



March 8, 2013

VIA ELECTRONIC MAIL

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

Re: Rule Filing SR-OCC-2013-03 Rule Certification

Dear Ms. Warfield:

Enclosed is a copy of the above-referenced rule filing, which The Options Clearing Corporation (“OCC”) is submitting pursuant to the self-certification procedures of Commodity Futures Trading Commission (the “CFTC” or “Commission”) Regulation 40.6. The date of implementation of the rule is the later of 10 business days following receipt of the rule filing by the CFTC hereof 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

The purpose of the proposed rule change is to add provisions to the By-Laws governing the OCC’s Stock Loan/Hedge Program to facilitate the use of the Stock Loan/Hedge Program by Canadian clearing members.

Background

OCC’s Stock Loan/Hedge Program is provided for in Article XXI of the By-Laws and Chapter XXII of the Rules, and provides a means for OCC clearing members to submit broker-to-broker stock loan transactions to OCC for clearance. Broker-to-broker transactions are independently-executed stock loan transactions that are negotiated directly between two OCC clearing members.

Where a stock loan transaction is submitted to, and accepted by, OCC for clearance, OCC substitutes itself as the lender to the borrower and the borrower to the lender, thus serving a function for the stock loan market similar to the one it serves within the listed options market. OCC thereby guarantees the future daily mark-to-market payments between the lending clearing member and borrowing clearing member, which are effected through OCC’s cash settlement system, and the return of the loaned stock to the lending clearing member and the collateral to the

borrowing clearing member, upon close-out of the stock loan transaction. OCC leverages the infrastructure of the Depository Trust Company (“DTC” or the “Depository”) to transfer loaned stock and collateral between OCC clearing members.

Description of Rule Change

Currently, for OCC clearing members to participate in OCC’s Stock Loan/Hedge Program, they must be members of DTC and maintain accounts to facilitate Delivery Orders (“DOs”) to approved counterparties for stock loan transactions. Canadian clearing members (who are otherwise eligible to participate in the Stock Loan/Hedge Program) are not participants of DTC. For purposes of settling transactions in U.S. equity securities, they ordinarily rely on the services of CDS Clearing and Depository Services Inc. (“CDS”), which provides a cross-border service to clear and settle trades with U.S. counterparties.¹ CDS is Canada’s national securities depository, processing over 413 million trades annually. One of its services enables its Canadian participants to clear and settle trades (including stock loan and borrow transactions) with U.S. counterparties through affiliations with DTC and the National Securities Clearing Corporation (“NSCC”).

Under current OCC Rules 901(a) and (g), Canadian clearing members are able to effect settlement of deliver/receive obligations arising from exercised or assigned stock options and matured stock futures by appointing CDS to act as their agent through the arrangements with DTC and NSCC described above.² OCC is now proposing to amend Interpretation .07 to Section 1 of Article V of the By-Laws to allow participation by Canadian clearing members in the Stock Loan/Hedge Program by permitting them to appoint CDS to act as their agent in effecting DOs for stock loan transactions through DTC under arrangements similar to those used for deliveries under options and futures.³ Upon such an appointment, a sponsored sub-account would be established on behalf of the Canadian clearing member in a CDS participant account at DTC, through which the Canadian clearing member could obtain access to similar DTC services used by U.S. clearing members who maintain participant accounts at DTC in respect to stock loan transactions. Through their identified sub-accounts within a CDS participant account at DTC, Canadian clearing members will be able to effect DOs for stock loan transactions to other DTC participants in the same manner as U.S. clearing members. The cross-border service offered by DTC and CDS will enable Canadian clearing members to transfer securities between their accounts held at CDS and the identified sub-accounts carried on their behalf in CDS participant accounts held at DTC to effect DOs for stock loan transactions. DTC will continue to play the

¹ OCC is not a party to such cross-border service arrangements.

² In January 1994, OCC adopted Rule 913(h) whereby Canadian Clearing Members that settle through the CDS were required to execute a new agreement appointing CDS to act on its behalf, and for which CDS and NSCC would acknowledge such appointment. See Securities Exchange Act Release No. 33543 (January 28, 1994)(SR-OCC-1992-05). In March 2004, OCC restructured Chapter IX of its rules applicable to physical settlement of exercised stock options and matured stock futures, and as part of this rule filing, re-designated Rule 913 as Rule 901. See Securities Exchange Act Release No. 49420 (March 16, 2004)(SR-OCC-2003-08).

