



January 28, 2014

VIA ELECTRONIC MAIL

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

Re: Rule Filing SR-OCC-2014-02 Rule Certification

Dear Secretary Jurgens:

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 (the “SEC”) or otherwise becomes effective under the Securities Exchange Act of 1934 (the “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

Proposed Changes to OCC’s Rules

OCC is proposing to modify its rules to accommodate the clearing of a physically-settled single stock futures (“SSF”) for which the delivery date would be the first business day following the maturity date (“T+1 SSFs”) rather than the third business day following the maturity date (“T+3 SSFs”). Currently, OCC only clears T+3 SSFs. In order to accommodate this different delivery schedule, OCC proposes to amend the definition of delivery date in Rule 1302 for physically-settled stock futures as well as to modify references to the timing of the delivery date for security futures in the broker-to-broker settlement procedures in Rule 903.

Settlement of physically-settled SSFs is ordinarily effected through the National Securities Clearing Corporation (“NSCC”), pursuant to NSCC’s rules and OCC Rule 901 regarding transactions in physically-settled stock futures. OCC has confirmed with NSCC that

NSCC can operationally accommodate T+1 SSFs.¹ As is the case for stock futures already cleared by OCC for which NSCC provides physical delivery settlement services, and in accordance with OCC Rule 601, OCC will collect risk margin from its clearing members on deliveries of T+1 SSFs for one business day following the maturity date and release such risk margin to its clearing members on the second business day following the maturity date. OCC understands that, consistent with NSCC's rules, NSCC would also collect margin based on the mark-to-market of the unsettled stock in the morning of the first business day following maturity in connection with receipt of the stock trade from OCC. This will result in a temporary double-margining of T+1 SSFs. As with existing physically-settled SSFs cleared by OCC, T+1 SSFs are futures and therefore not covered by the Third Amended and Restated Options Exercise Settlement Agreement dated as of February 16, 1995, between OCC and NSCC, OCC and NSCC will have no obligation to turn over to the other margin deposited by a clearing member that has been suspended.

OCX's New Product and Amendment to the Clearing Agreement

OCX's New Product

OCX is proposing to list weekly maturity T+1 SSFs. OCX has de-listed its weekly maturity T+3 SSFs prior to the launch of weekly maturity T+1 SSFs, and will initially list weekly maturity T+1 SSFs on five to ten underlyings.²

Amendment to the Clearing Agreement

OCC performs the clearing function for OCX pursuant to the Clearing Agreement, under which OCX agrees to indemnify and hold harmless OCC against any and all liabilities and costs in settlement in connection with any proceeding that arises out of, or is based upon, any violation or alleged violation by OCX of any law or governmental regulation. OCC and OCX have agreed to the proposed Amendment, which expands and clarifies this indemnification to include OCX's indemnification of OCC for claims that arise from any representations that OCX makes regarding the tax treatment of any futures product cleared pursuant to the Clearing Agreement, including SSFs.

OCC believes the additional indemnification described above is appropriate because OCX has designed its proposed weekly maturity T+1 SSFs with the intention that investors may

¹ In the event the security underlying a T+1 SSF is not eligible for physical delivery settlement at NSCC – for example, due to trading suspensions or delistings– OCC would instruct physical delivery settlement to occur on a broker-to-broker basis in accordance with the applicable provisions of Chapter IX of its Rules. As noted above, OCC proposes to modify Rule 903 to accommodate the one-day delivery date for T+1 SSFs.

² OCC understands that OCX's monthly maturity SSFs will continue to be T+3 SSFs.

enter into an “exchange for physical” transaction involving weekly maturity T+1 SSFs and receive the same tax treatment as parties to a stock loan transaction under Section 1058 of the Internal Revenue Code (the “Code”). While stock loan transactions involve the transfer of a stock, which potentially could trigger recognition of a gain or loss under the Code, under Code Section 1058 a transfer of securities under a stock lending arrangement satisfying certain conditions is generally not considered a recognition event. The Amendment is intended to provide for OCX’s indemnification of OCC for any claims arising from the representations, if any, that OCX may make regarding the SSFs’ eligibility for this tax treatment.

Prior to the launch of the T+1 SSFs, OCC will send to clearing members and also post on its public web site an Information Memo describing the features of T+1 SSFs, as described above.

