



September 30, 2016

VIA CFTC PORTAL

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2016-011 Rule Certification

Dear Secretary Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission Regulation (“CFTC”) 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, or is concurrently being, 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 in accordance with OCC’s Fee Policy¹ to set OCC’s fees at a level designed to cover OCC’s operating expenses and maintain a Business Risk Buffer of 25%.² The revised fee schedule

¹ OCC’s Fee Policy was adopted as part of OCC’s plan for raising additional capital (“Capital Plan”), which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC.

² The Business Risk Buffer is equal to net income before refunds, dividends, and taxes divided by total revenue.

would become effective on December 1, 2016.

By way of background, in 2015, the SEC approved, and OCC certified with the CFTC, OCC's Capital Plan, which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. As part of OCC's Capital Plan, OCC adopted a Fee Policy whereby OCC would set clearing fees at a level that covers OCC's operating expenses plus a Business Risk Buffer of 25%.³ The purpose of the Business Risk Buffer is to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements.

OCC recently reviewed its current Schedule of Fees against actual and projected revenues and expenses for 2016 in accordance with its Fee Policy to determine whether the Schedule of Fees was sufficient to cover OCC's anticipated operating expenses and achieve a Business Risk Buffer of 25%. In reviewing the Schedule of Fees, OCC analyzed: (i) clearing fee revenues charged on a year-to-date basis, (ii) projected volume for the remainder of the year, (iii) the anticipated "mix" of volume among the various fee levels set forth in the Schedule of Fees, (iv) operating expenses incurred to date, and (v) operating expenses projected for the remainder of the year. Based on the foregoing analysis, OCC determined that the current fee schedule is set at a level that would be insufficient to ensure that OCC achieves its Business Risk Buffer of 25% as required under the Fee Policy. OCC arrived at the proposed fee schedule presented herein by determining the figures that provide the best opportunity for OCC to achieve coverage of its anticipated operating expenses plus a Business Risk Buffer of 25%.

As a result of the aforementioned analysis, OCC proposes to revise its Schedule of Fees as set forth below.⁴

Current Fee Schedule		Proposed Fee Schedule	
Trades with contracts of:	Current Fee	Trades with contracts of:	Proposed Fee
1-1370	\$0.041	1-1100	\$0.050/contract
>1370	\$55/trade	>1100	\$55/trade

³ OCC's Schedule of Fees must also meet the requirements set forth in Article IX, Section 9 of OCC's By-Laws. In general, Article IX, Section 9 of OCC's By-Laws requires that OCC's fee structure be designed to: 1) cover OCC's operating expenses plus a business risk buffer; 2) maintain reserves deemed reasonably necessary by OCC's Board of Directors; and 3) accumulate an additional surplus deemed advisable by the Board of Directors to permit OCC to meet its obligations to its clearing members and the public. Clauses 2 and 3 above will only be invoked at the discretion of OCC's Board of Directors and in extraordinary circumstances.

⁴ These changes are also reflected in Exhibit 5.

In accordance with its Fee Policy, OCC will continue to monitor cleared contract volume and operating expenses in order to determine if further revisions to OCC's Schedule of Fees are required so that monies received from clearing fees cover OCC's operating expenses plus a Business Risk Buffer of 25%.

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 by implementing the proposed rule change to modify its Schedule of Fees and by publishing the modified fee schedule on its website and making it publicly available, it therefore provides clearing members with sufficient information to allow them to identify and evaluate the costs associated with OCC's services.

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.

Christopher J. Kirkpatrick
September 30, 2016
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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 written in a cursive style with a long horizontal stroke at the end.

Justin W. Byrne
Vice President, Regulatory Filings

Enclosure

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 December 1, 2016, to implement an increase in clearing fees in accordance with OCC’s Fee Policy.¹ OCC’s Schedule of Fees is attached hereto as Exhibit 5. Material proposed to be added to OCC’s Schedule of Fees as currently in effect is underlined and material proposed to be deleted is enclosed in bold brackets. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.²

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved for filing with the Commission by OCC’s Compensation and Performance Committee, under delegated authority, on September 20, 2016.