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same role in connection with such transactions as it does with respect to stock loan transactions of all other clearing members, except that DOs will be effected in the identifiable sub-account of the Canadian clearing member maintained in a CDS participant account at DTC.

Similar to appointments of CDS under Rules 901(a) and (g), under the amended Interpretation .07 to Section 1 of Article V of the By-Laws, a Canadian clearing member that appoints CDS to act for it in connection with the Stock Loan/Hedge Program would be required to agree with OCC that the clearing member remains responsible to OCC in respect of its stock loan and borrow positions regardless of any non-performance by CDS, that OCC may treat any failure of CDS to complete delivery or payment required to close an open stock loan or borrow position as a failure by such clearing member, thereby triggering OCC's buy-in and sell-out procedures and such other procedures and remedies as are provided under OCC's Rules, including recourse to the collateral deposited by the clearing member. Accordingly, OCC would have no credit exposure to CDS as the result of a failure by CDS to perform. Also consistent with precedent under Rules 901(a) and (g), in amended Interpretation .07 to Section 1 of Article V of the By-Laws, OCC would seek acknowledgement of CDS and the Depository with respect to these arrangements. If, for any reason, CDS ceased to act for one or more Canadian clearing members,⁴ OCC would have authority to require clearing members to close out open stock loan and borrow positions through buy-in and sell-out procedures, or any other procedures provided in the By-Laws or Rules, if necessary. A copy of the proposed agreement through which a Canadian clearing member would appoint CDS to act on the Canadian clearing member's behalf, and CDS and the Depository would acknowledge this appointment, is included as Exhibit 3A.⁵

As part of the application process to become a clearing member of OCC, any non-U.S. applicant must execute a copy of OCC's Non-U.S. Clearing Member Agreement. In the agreement, the applicant makes certain representations with respect to, among other things, the types of transactions it will engage in as a non-U.S. clearing member. In order to accommodate the participation by Canadian clearing members in the Stock Loan/Hedge Program as provided in this proposed rule change, OCC proposes to make certain conforming changes to its Non-U.S. Clearing Member Agreement. OCC also proposes to make certain technical changes to its Non-U.S. Clearing Member Agreement for clarity and consistency with its U.S. Clearing Member Agreement. A copy of the proposed revised version of the Non-U.S. Clearing Member Agreement is included as Exhibit 3B.

Finally, for ease of reference throughout the proposed addition to Interpretation .07 to Section 1 of Article V of the By-Laws, OCC proposes to define a Canadian clearing member approved to participate in the Stock Loan/Hedge Program as a "Canadian Hedge Clearing Member" for purposes of its By-Laws and Rules.

⁴ A Canadian clearing member would be obligated, under amended Interpretation .07 to Section 1 of Article V of the By-Laws, to promptly notify OCC in writing if it knew or reasonably expected CDS to cease acting on its behalf, or if CDS had ceased acting on its behalf, with respect to effecting DOs for stock loan and stock borrow transactions.

⁵ Each of CDS and the Depository has reviewed and signed off on this Form of Appointment and Acknowledgement, which is included as Exhibit 3A.

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 attached rule 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 "Bruce C. Kelber".

Bruce C. Kelber

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 Options Clearing Corporation (“OCC” or the “Corporation”) proposes to make certain changes to its By-Laws governing OCC’s Stock Loan/Hedge Program. The purpose of the proposed amendments is to add provisions to the By-Laws to facilitate the use of the Stock Loan/Hedge Program by Canadian clearing members. Material proposed to be added to OCC’s By-Laws as currently in effect is underlined.

THE OPTIONS CLEARING CORPORATION

BY-LAWS

* * *

ARTICLE 1

Definitions

SECTION 1. [No Change.]

A. – B. [No Change.]

C.

(1) – (2) [No Change.]

Canadian Hedge Clearing Member

(3) The term “Canadian Hedge Clearing Member” means a Canadian Clearing Member approved to participate in the Stock Loan/Hedge Program.