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

Participant and Product Eligibility. OCC believes the proposed rule change will help OCC establish appropriate requirements for determining the eligibility of contracts and transactions submitted for clearing. The proposed rule change would amend OCC’s rules to allow for the clearing of T+1 SSFs. In determining to support T+1 SSFs, OCC considered its ability to manage the risks associated with T+1 SSFs including, but not limited to, OCC’s operational capacity to address the risks of T+1 SSFs and OCC’s ability to measure the risk of T+1 SSFs for the purposes of setting margin requirements. As described above, OCC determined that T+1 SSFs do not present any significant risks to the clearing operations at OCC because T+1 SSFs are substantially similar to existing physically-settled stock futures products already cleared by OCC.

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

OCC hereby certifies that notice of this rule filing has been 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.

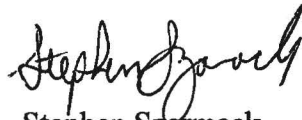
Certification

Melissa Jurgens
January 28, 2014
Page 4

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 "Stephen Szarmack". The signature is written in a cursive, flowing style.

Stephen Szarmack
Vice President & Associate General Counsel

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

This proposed rule change by The Options Clearing Corporation (“OCC”) would amend OCC’s Rules as set forth below to accommodate the clearing of physically-settled single stock futures (“SSFs”) for which delivery would occur on the first, rather than the third, business day after the maturity date of each such SSF. Proposed amendments to OCC’s Rules are set forth below. Material proposed to be added is marked by underlining. Material proposed to be deleted is enclosed in bold brackets.

Initially, OneChicago, LLC (“OCX”) is proposing to list SSFs for which delivery would occur on the first business day after maturity. In connection therewith, OCC is proposing to enter into an amendment (the “Amendment”) to the Amended and Restated Security Futures Agreement for Clearing and Settlement Services dated May 15, 2012, between OCC and OCX (the “Clearing Agreement”), in order to provide for OCX’s indemnification of OCC for claims arising from representations OCX may make to buyers and sellers of security futures contracts, including SSFs, regarding the tax treatment of their purchase or sale. A brief discussion of OCX’s proposed new product as well as a description of the Amendment is also set forth below. The text of the Amendment is attached hereto as Exhibit 3.

THE OPTIONS CLEARING CORPORATION

RULES

* * *

CHAPTER IX

Delivery of Underlying Securities and Payment

* * *

Obligation to Deliver

RULE 903. When a Delivery Advice or the Corporation directs that settlement be made on a broker-to-broker basis, the Delivering Clearing Member shall deliver each underlying security specified in the Delivery Advice against payment of the aggregate purchase price therefor on the delivery date specified therein, which, in the case of options, shall be the third business day following the day on which the exercise notice was, or is deemed to have been, properly tendered to the Corporation pursuant to Chapter VIII of the Rules, and, in the case of security futures, shall be the third business day following the maturity date, except for series that are designated by the Exchange on which such series are traded for settlement on the first business day following the maturity date of the applicable series, provided that:

(a) – (b) [No change]

* * *

CHAPTER XIII

Futures and Futures Options

* * *

Delivery of Underlying Securities

RULE 1302. At maturity of a physically-settled stock future, in addition to the final variation payment (if any) required by Rule 1301(d), the Clearing Member that is, or that represents, the seller shall be obligated to deliver, and the Clearing Member that is, or that represents, the buyer shall be obligated to receive and pay for, a quantity of the underlying security equal to the unit of trading at the aggregate purchase price. Settlement of the obligations to deliver and pay for such underlying securities shall be effected in accordance with the provisions of Chapter IX of the Rules. The delivery date shall be the third business day following the maturity date of the applicable series of physically-settled stock futures except for series that are designated by the Exchange on which such series are traded for settlement on the first business day following the maturity date of the applicable series.

* * *

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of OCC at a meeting held on October 28, 2013.

Questions should be addressed to Stephen Szarmack, Vice President and Associate General Counsel, at (312) 322-4802.

