *)
Justin Byrne, jbyrne@theocc.com

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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”),¹ and Rule 19b-4 thereunder,² The Options Clearing Corporation (“OCC” or “Corporation”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to make administrative changes to its Risk Management Framework Policy (“RMF Policy”), Clearing Fund Methodology Policy (“CFM Policy”), Collateral Risk Management Policy (“CRM Policy”), Counterparty Credit Risk Management Policy (“CCRM Policy”), Default Management Policy (“DM Policy”), Margin Policy, and Model Risk Management Policy (“MRM Policy”) (collectively, “OCC Policies”). OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii)³ of the Act and Rule 19b-4(f)(3)⁴ thereunder so that the proposal was effective upon filing with the Commission.

The proposed changes to the OCC Policies are included in confidential Exhibits 5A-5G. Material proposed to be added to the OCC Policies as currently in effect is underlined and material proposed to be deleted is marked in strikethrough text. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.⁵

Item 2. Procedures of the Self-Regulatory Organization

The proposed changes were approved for filing with the Commission by the Board of Directors at a meeting held on February 22, 2019.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

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

Questions should be addressed to Justin W. Byrne, Vice President, Regulatory Filings, at (202) 971-7238.

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

A. Purpose

Background

On September 28, 2016 the Commission adopted amendments to Rule 17Ad-22⁶ and added new Rule 17Ab2-2⁷ pursuant to Section 17A of the Exchange Act⁸ and the Payment, Clearing, and Settlement Supervision Act of 2010⁹ to establish enhanced standards for the operation and governance of those clearing agencies registered with the Commission that meet the definition of a “covered clearing agency,” as defined by Rule 17Ad-22(a)(5)¹⁰ (collectively, the new and amended rules are herein referred to as “CCA Rules”). The CCA Rules require that covered clearing agencies “establish, implement, maintain and enforce written policies and procedures reasonably designed to . . .” comply with these enhanced standards. OCC is a covered clearing agency under the CCA Rules and therefore is subject to the CCA Rules. Accordingly, OCC maintains a number of policies that have been filed with the Commission and which need to be updated periodically so that those policies remain accurate and consistent with other OCC rules.

On February 13, 2019, the Commission approved a proposed rule change by OCC

⁶ 17 CFR 240.17Ad-22.

⁷ 17 CFR 240.17Ab2-2.

⁸ 15 U.S.C. 78q-1.

⁹ 12 U.S.C. 5461 et seq.

¹⁰ 17 CFR 240.17Ad-22(a)(5).

concerning changes in OCC's management structure specifically related to, at that time, OCC's Executive Chairman and Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), and Chief Administrative Officer ("CAO") (collectively referred to as the "Office of the Chief Executive Officer" or "Office of the CEO").¹¹ The primary purpose of the proposed rule change was to: (1) reestablish the separation of the roles of Executive Chairman and CEO and reallocate authority and responsibilities between the two roles and (2) remove the requirement from OCC's By-Laws that the Board of Directors ("Board") elect a CAO and delete the references to a CAO throughout OCC's By-Laws, Rules, and Board/Board Committee charters.

OCC proposes to revise the OCC Policies to align the policies with these recently approved changes to OCC's By-Laws and Rules and to otherwise enhance the accuracy, clarity, and consistency of the OCC Policies.

Proposed Changes

OCC proposes to make administrative changes to the OCC Policies to: (1) conform them to the recently approved management structure changes implemented in OCC's By-Laws and Rules,¹² (2) update various internal OCC policy and procedure names, and (3) make other non-substantive clarifying and conforming changes.

1. Changes to Conform to By-Laws and Rules

As noted above, OCC recently adopted a proposed rule change that separated the roles of Executive Chairman and CEO, removed the requirement from OCC's By-Laws that the Board

¹¹ See Securities Exchange Act Release No. 85129 (February 13, 2019), 84 FR 5129 (February 20, 2019) (SR-OCC-2018-015) (Order Approving Proposed Rule Change, as Modified by Partial Amendment No. 1, Concerning Changes to The Options Clearing Corporation's Management Structure). Upon adoption of the proposed rule change, the Office of the CEO is now comprised of the Executive Chairman, CEO, and COO.