(3) – (38) [Renumbered (4) – (39)]

D. – Z. [No Change.]

* * *

ARTICLE V
Clearing Members
Qualifications

SECTION 1 [No Change.]

... Interpretations and Policies:

.01 - .06 [No Change.]

.07 Designation as a Hedge Clearing Member

In order to be designated as a Hedge Clearing Member, a Clearing Member must (i) be a member of the Depository (as defined in Article XXI of the By-Laws) or be a Canadian Clearing Member on behalf of which CDS maintains an identifiable sub-account in a CDS account at the Depository, provided that CDS is a participant of the Depository eligible to perform the necessary functions on behalf of the Canadian Clearing Member during the period when such Canadian Clearing Member has in effect an appointment of CDS pursuant to the provisions set forth in this Interpretation, and (ii) execute such agreements and other documents as the Corporation may prescribe.

A Canadian Hedge Clearing Member on behalf of which CDS maintains an identifiable sub-account in a CDS account at the Depository may appoint, in such manner as the Corporation shall from time to time prescribe, CDS to act on its behalf with respect to effecting delivery orders for stock loan and stock borrow transactions in the accounts of the Canadian Hedge Clearing Member through the Depository. An appointment pursuant to this paragraph shall become effective as of the second business day following the day on which the Corporation shall receive written notice of the appointment from the Canadian Hedge Clearing Member, or such later date as may be specified by the Canadian Hedge Clearing Member, and (unless the Corporation shall terminate the appointment at an earlier time) shall remain effective until the close of business on the thirtieth calendar day after the Corporation shall have received, from either the Canadian Hedge Clearing Member or CDS, written notice of revocation of the appointment, and shall remain effective thereafter, with respect to each obligation of the Canadian Hedge Clearing Member to close out open stock loan and borrow positions directed to CDS prior to the effective date of the revocation, until the close out of all such positions is completed. If, for any reason, CDS ceases to act on behalf of the Canadian Hedge Clearing Member with respect to effecting delivery orders for stock loan and stock borrow transactions, the Corporation may require the Canadian Hedge Clearing Member to close out open stock loan and borrow positions through buy-in and sell-out procedures, or any other procedures provided in the By-Laws or Rules, as necessary. The Canadian Hedge Clearing Member shall promptly notify the Corporation, in writing, if it knows or reasonably expects that CDS will cease, or if CDS has ceased, to act on behalf of the Canadian Hedge Clearing Member with respect to effecting delivery orders for stock loan and stock borrow transactions. During the effectiveness

of an appointment pursuant to this paragraph, the Canadian Hedge Clearing Member shall remain responsible to the Corporation with respect to its stock loan and borrow positions, regardless of any non-performance or failure by CDS, and the Corporation may treat any failure by CDS to complete delivery or payment required to close out an open stock loan or borrow position as a default by such Clearing Member and the Corporation may thereby exercise all remedies that the Corporation has under its By-Laws and Rules against a defaulting Clearing Member and the collateral deposited by the Clearing Member.

.07A - .10 [No Change.]

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 May 22, 2012.

Questions regarding the proposed rule change should be addressed to Bruce C. Kelber, Vice President and Associate General Counsel, at (817) 562-3591.

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

The purpose of the proposed rule change is to add provisions to the By-Laws governing the OCC's Stock Loan/Hedge Program to facilitate the use of the Stock Loan/Hedge Program by Canadian clearing members.

Background

OCC's Stock Loan/Hedge Program is provided for in Article XXI of the By-Laws and Chapter XXII of the Rules, and provides a means for OCC clearing members to submit broker-to-broker stock loan transactions to OCC for clearance. Broker-to-broker transactions are independently-executed stock loan transactions that are negotiated directly between two OCC

clearing members.

Where a stock loan transaction is submitted to, and accepted by, OCC for clearance, OCC substitutes itself as the lender to the borrower and the borrower to the lender, thus serving a function for the stock loan market similar to the one it serves within the listed options market. OCC thereby guarantees the future daily mark-to-market payments between the lending clearing member and borrowing clearing member, which are effected through OCC's cash settlement system, and the return of the loaned stock to the lending clearing member and the collateral to the borrowing clearing member, upon close-out of the stock loan transaction. OCC leverages the infrastructure of the Depository Trust Company ("DTC" or the "Depository") to transfer loaned stock and collateral between OCC clearing members.