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

¹ OCC’s Fee Policy was adopted as part of OCC’s plan for raising additional capital (“Capital Plan”), which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. *See* Securities Exchange Act Release No. 74452 (March 6, 2015) 80 FR 13058 (March 12, 2015) (SR-OCC-2015-02). OCC also filed proposals in the Capital Plan Filing as an advance notice under Section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010. 12 U.S.C. 5465(e)(1). On February 26, 2015, the Commission issued a notice of no objection to the advance notice filing. *See* Exchange Act Release No. 74387 (February 26, 2015), 80 FR 12215 (March 6, 2015) (SR-OCC-2014-813). BATS Global Markets, Inc., BOX Options Exchange LLC, KCG Holdings, Inc., Miami International Securities Exchange, LLC, and Susquehanna International Group, LLP (collectively “Petitioners”) each filed petitions for review of the Approval Order, challenging the action taken by delegated authority. The filing of the petitions automatically stayed the Approval Order. OCC filed a Motion to Lift the Stay on April 2, 2015, and the Petitioners responded. The Commission subsequently determined that the automatic stay of delegated action should be discontinued, and the Commission granted OCC’s Motion to Lift Stay of the staff’s action in approving by delegated authority File No. SR-OCC-2015-02.

² OCC’s By-Laws and Rules can be found on OCC’s public website: <http://optionsclearing.com/about/publications/bylaws.jsp>.

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 in accordance with its Fee Policy to set OCC's fees at a level designed to cover OCC's operating expenses and maintain a Business Risk Buffer of 25%.³ The revised fee schedule would become effective on December 1, 2016.

By way of background, in 2015, the Commission approved OCC's Capital Plan,⁴ which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. As part of OCC's Capital Plan, OCC adopted a Fee Policy whereby OCC would set clearing fees at a level that covers OCC's operating expenses plus a Business Risk Buffer of 25%.⁵ The purpose of the Business Risk Buffer is to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements.

OCC recently reviewed its current Schedule of Fees⁶ against actual and projected

³ The Business Risk Buffer is equal to net income before refunds, dividends, and taxes divided by total revenue.

⁴ See *supra* note 1.

⁵ OCC's Schedule of Fees must also meet the requirements set forth in Article IX, Section 9 of OCC's By-Laws. In general, Article IX, Section 9 of OCC's By-Laws requires that OCC's fee structure be designed to: 1) cover OCC's operating expenses plus a business risk buffer; 2) maintain reserves deemed reasonably necessary by OCC's Board of Directors; and 3) accumulate an additional surplus deemed advisable by the Board of Directors to permit OCC to meet its obligations to its clearing members and the public. Clauses 2 and 3 above will only be invoked at the discretion of OCC's Board of Directors and in extraordinary circumstances.

⁶ OCC previously revised its Schedule of Fees effective March 1, 2016, to implement a reduction of clearing fees in accordance with the Fee Policy. See Securities Exchange Act Release No. 77041 (February 3, 2016), 81 FR 6917 (February 9, 2016), (SR-OCC-2016-001). OCC subsequently amended its Schedule of Fees to simplify its fee structure

revenues and expenses for 2016 in accordance with its Fee Policy to determine whether the Schedule of Fees was sufficient to cover OCC’s anticipated operating expenses and achieve a Business Risk Buffer of 25%. In reviewing the Schedule of Fees, OCC analyzed: (i) clearing fee revenues charged on a year-to-date basis, (ii) projected volume for the remainder of the year, (iii) the anticipated “mix” of volume among the various fee levels set forth in the Schedule of Fees, (iv) operating expenses incurred to date, and (v) operating expenses projected for the remainder of the year. Based on the foregoing analysis, OCC determined that the current fee schedule is set at a level that would be insufficient to ensure that OCC achieves its Business Risk Buffer of 25% as required under the Fee Policy. OCC arrived at the proposed fee schedule presented herein by determining the figures that provide the best opportunity for OCC to achieve coverage of its anticipated operating expenses plus a Business Risk Buffer of 25%.