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

Proposed Changes to OCC’s Rules

OCC is proposing to modify its rules to accommodate the clearing of a physically-settled SSF for which the delivery date would be the first business day following the maturity date (“T+1 SSFs”) rather than the third business day following the maturity date (“T+3 SSFs”). Currently, OCC only clears T+3 SSFs. In order to accommodate this different delivery schedule, OCC proposes to amend the definition of delivery date in Rule 1302 for physically-settled stock futures as well as to modify references to the timing of the delivery date for security futures in the broker-to-broker settlement procedures in Rule 903.

Settlement of physically-settled SSFs is ordinarily effected through the National Securities Clearing Corporation (“NSCC”), pursuant to NSCC’s rules and OCC Rule 901 regarding transactions in physically-settled stock futures. OCC has confirmed with NSCC that NSCC can operationally accommodate T+1 SSFs.¹ As is the case for stock futures already cleared by OCC for which NSCC provides physical delivery settlement services, and in accordance with OCC Rule 601, OCC will collect risk margin from its clearing members on deliveries of T+1 SSFs for one business day following the maturity date and release such risk

¹ In the event the security underlying a T+1 SSF is not eligible for physical delivery settlement at NSCC – for example, due to trading suspensions or delistings– OCC would instruct physical delivery settlement to occur on a broker-to-broker basis in accordance with the applicable provisions of Chapter IX of its Rules. As noted above, OCC proposes to modify Rule 903 to accommodate the one-day delivery date for T+1 SSFs.

margin to its clearing members on the second business day following the maturity date. OCC understands that, consistent with NSCC's rules, NSCC would also collect margin based on the mark-to-market of the unsettled stock in the morning of the first business day following maturity in connection with receipt of the stock trade from OCC. This will result in a temporary double-margining of T+1 SSFs. As with existing physically-settled SSFs cleared by OCC, T+1 SSFs are futures and therefore not covered by the Third Amended and Restated Options Exercise Settlement Agreement dated as of February 16, 1995, between OCC and NSCC, OCC and NSCC will have no obligation to turn over to the other margin deposited by a clearing member that has been suspended.

OCX's New Product and Amendment to the Clearing Agreement

OCX's New Product

OCX is proposing to list weekly maturity T+1 SSFs. OCX has de-listed its weekly maturity T+3 SSFs prior to the launch of weekly maturity T+1 SSFs, and will initially list weekly maturity T+1 SSFs on five to ten underlyings.²

Amendment to the Clearing Agreement

OCC performs the clearing function for OCX pursuant to the Clearing Agreement, under which OCX agrees to indemnify and hold harmless OCC against any and all liabilities and costs in settlement in connection with any proceeding that arises out of, or is based upon, any violation or alleged violation by OCX of any law or governmental regulation. OCC and OCX have agreed to the proposed Amendment, which expands and clarifies this

² OCC understands that OCX's monthly maturity SSFs will continue to be T+3 SSFs.

indemnification to include OCX's indemnification of OCC for claims that arise from any representations that OCX makes regarding the tax treatment of any futures product cleared pursuant to the Clearing Agreement, including SSFs.

OCC believes the additional indemnification described above is appropriate because OCX has designed its proposed weekly maturity T+1 SSFs with the intention that investors may enter into an "exchange for physical" transaction involving weekly maturity T+1 SSFs and receive the same tax treatment as parties to a stock loan transaction under Section 1058 of the Internal Revenue Code (the "Code"). While stock loan transactions involve the transfer of a stock, which potentially could trigger recognition of a gain or loss under the Code, under Code Section 1058 a transfer of securities under a stock lending arrangement satisfying certain conditions is generally not considered a recognition event. The Amendment is intended to provide for OCX's indemnification of OCC for any claims arising from the representations, if any, that OCX may make regarding the SSFs' eligibility for this tax treatment.

Prior to the launch of the T+1 SSFs, OCC will send to clearing members and also post on its public web site an Information Memo describing the features of T+1 SSFs, as described above.