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³ Unlike settlement of deliver/receive obligations in respect of stock options and stock futures, stock loan and borrow transactions do not involve NSCC.

DTC participants in the same manner as U.S. clearing members. The cross-border service offered by DTC and CDS will enable Canadian clearing members to transfer securities between their accounts held at CDS and the identified sub-accounts carried on their behalf in CDS participant accounts held at DTC to effect DOs for stock loan transactions. DTC will continue to play the same role in connection with such transactions as it does with respect to stock loan transactions of all other clearing members, except that DOs will be effected in the identifiable sub-account of the Canadian clearing member maintained in a CDS participant account at DTC.

Similar to appointments of CDS under Rules 901(a) and (g), under the amended Interpretation .07 to Section 1 of Article V of the By-Laws, a Canadian clearing member that appoints CDS to act for it in connection with the Stock Loan/Hedge Program would be required to agree with OCC that the clearing member remains responsible to OCC in respect of its stock loan and borrow positions regardless of any non-performance by CDS, that OCC may treat any failure of CDS to complete delivery or payment required to close an open stock loan or borrow position as a failure by such clearing member, thereby triggering OCC's buy-in and sell-out procedures and such other procedures and remedies as are provided under OCC's Rules, including recourse to the collateral deposited by the clearing member. Accordingly, OCC would have no credit exposure to CDS as the result of a failure by CDS to perform. Also consistent with precedent under Rules 901(a) and (g), in amended Interpretation .07 to Section 1 of Article V of the By-Laws, OCC would seek acknowledgement of CDS and the Depository with respect to these arrangements. If, for any reason, CDS ceased to act for one or more Canadian clearing

members,⁴ OCC would have authority to require clearing members to close out open stock loan and borrow positions through buy-in and sell-out procedures, or any other procedures provided in the By-Laws or Rules, if necessary. A copy of the proposed agreement through which a Canadian clearing member would appoint CDS to act on the Canadian clearing member's behalf, and CDS and the Depository would acknowledge this appointment, is included as Exhibit 3A.⁵

As part of the application process to become a clearing member of OCC, any non-U.S. applicant must execute a copy of OCC's Non-U.S. Clearing Member Agreement. In the agreement, the applicant makes certain representations with respect to, among other things, the types of transactions it will engage in as a non-U.S. clearing member. In order to accommodate the participation by Canadian clearing members in the Stock Loan/Hedge Program as provided in this proposed rule change, OCC proposes to make certain conforming changes to its Non-U.S. Clearing Member Agreement. OCC also proposes to make certain technical changes to its Non-U.S. Clearing Member Agreement for clarity and consistency with its U.S. Clearing Member Agreement. A copy of the proposed revised version of the Non-U.S. Clearing Member Agreement is included as Exhibit 3B.

Finally, for ease of reference throughout the proposed addition to Interpretation .07 to

⁴ A Canadian clearing member would be obligated, under amended Interpretation .07 to Section 1 of Article V of the By-Laws, to promptly notify OCC in writing if it knew or reasonably expected CDS to cease acting on its behalf, or if CDS had ceased acting on its behalf, with respect to effecting DOs for stock loan and stock borrow transactions.

⁵ Each of CDS and the Depository has reviewed and signed off on this Form of Appointment and Acknowledgement, which is included as Exhibit 3A.

Section 1 of Article V of the By-Laws, OCC proposes to define a Canadian clearing member approved to participate in the Stock Loan/Hedge Program as a “Canadian Hedge Clearing Member” for purposes of its By-Laws and Rules.

* * *

The proposed changes to OCC’s By-Laws are consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934 (“Act”)⁶ and the rules and regulations thereunder because they are designed to promote the prompt and accurate clearance and settlement of stock loan and borrow transactions, and to foster cooperation and coordination with persons engaged in the clearance and settlement of such transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of such transactions, and, in general, to protect investors and the public interest⁷ by facilitating participation by Canadian clearing members in OCC’s Stock Loan/Hedge Program in a manner that protects the clearing system against risk through the same or equivalent mechanisms used with respect to domestic clearing members. The proposed rule change is not inconsistent with the existing OCC By-Laws, including any By-Laws proposed to be amended.