¹² Id.

elect a CAO, and deleted references to the CAO throughout OCC's By-Laws, Rules, and Board/Board Committee charters. OCC now proposes to make conforming revisions to the OCC Policies to align any responsibilities or authority of members of the Office of the CEO in such policies with the recently approved changes to OCC's By-Laws and Rules. The proposed rule change is intended to ensure the accuracy of the OCC Policies and their consistency with OCC's By-Laws and Rules and is not intended to substantively change the responsibility or authority of members of the Office of the CEO.

OCC proposes to revise sections of its CFM Policy concerning (i) temporary increases to the minimum Clearing Fund cash requirement, (ii) temporary increases in the overall size of the Clearing Fund, (iii) escalation of intra-day margin calls that exceed 100% of a Clearing Member's net capital, (iv) notification and approvals of intra-month resizing of the Clearing Fund, and (v) authority to make proportionate changes against the Clearing Fund to reflect the new composition the Office of the CEO. OCC also proposes to revise its CCRM Policy to reflect that the CEO and COO now have the authority to approve Clearing Members, banks, liquidity providers, investment counterparties, and financial market utility relationships to align with the recently approved changes to OCC's By-Laws and Rules re-assigning responsibility for routine day-to-day business decisions to these senior officers.¹³ OCC also proposes to revise sections of the CCRM Policy concerning the Watch Level Reporting process to reflect the new composition of the Office of the CEO and appropriately describe Watch Level notification and escalation requirements under the new management structure.

In addition, OCC proposes to revise its DM Policy to reflect the new composition of the Office of the CEO and their responsibilities in the default management process, including the

¹³ See supra note 11.

authority for any member of the Office of the CEO to (i) suspend a Clearing Member, (ii) authorize a draw on OCC's credit facilities, (iii) authorize an extension of daily settlement times under OCC Rule 505, (iv) defer the close-out of some or all positions of a suspended clearing member, and (v) make proportionate charges against and require the replenishment of OCC's Clearing Fund consistent with OCC's By-Laws and Rules. OCC also proposes to revise its Margin Policy to reflect the new composition of the Office of the CEO and the authority of the officers thereof to approve intra-day margin calls outside of standard equity trading hours. OCC would also revise certain of the OCC Policies to include a defined term for "Office of the Chief Executive Officer."

2. Related Policy and Procedure Updates

As discussed above, the CCA Rules require OCC to "establish, implement, maintain and enforce written policies and procedures reasonably designed to . . ." comply with the objectives and standards of the CCA Rules.¹⁴ The OCC Policies currently contain references to certain related policies and procedures that OCC maintains in support of the OCC Policies. These policies and procedures are reviewed and updated on a periodic basis, which at times may result in the consolidation of certain related procedures or changes in policy or procedure names. OCC proposes to revise the OCC Policies to update internal policy and procedures names to reflect any changes resulting from these periodic reviews to ensure the accuracy, consistency, and clarity of the OCC Policies. The proposed changes are administrative in nature and are not intended to change the substance of the OCC Policies.

3. Other Non-substantive Clarifying and Conforming Changes

OCC also proposes to make a number of other administrative changes to the OCC

¹⁴ See 17 CFR 240.17Ad-22.

Policies that would improve the accuracy, consistency, and clarity of those documents but would not change the substance or requirements of those policies. OCC proposes to revise its RMF Policy to clarify that the term “Residual Risk” represents the level of risk exposure posed “to” (as opposed to “from”) a process or activity after the application of controls or other risk-mitigating factors and to align the definition and usage of the term throughout the policy. OCC would also revise a section header in the RMF Policy to note that the section in question discusses OCC’s use of risk tolerances in addition to OCC’s Risk Appetite Framework.