* * *

OCC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Securities Exchange Act of 1934, as amended (the "Act"),³ because it will modify OCC's Rules in a manner that will promote the prompt and accurate clearance and settlement of

³ 15 U.S.C. 78q-1(b)(3)(F).

derivative agreements for which OCC is responsible. By amending its rules to accommodate T+1 SSFs, in addition to T+3 SSFs, OCC will be able to clear and facilitate settlement of SSFs that will settle more promptly than SSFs currently cleared by OCC, thereby reducing systemic risk. In addition, and also consistent with Section 17A(b)(3)(F) of the Act, the proposed rule change will continue to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions⁴ because, as with T+3 SSFs, both OCC and NSCC will facilitate the settlement of T+1 SSFs. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

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

OCC does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.⁵ With respect to any burden on competition among clearing agencies, OCC is the only registered clearing agency that performs central counterparty services for the security futures markets.

Changes to the rules of a clearing agency may have an impact on the participants in a clearing agency and the markets that the clearing agency serves. This proposed rule change primarily affects security futures clearing members and OCC believes that the proposed modifications would not unfairly inhibit access to OCC's services, or disadvantage or favor any particular user in relationship to another user, because the changes will affect all clearing members equally, T+1 SSFs will be cleared using existing systems and T+1 SSFs will be margined similarly to existing products.

⁴ *Id.*

⁵ 15 U.S.C. 78q-1(b)(3)(I).

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest, would be consistent with the requirements of the Act applicable to clearing agencies, and would not impose a burden on competition that is unnecessary or inappropriate in furtherance of the purposes of the Act.

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

Not applicable.

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) of the Act⁶ and Rule 19b-4(f)(6) thereunder,⁷ the proposed rule change is filed for immediate effectiveness. The proposed rule change will not: 1) significantly affect the protection of investors or the public interest, 2) impose any significant burden on competition, and 3) become operative for thirty days from the date on which it is filed, or such shorter time as the Commission may designate. OCC provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

time as designated by the Commission.⁸ As described above, T+1 SSFs are substantially similar to physically-settled SSFs currently cleared by OCC but for the delivery date, which is an operational function of NSCC. OCC believes that the rule change will not significantly affect clearing operations at OCC since NSCC will settle the proposed T+1 SSFs in substantially the same manner as it does existing physically-settled stock futures products. Moreover, the amendment to the Clearing Agreement only concerns the legal relationship between OCC and OCX and will have no impact on the protection of investors or the public.

Notwithstanding the foregoing, implementation of this rule change will be delayed until this rule change is deemed certified under CFTC Regulation §40.6. At any time within 60 days of the filing of such 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.

Item 8. Proposed Rule Change Based on Rule 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.

⁸ 17 CFR 240.19b-4(f)(6)(iii).

Item 11. Exhibits

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

Exhibit 3. Amendment to the Clearing Agreement.

SIGNATURES

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

THE OPTIONS CLEARING CORPORATION

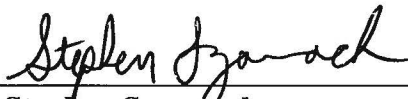
By: 
Stephen Szarmack,
Vice President and Associate General
Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____ ; File No. SR-OCC-2014-02)

January 28, 2014

Clearing Agency; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Accommodate the Clearing of Physically-Settled Single Stock Futures for Which Delivery Would Occur on the First Business Day After the Maturity Date

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder² notice is hereby given that on January 28, 2014, 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)³ of the Act and Rule 19b-4(f)(6)⁴ thereunder.

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

This proposed rule change would accommodate the clearing of physically-settled single stock futures (“SSFs”) for which delivery would occur on the first, rather than the third, business day after the maturity date of each such SSF.

Initially, OneChicago, LLC (“OCX”) is proposing to list SSFs for which delivery would occur on the first business day after maturity. In connection therewith, OCC is proposing to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

enter into an amendment (the “Amendment”) to the Amended and Restated Security Futures Agreement for Clearing and Settlement Services dated May 15, 2012, between OCC and OCX (the “Clearing Agreement”), in order to provide for OCX’s indemnification of OCC for claims arising from representations OCX may make to buyers and sellers of security futures contracts, including SSFs, regarding the tax treatment of their purchase or sale

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

Proposed Changes to OCC’s Rules

OCC is proposing to modify its rules to accommodate the clearing of a physically-settled SSF for which the delivery date would be the first business day following the maturity date (“T+1 SSFs”) rather than the third business day following the maturity date (“T+3 SSFs”). Currently, OCC only clears T+3 SSFs. In order to accommodate this different delivery schedule, OCC proposes to amend the definition of delivery date in Rule 1302 for physically-settled stock futures as well as to modify references to the timing of the delivery date for security futures in the broker-to-broker settlement procedures in Rule 903.