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

⁶ 15 U.S.C. 78q-1.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

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.

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 Securities Exchange Act of 1934.

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

Not applicable.

Item 8. Proposed Rule Change Based on Rules for Another Regulatory Organization or of the Commission

The proposed rule change is not based on a rule change of another self-regulatory organization.

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 3A. Appointment of CDS Clearing and Depository Services Inc. and CDS Clearing and Depository Services Inc. Acknowledgement of Appointment

Exhibit 3B. Non-U.S. Clearing Member Agreement

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:  _____
Bruce C. Kelber
Vice President and
Associate General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-____; File No. SR-OCC-2013-03)

March 8, 2013

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change to Add Provisions to the By-Laws to Facilitate the Use of the Stock Loan/Hedge Program by Canadian Clearing Members

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 March 6, 2013, 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. 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 proposes to add provisions to the By-Laws to facilitate the use of the Stock Loan/Hedge Program by Canadian clearing members.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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**

The purpose of the proposed rule change is to add provisions to the By-Laws governing the OCC's Stock Loan/Hedge Program to facilitate the use of the Stock Loan/Hedge Program by Canadian clearing members.

Background

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Finally, for ease of reference throughout the proposed addition to Interpretation .07 to Section 1 of Article V of the By-Laws, OCC proposes to define a Canadian clearing member approved to participate in the Stock Loan/Hedge Program as a “Canadian Hedge Clearing Member” for purposes of its By-Laws and Rules.

* * *

The proposed changes to OCC’s By-Laws are consistent with the purposes and requirements of Section 17A of the Act⁸ and the rules and regulations thereunder because they are designed to promote the prompt and accurate clearance and settlement of stock loan and borrow transactions, and to foster cooperation and coordination with persons engaged in the clearance and settlement of such transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of such

⁸ 15 U.S.C. 78q-1.

transactions, and, in general, to protect investors and the public interest⁹ by facilitating participation by Canadian clearing members in OCC's Stock Loan/Hedge Program in a manner that protects the clearing system against risk through the same or equivalent mechanisms used with respect to domestic clearing members. The proposed rule change is not inconsistent with the existing OCC By-Laws, including any By-Laws 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.

(C) Clearing Agency'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.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change or

(B) institute proceedings to determine whether the proposed rule change

should be disapproved.

⁹ 15 U.S.C. 78q-1(b)(3)(F).

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

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-2013-03 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-2013-03. 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.sec.gov/rules/sro.shtml> . 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-2013-03 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.¹⁰

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: _____

¹⁰ CFR 200.30-3(a)(12).



Appointment of CDS Clearing and Depository Services Inc.

The undersigned Clearing Member (the "undersigned") of The Options Clearing Corporation ("OCC") is a "Canadian Clearing Member" within the meaning of OCC's By-Laws. The undersigned hereby appoints, pursuant to Interpretations and Policies .07 of Section 1 of Article V of OCC's By-Laws or any successor thereto, CDS Clearing and Depository Services Inc. ("CDS") as its agent to effect delivery and payment of stock loan and stock borrow transactions through a subaccount identified to the undersigned in an account maintained by CDS at the Depository Trust Company (the "Depository").

In appointing CDS to act on its behalf, the undersigned understands and agrees as follows:

1. This appointment shall permit CDS to act on behalf of the undersigned with respect to the delivery and payment of stock loan and stock borrow transactions in its accounts with OCC which are to be settled through the Depository pursuant to the Stock Loan/Hedge Program provided for in Article XXI of the By-Laws and Chapter XXII of the Rules.
2. The undersigned will continue to be subject to OCC's margin requirements (as set forth from time to time in OCC's Rules) with respect to any stock loan and stock borrow positions in its accounts with OCC directed to CDS for delivery or payment.
3. In the event that the Depository ceases to act for CDS, CDS fails to be a participant of the Depository eligible to perform the necessary functions pursuant to this appointment on behalf of undersigned, or in the event of any default by CDS in its obligations to the Depository with respect to effecting delivery orders of any of the stock loan or stock borrow transactions of the undersigned, in either case for any reason whatsoever, OCC shall be entitled, in its discretion and in addition to taking any other action authorized by its By-Laws and Rules, to the extent it is feasible to do so, to direct that obligations of the undersigned to make delivery or payment in respect of an open stock loan or stock borrow position be settled between the undersigned and the contra Clearing Member of OCC to such position through alternative means.
4. The undersigned acknowledges that its obligations to OCC in respect of its stock loan and stock borrow positions continue regardless of any non-performance by CDS or failure by CDS to satisfy its obligations to the Depository arising from such positions and OCC has no further responsibility in respect of such positions to the Depository. The undersigned further acknowledges that OCC may treat any failure by CDS to complete delivery or payment required in connection with a stock loan or borrow transaction or position of the undersigned that is cleared, or to be cleared, by OCC pursuant to OCC's By-Laws and Rules as a default by the undersigned; and OCC may exercise against the undersigned all remedies that OCC has under its By-Laws and Rules against a defaulting Clearing Member and the collateral deposited by the Clearing Member. The undersigned accordingly acknowledges that OCC may use (a) any and all long positions, securities, margin and other funds and assets maintained by the undersigned in respect of the OCC account from which such positions originated and (b) the Clearing Fund contributions made by the undersigned, to satisfy any obligation of OCC resulting from such positions, including any obligation of OCC to the Depository resulting from any default by CDS in its obligations to the Depository in respect of such positions. The determination of OCC as to the amount of any such obligation of OCC shall be conclusive and binding against the undersigned and any other person, including any customer of the undersigned.
5. CDS, in consideration of agreeing to so act for the undersigned, may require collateral from the undersigned to secure it for the undersigned's obligations to it. No part of the margin held by OCC for the undersigned shall be available to satisfy the undersigned's obligations to CDS.

6. This appointment shall be effective as of the second business day following the day on which OCC shall receive written notice from the Canadian Hedge Clearing Member of its acceptance of this appointment, or such later date as may be specified by the Canadian Hedge Clearing Member, and shall thereafter remain effective as and to the extent specified in Interpretations and Policies .07 of Section 1 of Article V of OCC By-Laws, or any successor thereto.
7. Terms used herein that are defined in OCC's By-Laws and Rules are used herein with the definitions ascribed to them in such By-Laws and Rules.
8. This Appointment of CDS Clearing and Depository Services Inc. in connection with OCC's Stock Loan/Hedge Program supersedes any Appointment of CDS Clearing and Depository Services Inc. or Canadian Depository for Securities Limited in connection with OCC's Stock Loan/Hedge Program and dated prior to the date of this Appointment of CDS Clearing and Depository Services Inc.

Canadian Clearing Member: _____

By: _____
(Authorized Partner or Officer)

Title: _____

Clearing Member Number: _____

CDS Subaccount Number at the Depository: _____

Date: _____

CDS Acknowledgement of Appointment

The CDS Clearing and Depository Services Inc. ("CDS") hereby acknowledges that an account has been established at CDS for the above-signed Canadian Clearing Member. In addition, CDS hereby acknowledges:

1. That, effective on the earlier of _____ or the date on which the appointment is acknowledged by the Depository, CDS has been appointed by such Canadian Clearing Member to settle, through such Canadian Clearing Member's CDS sponsored account with the Depository, such Canadian Clearing Member's obligations to make delivery or payment in respect of stock loan or stock borrow positions which are to be settled at the Depository.
2. That, if CDS determines that it should require collateral to secure such Canadian Clearing Member's obligations to CDS, CDS will require such collateral from such Canadian Clearing Member independent of the margin and other positions, securities, funds and assets held by OCC for the account of such Canadian Clearing Member to secure such Canadian Clearing Member's obligations to OCC.
3. That, unless OCC shall terminate this appointment at an earlier time, this appointment shall remain effective until the close of business on the thirtieth calendar day after OCC shall have received written notice of the revocation of this appointment by CDS or by such Canadian Clearing Member, and shall remain effective thereafter, with respect to each obligation to make delivery or payment in respect of stock loan or stock borrow positions directed to CDS for settlement prior to the effective date of the revocation, until close out of all such positions is completed, provided that this provision shall not be construed to limit the right of CDS to suspend or cease to act for any Canadian Clearing Member as the result of any insolvency or event of default of the Canadian Clearing Member, and CDS agrees to inform OCC of any such occurrence as promptly as possible.