OCC proposes to revise its DM Policy to update cross-references to certain provisions of OCC’s By-Laws relating to the Clearing Fund that were recently relocated to Chapter X of OCC’s Rules.¹⁵ The DM Policy would also be revised to eliminate an incorrect reference to Rule 913, which does not currently exist in OCC’s Rules. OCC also proposes to revise its Margin Policy to update cross-references to relevant chapters of OCC’s Margins Methodology. Additionally, OCC would update the Recalibration section of the policy to clarify that, consistent with current practice, the standard historical data look-back period used for econometric estimation is ten years for univariate parameters and 500 days for correlations.¹⁶ Finally, OCC

¹⁵ See Securities Exchange Act Release No. 83714 (July 26, 2018), 83 FR 37570 (August 1, 2018) (SR-OCC-2018-803) (Notice of No Objection to Advance Notice, as Modified by Amendments No. 1 and 2, Concerning Proposed Changes to The Options Clearing Corporation's Stress Testing and Clearing Fund Methodology) and Securities Exchange Act Release No. 83735 (July 27, 2018), 83 FR 37855 (August 2, 2018) (SR-OCC-2018-008) (Order Approving Proposed Rule Change, as Modified by Amendments No. 1 and 2, Related to The Options Clearing Corporation's Stress Testing and Clearing Fund Methodology).

¹⁶ See Securities Exchange Act Release No. 83305 (May 23, 2018), 83 FR 24536 (May 29, 2018) (SR-OCC-2017-811) (Notice of No Objection to Advance Notice Filing Concerning The Options Clearing Corporation's Margin Methodology) and Securities Exchange Act Release No. 83326 (May 24, 2018), 83 FR 25081 (May 31, 2018) (SR-OCC-2017-022) (Order Approving Proposed Rule Change Related to The Options Clearing Corporation's Margin Methodology).

proposes to revise its MRM Policy to clarify that OCC's Model Risk Working Group is responsible for tracking "model issues and activities" as opposed to "model defects and remediation."

B. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A of the Act¹⁷ and the rules thereunder applicable to OCC. Section 17A(b)(3)(F) of the Act¹⁸ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions and to assure the safeguarding of securities and funds which are in the custody or control of the clearing or agency or for which it is responsible. The proposed rule change is designed to align the OCC Policies with previously approved changes to OCC's By-Laws, Rules, and risk models¹⁹ and otherwise enhance the accuracy, clarity, and consistency of the OCC Policies. The proposed changes would, among other things, ensure that the OCC Policies maintain accurate descriptions of the roles and responsibilities of the Office of the CEO and reference the appropriate procedures maintained under the OCC Policies to effectively carry out the requirements of those policies and thereby facilitate the effective operation of OCC's core clearance, settlement, and risk management activities. OCC believes that the proposed rule change is therefore designed, in general, to promote the prompt and accurate clearance and settlement of securities and derivatives transactions and assure the safeguarding of securities and funds which are in the custody or control of OCC or for which it is

¹⁷ 15 U.S.C. 78q-1.

¹⁸ 15 U.S.C. 78q-1(b)(3)(F).

¹⁹ See supra notes 11, 12, 15, and 16 and associated text.

responsible in accordance with Section 17A(b)(3)(F) of the Act.²⁰

Rule 17Ad-22(e)(2)(i)²¹ requires each covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent. As discussed above, the proposed rule change is designed to align the OCC Policies with previously approved changes to OCC's By-Laws and Rules and otherwise enhance the accuracy, clarity, and consistency of the OCC Policies. The proposed changes would, among other things, ensure that the OCC Policies maintain accurate descriptions of the roles and responsibilities of the Office of the CEO and reference the appropriate procedures maintained under the OCC Policies to effectively carry out the requirements of those policies. OCC therefore believes the proposed rule change is consistent with Rule 17Ad-22(e)(2)(i).²² Moreover, OCC believes the proposed rule change promotes compliance with the CCA Rules²³ generally by improving the accuracy, clarity, and consistency of the OCC Policies so that they remain reasonably designed to achieve the standards and requirements thereunder.

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

Section 17A(b)(3)(I) of the Act²⁴ 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. The proposed rule change is intended to make clarifying and conforming

²⁰ 15 U.S.C. 78q-1(b)(3)(F).

²¹ 17 CFR 240.17Ad-22(e)(2)(i).

²² Id.

²³ 17 CFR 240.17Ad-22.

²⁴ 15 U.S.C. 78q-1(b)(3)(I).

changes to OCC's internal policies in connection with the implementation of a proposed rule change that was previously approved by the Commission²⁵ and other administrative updates that would have no impact on Clearing Members or other market participants. 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.²⁶

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)²⁷ of the Act, and Rule 19b-4(f)(3) thereunder,²⁸ the proposed rule change is filed for immediate effectiveness as it is concerned solely with the administration of OCC. The proposed rule change would revise the OCC Policies to: (1) conform them to the recently approved management structure changes implemented in OCC's By-Laws and Rules, (2) update various internal OCC policy and procedure names, and (3) make other non-substantive clarifying and conforming changes. The proposed rule change is not

²⁵ See supra notes 11, 12, 15, and 16 and associated text.

²⁶ 15 U.S.C. 78s(b)(2).

²⁷ 15 U.S.C. 78s(b)(3)(A).

²⁸ 17 CFR 240.19b-4(f)(3).

intended to alter the substance or requirements of the OCC Policies as they relate to OCC's core clearance, settlement, and risk management activities. Accordingly, the proposed rule change is concerned solely with the administration of OCC.

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.²⁹

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

²⁹ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

Item 11. Exhibits

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

Exhibit 5A. Risk Management Framework Policy.

Exhibit 5B. Clearing Fund Methodology Policy.

Exhibit 5C. Collateral Risk Management Policy.

Exhibit 5D. Counterparty Credit Risk Management Policy.

Exhibit 5E. Default Management Policy.

Exhibit 5F. Margin Policy.

Exhibit 5G. Model Risk Management Policy.

Exhibits 5A-5G have been omitted and filed separately with the Commission. Confidential treatment of Exhibits 5A-5G is requested pursuant to SEC Rule 24b-2 (17 CFR 240.24b-2).

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:

Justin W. Byrne
Vice President, Regulatory Filings

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-[_____]; File No. SR-OCC-2019-006)

July __, 2019

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Administrative Updates to The Options Clearing Corporation's Risk Management Policies

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 12, 2019, The Options Clearing Corporation (“OCC” or “Corporation”) 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 primarily by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii)³ of the Act and Rule 19b-4(f)(3)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

OCC is filing a proposed rule change to make administrative changes to its Risk Management Framework Policy (“RMF Policy”), Clearing Fund Methodology Policy (“CFM Policy”), Collateral Risk Management Policy (“CRM Policy”), Counterparty Credit Risk Management Policy (“CCRM Policy”), Default Management Policy (“DM

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

Policy”), Margin Policy, and Model Risk Management Policy (“MRM Policy”) (collectively, “OCC Policies”).

The proposed changes to the OCC Policies are included in confidential Exhibits 5A-5G. Material proposed to be added to the OCC Policies as currently in effect is underlined and material proposed to be deleted is marked in 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

Background

On September 28, 2016 the Commission adopted amendments to Rule 17Ad-22⁶ and added new Rule 17Ab2-2⁷ pursuant to Section 17A of the Exchange Act⁸ and the

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

⁶ 17 CFR 240.17Ad-22.

⁷ 17 CFR 240.17Ab2-2.

⁸ 15 U.S.C. 78q-1.

Payment, Clearing, and Settlement Supervision Act of 2010⁹ to establish enhanced standards for the operation and governance of those clearing agencies registered with the Commission that meet the definition of a “covered clearing agency,” as defined by Rule 17Ad-22(a)(5)¹⁰ (collectively, the new and amended rules are herein referred to as “CCA Rules”). The CCA Rules require that covered clearing agencies “establish, implement, maintain and enforce written policies and procedures reasonably designed to . . .” comply with these enhanced standards. OCC is a covered clearing agency under the CCA Rules and therefore is subject to the CCA Rules. Accordingly, OCC maintains a number of policies that have been filed with the Commission and which need to be updated periodically so that those policies remain accurate and consistent with other OCC rules.

On February 13, 2019, the Commission approved a proposed rule change by OCC concerning changes in OCC’s management structure specifically related to, at that time, OCC’s Executive Chairman and Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), and Chief Administrative Officer (“CAO”) (collectively referred to as the “Office of the Chief Executive Officer” or “Office of the CEO”).¹¹ The primary purpose of the proposed rule change was to: (1) reestablish the separation of the roles of Executive Chairman and CEO and reallocate authority and responsibilities between the two roles and (2) remove the requirement from OCC’s By-Laws that the Board of

⁹ 12 U.S.C. 5461 et seq.

¹⁰ 17 CFR 240.17Ad-22(a)(5).

¹¹ See Securities Exchange Act Release No. 85129 (February 13, 2019), 84 FR 5129 (February 20, 2019) (SR-OCC-2018-015) (Order Approving Proposed Rule Change, as Modified by Partial Amendment No. 1, Concerning Changes to The Options Clearing Corporation's Management Structure). Upon adoption of the proposed rule change, the Office of the CEO is now comprised of the Executive Chairman, CEO, and COO.

Directors (“Board”) elect a CAO and delete the references to a CAO throughout OCC’s By-Laws, Rules, and Board/Board Committee charters.

OCC proposes to revise the OCC Policies to align the policies with these recently approved changes to OCC’s By-Laws and Rules and to otherwise enhance the accuracy, clarity, and consistency of the OCC Policies.

Proposed Changes

OCC proposes to make administrative changes to the OCC Policies to: (1) conform them to the recently approved management structure changes implemented in OCC’s By-Laws and Rules,¹² (2) update various internal OCC policy and procedure names, and (3) make other non-substantive clarifying and conforming changes.

1. Changes to Conform to By-Laws and Rules

As noted above, OCC recently adopted a proposed rule change that separated the roles of Executive Chairman and CEO, removed the requirement from OCC’s By-Laws that the Board elect a CAO, and deleted references to the CAO throughout OCC’s By-Laws, Rules, and Board/Board Committee charters. OCC now proposes to make conforming revisions to the OCC Policies to align any responsibilities or authority of members of the Office of the CEO in such policies with the recently approved changes to OCC’s By-Laws and Rules. The proposed rule change is intended to ensure the accuracy of the OCC Policies and their consistency with OCC’s By-Laws and Rules and is not intended to substantively change the responsibility or authority of members of the Office of the CEO.

¹² Id.

OCC proposes to revise sections of its CFM Policy concerning (i) temporary increases to the minimum Clearing Fund cash requirement, (ii) temporary increases in the overall size of the Clearing Fund, (iii) escalation of intra-day margin calls that exceed 100% of a Clearing Member's net capital, (iv) notification and approvals of intra-month resizing of the Clearing Fund, and (v) authority to make proportionate changes against the Clearing Fund to reflect the new composition the Office of the CEO. OCC also proposes to revise its CCRM Policy to reflect that the CEO and COO now have the authority to approve Clearing Members, banks, liquidity providers, investment counterparties, and financial market utility relationships to align with the recently approved changes to OCC's By-Laws and Rules re-assigning responsibility for routine day-to-day business decisions to these senior officers.¹³ OCC also proposes to revise sections of the CCRM Policy concerning the Watch Level Reporting process to reflect the new composition of the Office of the CEO and appropriately describe Watch Level notification and escalation requirements under the new management structure.

In addition, OCC proposes to revise its DM Policy to reflect the new composition of the Office of the CEO and their responsibilities in the default management process, including the authority for any member of the Office of the CEO to (i) suspend a Clearing Member, (ii) authorize a draw on OCC's credit facilities, (iii) authorize an extension of daily settlement times under OCC Rule 505, (iv) defer the close-out of some or all positions of a suspended clearing member, and (v) make proportionate charges against and require the replenishment of OCC's Clearing Fund consistent with OCC's By-Laws and Rules. OCC also proposes to revise its Margin Policy to reflect the new composition

¹³ See supra note 11.

of the Office of the CEO and the authority of the officers thereof to approve intra-day margin calls outside of standard equity trading hours. OCC would also revise certain of the OCC Policies to include a defined term for “Office of the Chief Executive Officer.”

2. Related Policy and Procedure Updates

As discussed above, the CCA Rules require OCC to “establish, implement, maintain and enforce written policies and procedures reasonably designed to . . .” comply with the objectives and standards of the CCA Rules.¹⁴ The OCC Policies currently contain references to certain related policies and procedures that OCC maintains in support of the OCC Policies. These policies and procedures are reviewed and updated on a periodic basis, which at times may result in the consolidation of certain related procedures or changes in policy or procedure names. OCC proposes to revise the OCC Policies to update internal policy and procedures names to reflect any changes resulting from these periodic reviews to ensure the accuracy, consistency, and clarity of the OCC Policies. The proposed changes are administrative in nature and are not intended to change the substance of the OCC Policies.

3. Other Non-substantive Clarifying and Conforming Changes

OCC also proposes to make a number of other administrative changes to the OCC Policies that would improve the accuracy, consistency, and clarity of those documents but would not change the substance or requirements of those policies. OCC proposes to revise its RMF Policy to clarify that the term “Residual Risk” represents the level of risk exposure posed “to” (as opposed to “from”) a process or activity after the application of controls or other risk-mitigating factors and to align the definition and usage of the term

¹⁴ See 17 CFR 240.17Ad-22.

throughout the policy. OCC would also revise a section header in the RMF Policy to note that the section in question discusses OCC's use of risk tolerances in addition to OCC's Risk Appetite Framework.

OCC proposes to revise its DM Policy to update cross-references to certain provisions of OCC's By-Laws relating to the Clearing Fund that were recently relocated to Chapter X of OCC's Rules.¹⁵ The DM Policy would also be revised to eliminate an incorrect reference to Rule 913, which does not currently exist in OCC's Rules. OCC also proposes to revise its Margin Policy to update cross-references to relevant chapters of OCC's Margins Methodology. Additionally, OCC would update the Recalibration section of the policy to clarify that, consistent with current practice, the standard historical data look-back period used for econometric estimation is ten years for univariate parameters and 500 days for correlations.¹⁶ Finally, OCC proposes to revise its MRM Policy to clarify that OCC's Model Risk Working Group is responsible for tracking "model issues and activities" as opposed to "model defects and remediation."

(2) Statutory Basis

¹⁵ See Securities Exchange Act Release No. 83714 (July 26, 2018), 83 FR 37570 (August 1, 2018) (SR-OCC-2018-803) (Notice of No Objection to Advance Notice, as Modified by Amendments No. 1 and 2, Concerning Proposed Changes to The Options Clearing Corporation's Stress Testing and Clearing Fund Methodology) and Securities Exchange Act Release No. 83735 (July 27, 2018), 83 FR 37855 (August 2, 2018) (SR-OCC-2018-008) (Order Approving Proposed Rule Change, as Modified by Amendments No. 1 and 2, Related to The Options Clearing Corporation's Stress Testing and Clearing Fund Methodology).

¹⁶ See Securities Exchange Act Release No. 83305 (May 23, 2018), 83 FR 24536 (May 29, 2018) (SR-OCC-2017-811) (Notice of No Objection to Advance Notice Filing Concerning The Options Clearing Corporation's Margin Methodology) and Securities Exchange Act Release No. 83326 (May 24, 2018), 83 FR 25081 (May 31, 2018) (SR-OCC-2017-022) (Order Approving Proposed Rule Change Related to The Options Clearing Corporation's Margin Methodology).

OCC believes the proposed rule change is consistent with Section 17A of the Act¹⁷ and the rules thereunder applicable to OCC. Section 17A(b)(3)(F) of the Act¹⁸ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions and to assure the safeguarding of securities and funds which are in the custody or control of the clearing or agency or for which it is responsible. The proposed rule change is designed to align the OCC Policies with previously approved changes to OCC's By-Laws, Rules, and risk models¹⁹ and otherwise enhance the accuracy, clarity, and consistency of the OCC Policies. The proposed changes would, among other things, ensure that the OCC Policies maintain accurate descriptions of the roles and responsibilities of the Office of the CEO and reference the appropriate procedures maintained under the OCC Policies to effectively carry out the requirements of those policies and thereby facilitate the effective operation of OCC's core clearance, settlement, and risk management activities. OCC believes that the proposed rule change is therefore designed, in general, to promote the prompt and accurate clearance and settlement of securities and derivatives transactions and assure the safeguarding of securities and funds which are in the custody or control of OCC or for which it is responsible in accordance with Section 17A(b)(3)(F) of the Act.²⁰

¹⁷ 15 U.S.C. 78q-1.

¹⁸ 15 U.S.C. 78q-1(b)(3)(F).

¹⁹ See supra notes 11, 12, 15, and 16 and associated text.

²⁰ 15 U.S.C. 78q-1(b)(3)(F).

Rule 17Ad-22(e)(2)(i)²¹ requires each covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent. As discussed above, the proposed rule change is designed to align the OCC Policies with previously approved changes to OCC's By-Laws and Rules and otherwise enhance the accuracy, clarity, and consistency of the OCC Policies. The proposed changes would, among other things, ensure that the OCC Policies maintain accurate descriptions of the roles and responsibilities of the Office of the CEO and reference the appropriate procedures maintained under the OCC Policies to effectively carry out the requirements of those policies. OCC therefore believes the proposed rule change is consistent with Rule 17Ad-22(e)(2)(i).²² Moreover, OCC believes the proposed rule change promotes compliance with the CCA Rules²³ generally by improving the accuracy, clarity, and consistency of the OCC Policies so that they remain reasonably designed to achieve the standards and requirements thereunder.

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

Section 17A(b)(3)(I) of the Act²⁴ 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. The proposed rule change is intended to make clarifying and conforming changes to OCC's internal policies in connection with

²¹ 17 CFR 240.17Ad-22(e)(2)(i).

²² Id.

²³ 17 CFR 240.17Ad-22.

²⁴ 15 U.S.C. 78q-1(b)(3)(I).

the implementation of a proposed rule change that was previously approved by the Commission²⁵ and other administrative updates that would have no impact on Clearing Members or other market participants. 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)(iii)²⁶ of the Act, and Rule 19b-4(f)(3) thereunder,²⁷ the proposed rule change is filed for immediate effectiveness as it is concerned solely with the administration of OCC. 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.²⁸

IV. Solicitation of Comments

²⁵ See supra notes 11, 12, 15, and 16 and associated text.

²⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁷ 17 CFR 240.19b-4(f)(3).

²⁸ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 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-2019-006 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-2019-006. 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-2019-006 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.²⁹

Eduardo A. Aleman
Assistant Secretary

²⁹ 17 CFR 200.30-3(a)(12).