Settlement of physically-settled SSFs is ordinarily effected through the National Securities Clearing Corporation (“NSCC”), pursuant to NSCC’s rules and OCC Rule 901 regarding transactions in physically-settled stock futures. OCC has confirmed with NSCC that NSCC can operationally accommodate T+1 SSFs.⁵ As is the case for stock futures already cleared by OCC for which NSCC provides physical delivery settlement services, and in accordance with OCC Rule 601, OCC will collect risk margin from its clearing members on deliveries of T+1 SSFs for one business day following the maturity date and release such risk margin to its clearing members on the second business day following the maturity date. OCC understands that, consistent with NSCC’s rules, NSCC would also collect margin based on the mark-to-market of the unsettled stock in the morning of the first business day following maturity in connection with receipt of the stock trade from OCC. This will result in a temporary double-margining of T+1 SSFs. As with existing physically-settled SSFs cleared by OCC, T+1 SSFs are futures and therefore not covered by the Third Amended and Restated Options Exercise Settlement Agreement dated as of February 16, 1995, between OCC and NSCC, OCC and NSCC will have no obligation to turn over to the other margin deposited by a clearing member that has been suspended.

OCC’s New Product and Amendment to the Clearing Agreement

OCC’s New Product

⁵ In the event the security underlying a T+1 SSF is not eligible for physical delivery settlement at NSCC – for example, due to trading suspensions or delistings– OCC would instruct physical delivery settlement to occur on a broker-to-broker basis in accordance with the applicable provisions of Chapter IX of its Rules. As noted above, OCC proposes to modify Rule 903 to accommodate the one-day delivery date for T+1 SSFs.

OCX is proposing to list weekly maturity T+1 SSFs. OCX has de-listed its weekly maturity T+3 SSFs prior to the launch of weekly maturity T+1 SSFs, and will initially list weekly maturity T+1 SSFs on five to ten underlyings.⁶

Amendment to the Clearing Agreement

OCC performs the clearing function for OCX pursuant to the Clearing Agreement, under which OCX agrees to indemnify and hold harmless OCC against any and all liabilities and costs in settlement in connection with any proceeding that arises out of, or is based upon, any violation or alleged violation by OCX of any law or governmental regulation. OCC and OCX have agreed to the proposed Amendment, which expands and clarifies this indemnification to include OCX's indemnification of OCC for claims that arise from any representations that OCX makes regarding the tax treatment of any futures product cleared pursuant to the Clearing Agreement, including SSFs.

OCC believes the additional indemnification described above is appropriate because OCX has designed its proposed weekly maturity T+1 SSFs with the intention that investors may enter into an "exchange for physical" transaction involving weekly maturity T+1 SSFs and receive the same tax treatment as parties to a stock loan transaction under Section 1058 of the Internal Revenue Code (the "Code"). While stock loan transactions involve the transfer of a stock, which potentially could trigger recognition of a gain or loss under the Code, under Code Section 1058 a transfer of securities under a stock lending arrangement satisfying certain conditions is generally not considered a recognition event. The Amendment is intended to

⁶ OCC understands that OCX's monthly maturity SSFs will continue to be T+3 SSFs.

provide for OCX's indemnification of OCC for any claims arising from the representations, if any, that OCX may make regarding the SSFs' eligibility for this tax treatment.

Prior to the launch of the T+1 SSFs, OCC will send to clearing members and also post on its public web site an Information Memo describing the features of T+1 SSFs, as described above.

OCC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,⁷ because it will modify OCC's Rules in a manner that will promote the prompt and accurate clearance and settlement of derivative agreements for which OCC is responsible. By amending its rules to accommodate T+1 SSFs, in addition to T+3 SSFs, OCC will be able to clear and facilitate settlement of SSFs that will settle more promptly than SSFs currently cleared by OCC, thereby reducing systemic risk. In addition, and also consistent with Section 17A(b)(3)(F) of the Act, the proposed rule change will continue to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions⁸ because, as with T+3 SSFs, both OCC and NSCC will facilitate the settlement of T+1 SSFs. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

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

OCC does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.⁹ With

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ *Id.*

⁹ 15 U.S.C. 78q-1(b)(3)(I).

respect to any burden on competition among clearing agencies, OCC is the only registered clearing agency that performs central counterparty services for the security futures markets.