As a result of the aforementioned analysis, OCC proposes to revise its Schedule of Fees as set forth below.⁷

Current Fee Schedule		Proposed Fee Schedule	
Trades with contracts of:	Current Fee	Trades with contracts of:	Proposed Fee
1-1370	\$0.041	1-1100	\$0.050/contract
>1370	\$55/trade	>1100	\$55/trade

In accordance with its Fee Policy, OCC will continue to monitor cleared contract volume and operating expenses in order to determine if further revisions to OCC’s Schedule of Fees are

through: (i) the adoption of a flat clearing fee per contract with a fixed dollar cap and (ii) the elimination of the “scratch” fee. The revised fee structure, which became effective May 2, 2016, was designed to be revenue neutral when compared to the previous fee structure. *See* Securities Exchange Act Release No. 77336 (March 10, 2016), 81 FR 14153 (March 16, 2016), (SR-OCC-2016-005).

⁷ These changes are also reflected in Exhibit 5.

required so that monies received from clearing fees cover OCC's operating expenses plus a Business Risk Buffer of 25%.⁸

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 dues, fees, and other charges among its participants.⁹ The proposed fee schedule was set in accordance with the criteria set forth in OCC's Capital Plan, which was approved by the Commission¹⁰ and requires that OCC's fees be set at a level designed to cover OCC's operating expenses and maintain a Business Risk Buffer of 25%. OCC believes the proposed fee change is reasonable because the fee increase would be set at a level intended only to facilitate the maintenance of OCC's Business Risk Buffer of 25%, which is designed to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements. Moreover, OCC believes that the proposed fee change would result in an equitable allocation of fees among its participants because it would be equally applicable to all market participants. 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.¹¹ The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

⁸ Any subsequent changes to OCC's Schedule of Fees would be the subject of a subsequent proposed rule change filed with the Commission.

⁹ 17 U.S.C. 78q-1(b)(3)(D).

¹⁰ See *supra* note 1.

¹¹ 17 U.S.C. 78q-1(b)(3)(D).

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

Section 17A(b)(3)(I) of the Act¹² 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 disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed clearing fees apply equally to all users of OCC. 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.¹³

¹² 15 U.S.C. 78q-1(b)(3)(I).

¹³ 15 U.S.C. 78s(b)(2).

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)¹⁴ of the Act, and Rule 19b-4(f)(2) thereunder,¹⁵ 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.¹⁶

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.

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 December 1, 2016.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 240.19b-4(f)(2).

¹⁶ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation §40.6.

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-2016-011)

September 29, 2016

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 September 29, 2016, 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 effective December 1, 2016, to implement an increase in clearing fees in accordance with OCC's Fee Policy.⁵ The proposed changes to the Schedule of Fees can be found in Exhibit 5 to the proposed

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).

⁵ OCC's Fee Policy was adopted as part of OCC's plan for raising additional capital ("Capital Plan"), which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. *See* Securities Exchange Act Release No. 74452 (March 6, 2015) 80 FR 13058 (March

rule change. All capitalized terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.⁶

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 in accordance with its Fee Policy to set OCC's fees at a level designed to cover OCC's operating

12, 2015) (SR-OCC-2015-02). OCC also filed proposals in the Capital Plan Filing as an advance notice under Section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010. 12 U.S.C. 5465(e)(1). On February 26, 2015, the Commission issued a notice of no objection to the advance notice filing. *See* Exchange Act Release No. 74387 (February 26, 2015), 80 FR 12215 (March 6, 2015) (SR-OCC-2014-813). BATS Global Markets, Inc., BOX Options Exchange LLC, KCG Holdings, Inc., Miami International Securities Exchange, LLC, and Susquehanna International Group, LLP (collectively "Petitioners") each filed petitions for review of the Approval Order, challenging the action taken by delegated authority. The filing of the petitions automatically stayed the Approval Order. OCC filed a Motion to Lift the Stay on April 2, 2015, and the Petitioners responded. The Commission subsequently determined that the automatic stay of delegated action should be discontinued, and the Commission granted OCC's Motion to Lift Stay of the staff's action in approving by delegated authority File No. SR-OCC-2015-02.

⁶ OCC's By-Laws and Rules can be found on OCC's public website: <http://optionsclearing.com/about/publications/bylaws.jsp>.

expenses and maintain a Business Risk Buffer of 25%.⁷ The revised fee schedule would become effective on December 1, 2016.

By way of background, in 2015, the Commission approved OCC's Capital Plan,⁸ which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. As part of OCC's Capital Plan, OCC adopted a Fee Policy whereby OCC would set clearing fees at a level that covers OCC's operating expenses plus a Business Risk Buffer of 25%.⁹ The purpose of the Business Risk Buffer is to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements.

OCC recently reviewed its current Schedule of Fees¹⁰ against actual and projected revenues and expenses for 2016 in accordance with its Fee Policy to determine whether the

⁷ The Business Risk Buffer is equal to net income before refunds, dividends, and taxes divided by total revenue.

⁸ See *supra* note 5.

⁹ OCC's Schedule of Fees must also meet the requirements set forth in Article IX, Section 9 of OCC's By-Laws. In general, Article IX, Section 9 of OCC's By-Laws requires that OCC's fee structure be designed to: 1) cover OCC's operating expenses plus a business risk buffer; 2) maintain reserves deemed reasonably necessary by OCC's Board of Directors; and 3) accumulate an additional surplus deemed advisable by the Board of Directors to permit OCC to meet its obligations to its clearing members and the public. Clauses 2 and 3 above will only be invoked at the discretion of OCC's Board of Directors and in extraordinary circumstances.

¹⁰ OCC previously revised its Schedule of Fees effective March 1, 2016, to implement a reduction of clearing fees in accordance with the Fee Policy. See Securities Exchange Act Release No. 77041 (February 3, 2016), 81 FR 6917 (February 9, 2016), (SR-OCC-2016-001). OCC subsequently amended its Schedule of Fees to simplify its fee structure through: (i) the adoption of a flat clearing fee per contract with a fixed dollar cap and (ii) the elimination of the "scratch" fee. The revised fee structure, which became effective May 2, 2016, was designed to be revenue neutral when compared to the previous fee structure. See Securities Exchange Act Release No. 77336 (March 10, 2016), 81 FR 14153 (March 16, 2016), (SR-OCC-2016-005).

Schedule of Fees was sufficient to cover OCC's anticipated operating expenses and achieve a Business Risk Buffer of 25%. In reviewing the Schedule of Fees, OCC analyzed: (i) clearing fee revenues charged on a year-to-date basis, (ii) projected volume for the remainder of the year, (iii) the anticipated "mix" of volume among the various fee levels set forth in the Schedule of Fees, (iv) operating expenses incurred to date, and (v) operating expenses projected for the remainder of the year. Based on the foregoing analysis, OCC determined that the current fee schedule is set at a level that would be insufficient to ensure that OCC achieves its Business Risk Buffer of 25% as required under the Fee Policy. OCC arrived at the proposed fee schedule presented herein by determining the figures that provide the best opportunity for OCC to achieve coverage of its anticipated operating expenses plus a Business Risk Buffer of 25%.

As a result of the aforementioned analysis, OCC proposes to revise its Schedule of Fees as set forth below.¹¹

Current Fee Schedule		Proposed Fee Schedule	
Trades with contracts of:	Current Fee	Trades with contracts of:	Proposed Fee
1-1370	\$0.041	1-1100	\$0.050/contract
>1370	\$55/trade	>1100	\$55/trade

In accordance with its Fee Policy, OCC will continue to monitor cleared contract volume and operating expenses in order to determine if further revisions to OCC's Schedule of Fees are

¹¹ These changes are also reflected in Exhibit 5.

required so that monies received from clearing fees cover OCC's operating expenses plus a Business Risk Buffer of 25%.¹²

(2) 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 dues, fees, and other charges among its participants.¹³ The proposed fee schedule was set in accordance with the criteria set forth in OCC's Capital Plan, which was approved by the Commission¹⁴ and requires that OCC's fees be set at a level designed to cover OCC's operating expenses and maintain a Business Risk Buffer of 25%. OCC believes the proposed fee change is reasonable because the fee increase would be set at a level intended only to facilitate the maintenance of OCC's Business Risk Buffer of 25%, which is designed to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements. Moreover, OCC believes that the proposed fee change would result in an equitable allocation of fees among its participants because it would be equally applicable to all market participants. 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.¹⁵ The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

¹² Any subsequent changes to OCC's Schedule of Fees would be the subject of a subsequent proposed rule change filed with the Commission.

¹³ 17 U.S.C. 78q-1(b)(3)(D).

¹⁴ See *supra* note 5.

¹⁵ 17 U.S.C. 78q-1(b)(3)(D).

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

Section 17A(b)(3)(I) of the Act¹⁶ 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 disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed clearing fees apply equally to all users of OCC. 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)¹⁷ of the Act, and Rule 19b-4(f)(2) thereunder,¹⁸ 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

¹⁶ 15 U.S.C. 78q-1(b)(3)(I).

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁸ 17 CFR 240.19b-4(f)(2).

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.¹⁹

IV. Solicitation of Comments

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-2016-011 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-2016-011. 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

¹⁹ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation §40.6.

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

http://www.theocc.com/components/docs/legal/rules_and_bylaws/sr_occ_16_011.pdf.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-OCC-2016-011 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.²⁰

Robert W. Errett
Deputy Secretary

Action as set forth recommended herein
APPROVED pursuant to authority delegated by
the Commission under Public Law 87-592.

For: Division of Trading and Markets

By: _____

Print Name: _____

Date: _____

²⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

**THE OPTIONS CLEARING CORPORATION
SCHEDULE OF FEES – [OCTOBER] DECEMBER 2016¹**

CLEARING MEMBER

CLEARING

Clearing Fees

Trades with contracts of:
1 – [1370] 1100 \$ [.041] .050
Greater than [1370] 1100 \$ 55.00/trade

New Products

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

Linkage per side* \$ 0.02

Minimum Monthly Clearing Fee \$ 200.00

Exercise Fee – per line item on exercise notice \$ 1.00

MEMBERSHIP

New Clearing Member Qualification Fee \$ 4,000.00

Stock and Market Loan Program Transaction Fees
Per transaction assessed against each lender and borrower \$ 1.00

Stock and Market Loan Program Borrower Fees
Monthly annualized charge on average daily notional outstanding balance 0.4 basis point

STAMPS

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
- MyOCC Access
- Data Service – proprietary position and trade data (includes transmission to service bureau)
- Report Bundle
- Series File
- Special Settlement File
- Open Interest File
- Prices File
- Stock Loan File
- Theoretical Profit and Loss Values
- Leased line charges are additional \$ 1,500.00 per month

TIER II

- ENCORE Access
- MyOCC Access
- Data Service – proprietary position and trade data (includes transmission to service bureau)
- Report Bundle
- Leased line charges are additional \$ 1,000.00 per month

TIER III

- ENCORE Access
- MyOCC Access \$ 650.00 per month

Additional Clearing Member:

No Charge

TIER IV (Stock Loan Only)

- ENCORE Access
- MyOCC Access \$ 300.00 per month

¹ This Exhibit 5 reflects proposed changes to OCC's Schedule of Fees as filed for immediate effectiveness with the Commission on July 29, 2016, and which will be implemented on October 1, 2016. See Securities Exchange Act Release No. 78526 (August 10, 2016), 81 FR 54632 (August 16, 2016) (SR-OCC-2016-008).

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

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.