The CDS Clearing and Depository Services Inc.

By: _____
(Authorized Partner or Officer)

Title: _____

Date: _____

Acknowledgement of Appointment of CDS by Depository Trust Company

The undersigned hereby acknowledges that (i) the above-signed Canadian Clearing Member has appointed CDS Clearing and Depository Services Inc. ("CDS") to effect delivery and payment of stock loan and stock borrow transactions on its behalf and (ii) CDS is a participant of the undersigned eligible to perform the necessary functions on behalf of the Canadian Clearing Member during the period when such Canadian Clearing Member has in effect such an appointment of CDS.

Depository Trust Company:

By: _____

Title: _____

Date: _____



The Options Clearing Corporation

Section A
Document 1f

Non-U.S. Clearing Member Agreement

The undersigned hereby makes application to become a Clearing Member of [t]The Options Clearing Corporation (here[in]after called the "Corporation") and agrees as follows:

1. The undersigned is a "non-U.S. securities firm" as that term is defined in Article II, Section 1, Subsection (rrr) of the By-laws of the Corporation.
2. The undersigned, while a Clearing Member, will clear or settle through the Corporation directly, or through another Clearing Member, every contract and transaction to which the undersigned may be a party and which the By-laws or Rules of the Corporation may require to be cleared or settled through the Corporation.
3. The undersigned, while a Clearing Member, will abide by the By-laws and Rules of the Corporation and shall be bound by all the provisions thereof and by all procedures adopted pursuant thereto.
4. The undersigned agrees to comply with the guidelines and restrictions imposed on domestic broker-dealers regarding the extension of credit, as provided by Section 7 of the Securities Exchange Act 1934 and Regulation T promulgated thereunder by the Board of Governors of the Federal Reserve System, with respect to any customer account that includes [option] contracts issued by the Corporation.
5. The undersigned agrees to comply with the rules of the [National Association of Securities Dealers]Financial Industry Regulatory Authority, Inc. governing initial and maintenance margin and cut-off times for the submission of exercise notices by customers.
6. The undersigned consents to the jurisdiction of the courts of the State of Illinois, including Federal courts located in the State of Illinois, and to the application of United States law (state or federal, as applicable) in connection with any dispute with the Corporation arising from membership.
7. The By-laws and Rules of the Corporation shall be a part of the terms and conditions of every contract or transaction which the undersigned, while a Clearing Member, may make or have with the Corporation and of every contract or transaction into which the undersigned, while a Clearing Member, may enter and which the By-laws or Rules of the Corporation may require to be cleared or settled through the Corporation.
8. The undersigned will grant to the Corporation all liens, rights, and remedies set forth in the By-laws and the Rules.
- [8]9. The undersigned will pay to the Corporation the fees provided for [by]in the By-laws and Rules of the Corporation for clearing and other services rendered to the undersigned, while a Clearing Member, and such fines as may be imposed in accordance with the By-laws and Rules of the Corporation for the failure of the undersigned to comply therewith while a Clearing Member.
- [9]10. The undersigned agrees to establish arrangements satisfactory to the Corporation for the conduct of business with the Corporation, including the appointment of an entity satisfactory to the Corporation for the purpose of effecting service of process upon the undersigned.
- [10]11. The undersigned, while a Clearing Member, but not an "exempt non-U.S. Clearing Member" as that term is defined in Article II, Section 1, Subsection (rrr) of the By-laws of the Corporation, will maintain those books and records necessary to reflect its net capital, aggregate indebtedness and debt-equity total as defined by Securities and Exchange Commission Rule 15c3-1.
- [11]12. The undersigned, if an exempt non-U.S. Clearing Member, agrees to maintain those books and records necessary to comply with the reporting requirements of its "non-U.S. regulatory agency," as that term is defined in Article II, Section 1 Subsection (sss), of the By-laws of the Corporation, and with such additional requirements as the Corporation may impose.
- [12]13. The undersigned's books and records shall at all times be open to the inspection of the duly authorized representatives of the Corporation[,] or its agents, and the Corporation shall be furnished with all such information in respect [of]to the undersigned's business and transactions as it may require[,]; provided, however, that if the undersigned shall cease to be a Clearing Member, the Corporation shall have no right to inspect the undersigned's books and records, or to require information, relating to transactions wholly subsequent to the time when the undersigned ceases to be a Clearing Member.

- [13]14. The undersigned will be bound by any amendment to the By-laws or Rules of the Corporation with respect to any transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of the By-laws and Rules of the Corporation; provided, however, that no such amendment shall affect the undersigned's right to cease to be a Clearing Member unless before such amendment becomes effective the undersigned is given an opportunity to give written notice to the Corporation of the undersigned's election that the Corporation shall definitively cease to act for the undersigned.
- [14]15. The undersigned represents and warrants to the Corporation that neither the execution and delivery of this [A]agreement, nor any act to be performed pursuant to this[e] [A]agreement by the Corporation or by or on behalf of the undersigned, will violate its Partnership Agreement, or its Charter, or By-laws as the case may be, of the undersigned, or any other agreement which is binding upon the undersigned, [or any other agreement which is binding upon the undersigned]or any provisions of law applicable to the undersigned.
- [15]16. The undersigned will make such payments to, or in respect of, the Clearing Fund as may be required from time to time.
- [16]17. The undersigned acknowledges receipt from the Corporation of a copy of the By-laws of the Corporation and a copy of the Rules of the Corporation, each as in effect at the time of the submission of this [A]agreement[to the undersigned by the Corporation].
- [17]18. The undersigned represents and warrants to the Corporation that it will clear only those kinds and types of [options]transactions for which the applicant has applied and has been approved to clear by the Board of Directors. The undersigned further represents and warrants that prior to clearing kinds and types of [options]transactions for which approval has not previously been granted by the Board of Directors, it shall apply to the Membership Committee and the Board of Directors for such approval.
- [18]19. The undersigned authorizes the Corporation to disclose to the undersigned's primary non-U.S. regulatory agency any known information regarding financial or operational difficulties of the undersigned, and to release to authorized officials of the non-U.S. regulatory agency any and all data relating thereto which the Corporation deems relevant.
- [19]20. The rights of the Clearing Member shall not be assignable without the written consent of the Corporation. This[e] Agreement shall be binding upon, and inure to the benefit of, Clearing Member and its successors and assigns, and shall also inure to the benefit of the Corporation and its successors and assigns.

**Officer's Certificate
(for Corporate Non-U.S. Clearing Members)**

I, _____, the duly elected,
qualified and acting [Assistant] Secretary of _____,
a corporation organized and existing under
the laws of _____ (hereinafter referred to as the
"corporation"), **Hereby Certify** that :

1. The following is a correct copy of a resolution duly adopted by the Board of Directors of the corporation at a meeting thereof
legally and regularly called and held on the _____ day of _____, 20 _____, at which meeting a quorum was
present and acting.

Resolved, that the President or any Vice President of the corporation is authorized to execute and deliver, in the name and
behalf of the corporation, under its corporate seal attested by its Secretary or Assistant Secretary, a Non-U.S. Clearing Member
Agreement between the corporation and The Options Clearing Corporation, in the form presented to this meeting and hereby
approved.

2. Said resolution is still in full force.

3. The executed Non-U.S. Clearing Member Agreement to which this certificate is attached is in the form presented to and
approved by the [B]board of [D]directors of the corporation at the above described meeting.

In Witness Whereof I hereby subscribe my name and affix the seal of the corporation this _____ day of
_____, 20 _____.

[Assistant] Secretary

Corporate Seal

Form for Execution by Corporation

Name of Corporation

By (President)

(Corporate Seal)

Attest (Secretary or Assistant Secretary)

Form for Execution by Partnership

Name of Partnership

By (a General Partner)

Form for Execution by Sole Proprietorship

Name of Sole Proprietorship

By (Sole Proprietor)

Accepted as the date shown below:

The Options Clearing Corporation

By (signature)

Title

Date