



December 8, 2016

**VIA CFTC PORTAL**

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

**Re: Weekly Notification of Rule Amendments Pursuant to CFTC Regulation  
40.6(d)(2)(i) -- OCC Rule Filing SR-OCC-2016-014**

Dear Secretary Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(d)(2)(i), The Options Clearing Corporation (“OCC”) submits this Weekly Notification of the following rule amendment made effective during the week of December 5, 2016.

- Amendment of the definition of “Section 871(m) Implementation Date” as proposed in OCC rule filing SR-OCC-2016-014.

On October 19, 2016, OCC filed a rule change with the CFTC (SR-OCC-2016-014) related to compliance with Section 871(m) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder as they will apply to listed options transactions (“Initial Filing”). The rule change was certified on November 2, 2016. The Section 871(m) regulations are currently scheduled to become effective with regard to listed options transactions on January 1, 2017 (i.e., the Section 871(m) Effective Date). During the week of December 5, 2016, OCC amended the date by which each FFI Clearing Member (currently, each OCC Canadian Clearing Member) would need to demonstrate to OCC that it is a Qualified Intermediary Assuming Primary Withholding Responsibility, a Qualified Derivatives Dealer, and FACTA Compliant, as such terms are defined in the Initial Filing. The amendment was intended to allow additional time for the Internal Revenue Service to finalize the form necessary to demonstrate compliance, and for OCC’s FFI Clearing Members to review and complete such forms, prior to the proposed rule change taking effect.

Under the Initial Filing, FFI Clearing Members would need to demonstrate to OCC that they have such statuses by the Section 871(m) Implementation Date, which was defined in the Initial Filing as December 1, 2016, or, if later, the date that is 30 days before the Section 871(m)

Effective Date. As noted in the Initial Filing, such Clearing Members have already submitted documentation to OCC demonstrating that they are Qualified Intermediaries Assuming Primary Withholding Responsibility and FACTA Compliant. They have not, however, been able to submit documentation to OCC showing that they are Qualified Derivatives Dealers because as of December 1, 2016, Treasury and IRS had not yet provided guidance that would allow them to do so.<sup>1</sup> To accommodate this delay, OCC amended the definition of Section 871(m) Implementation Date to read as follows:

(2) The term “Section 871(m) Implementation Date” means such date on or after December 1, 2016 as the Corporation may designate in an Information Memo issued to its Clearing Members.

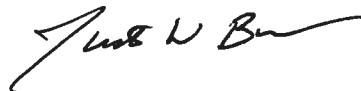
A marked copy of the changes to the rule text proposed in this amendment against the version of the rule text in the Initial Filing is attached as Exhibit 4.

The amendment would not change the purpose of or statutory basis for the proposed rule change. All other representations in the Initial Filing remain as stated therein and no other changes are being made.

A filing has also been submitted to the Securities and Exchange Commission.

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

Sincerely,



Justin W. Byrne  
Vice President, Regulatory Filings

Enclosure

---

<sup>1</sup> On December 2, 2016, the IRS issued Notice 2016-76, which among other things, provides guidance on how entities intending to apply for Qualified Derivatives Dealer status can notify the IRS that they intend to apply for such status prior to January 1, 2017.