Changes to the rules of a clearing agency may have an impact on the participants in a clearing agency and the markets that the clearing agency serves. This proposed rule change primarily affects security futures clearing members and OCC believes that the proposed modifications would not unfairly inhibit access to OCC's services, or disadvantage or favor any particular user in relationship to another user, because the changes will affect all clearing members equally, T+1 SSFs will be cleared using existing systems and T+1 SSFs will be margined similarly to existing products.

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest, would be consistent with the requirements of the Act applicable to clearing agencies, and would not impose a burden on competition that is unnecessary or inappropriate in furtherance of the purposes of the Act.

(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) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder,¹¹ the proposed rule change is filed for immediate effectiveness. The proposed rule change will not: 1) significantly affect the protection of investors or the public interest, 2) impose any significant

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

burden on competition, and 3) become operative for thirty days from the date on which it is filed, or such shorter time as the Commission may designate. OCC provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission.¹² As described above, T+1 SSFs are substantially similar to physically-settled SSFs currently cleared by OCC but for the delivery date, which is an operational function of NSCC. OCC believes that the rule change will not significantly affect clearing operations at OCC since NSCC will settle the proposed T+1 SSFs in substantially the same manner as it does existing physically-settled stock futures products. Moreover, the amendment to the Clearing Agreement only concerns the legal relationship between OCC and OCX and will have no impact on the protection of investors or the public.

Notwithstanding the foregoing, implementation of this rule change will be delayed until this rule change is deemed certified under CFTC Regulation §40.6. At any time within 60 days of the filing of such 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.

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:

¹² 17 CFR 240.19b-4(f)(6)(iii).

Electronic Comments:

- Use the Commissions 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-2014-02 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2014-02. 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 Section, 100 F Street, N.E., 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/about/publications/bylaws.jsp>.

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-2014-02 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.¹³

Kevin M. O'Neill
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: _____

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 3**AMENDMENT NO. 1 TO THE AMENDED AND RESTED SECURITY FUTURES AGREEMENT FOR CLEARING AND SETTLEMENT SERVICES**

This Amendment No. 1 to the Amended and Restated Security Futures Agreement for Clearing and Settlement Services dated May 15, 2012 (the “**Agreement**”), is entered into this [] day of [], 2014, by The Options Clearing Corporation (the “**Corporation**”) and OneChicago LLC (the “**Market**”). Capitalized terms used but not defined herein have the meanings given them in the Agreement.

WHEREAS, the Agreement provides for the engagement of the Corporation by the Market to provide clearing and settlement services for futures contracts that are traded on the Market;

WHEREAS, the market intends to trade a futures contract that may be bought or sold as part of a transaction expected to have certain tax consequences and the parties desire to amend the Agreement to provide for additional indemnification of the Corporation by the Market in connection with any representations regarding such tax consequences;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties agree as follows:

1. A new paragraph 17(b)(iii) is added following paragraph 17(b)(ii):

(iii) The Market agrees to indemnify and hold harmless the Corporation and each of its directors, officers, committee members and employees from and against any and all liabilities, judgments, claims, damages, expenses and amounts incurred and/or paid in settlement in connection with any action, suit, litigation, claim or proceeding commenced by any person, to which any such indemnified party is made a party defendant or is threatened to be made such a party, arising out of or based upon any representation made by the Market, or omission to state a material fact, regarding the tax treatment of transactions involving any security futures contract cleared pursuant to the terms of this Agreement. This indemnity agreement shall be in addition to any liability to any indemnified party which the Market may otherwise have.

2. The reference in the first sentence of paragraph 17(e) to “Section 17(a)(ii), 17(b)(ii) or 17(c) hereof” is replaced with “Section 17(a)(ii), 17(b)(ii), 17(b)(iii) or 17(c) hereof.”

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment No. 1 to the Agreement as of the date first above written.

THE OPTIONS CLEARING CORPORATION

By: _____

Name:

Title:

ONECHICAGO, LLC

By: _____

Name:

Title: