



THE OPTIONS CLEARING  
CORPORATION

July 10, 2012

**VIA ELECTRONIC MAIL**

David A. Stawick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

**Re: Rule Filing SR-OCC-2012-12 Rule Certification**

Dear Secretary Stawick:

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. The text of the amended rule filing is set forth at Item 1 of the enclosed filing.

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 amend OCC’s By-Laws to allow the Corporation to approve OCC’s form of clearing member application and form of clearing agreement. Currently, OCC’s Board of Directors must approve the form of these documents. OCC is also proposing general updates to its Agreement for OCC Services which has not been updated for several years.

OCC requires applicants for clearing membership at OCC to complete an application and, once an applicant becomes a clearing member, requires clearing members to enter in to a clearing member agreement. Currently, OCC’s By-Laws and Rules set forth the qualifications and requirements for clearing membership at OCC. The clearing member application is designed to elicit relevant information from an applicant for clearing membership in order for OCC to determine if the applicant meets OCC’s qualifications for clearing membership. The clearing member agreement is a contract between OCC and a clearing member whereby the clearing member agrees to meet all of the requirements of clearing membership at OCC. The By-Laws

require OCC's Board of Directors to approve both the form of clearing member application and the form of clearing member agreement.

In addition to the clearing member agreement, clearing members may also enter into an Agreement for OCC Services. The Agreement for OCC Services sets forth certain ancillary services OCC provides to its clearing members that are in addition to those services set forth in the By-Laws and Rules. The Agreement for OCC Services is set up as a master agreement. Clearing members may then choose the specific ancillary services they desire and then execute the appropriate ancillary services supplement. Such ancillary services may include, for example, access to OCC's Data Distribution Services, internet access to OCC information and data systems, and OCC's theoretical profit and loss values service.

### **Proposed By-Law and Rule Changes**

OCC proposes to amend the applicable provisions of its By-Laws to state that both the form of clearing member application and the form of clearing member agreement be specified by OCC generally, rather than its Board of Directors. The requirement that the Board of Directors approve the form of such documents is overly ministerial given that OCC's By-Laws specify the substantive requirements of both the clearing member application and the clearing member agreement.

OCC also proposes to amend its Agreement for OCC Services (see Exhibit 5 hereto) to reflect operational changes OCC made since OCC first created the agreement. These changes include broader references to "clearing services" provided by OCC and not only to "options" clearing services. In addition, a provision referring to the exclusivity of the warranties set forth in the Agreement for OCC Services would be eliminated because the agreement contains no warranty provisions. Any applicable warranty provisions would be contained within the ancillary supplements to the Agreement for OCC Services.

Additions are indicated by underlining and deletions are indicated by bold brackets.

### 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.

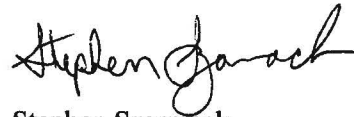
### Certification

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.

David Stawick  
July 10, 2012  
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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 style with a large, stylized 'S' and 'Z'.

Stephen Szarmack

Enclosure

cc: CFTC Central Region (w/ enclosure)  
525 West Monroe Street, Suite 1100  
Chicago, IL 60661

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**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 amend its By-Laws and Rules to make “housekeeping” changes related to the internal approval process for certain clearing member form applications and agreements. In addition, OCC is proposing to make minor changes to update an agreement (Agreement for OCC Services) used by OCC to provide certain clearing services to clearing members. A copy of OCC’s proposed amendments to its Agreement for OCC Services is attached hereto as Exhibit 5. Material proposed to be added to OCC’s By-Laws and Rules as currently in effect is underlined and material proposed to be deleted is enclosed in bold brackets.

**THE OPTIONS CLEARING CORPORATION****BY-LAWS**

\* \* \*

**ARTICLE V****Clearing Members**

\* \* \*

**Admissions Procedure**

SECTION 2. Applications for clearing membership shall be in such form and contain such information as the [Board of Directors] Corporation shall from time to time prescribe. The Membership/Risk Committee shall review applications for clearing membership and shall recommend, approval or disapproval to the Board of Directors. The Membership/Risk Committee or the Board of Directors, or their designated delegates or agents, may examine the books and papers of any applicant, take such evidence as they may deem necessary or employ such other means as they may deem desirable or appropriate to ascertain relevant facts bearing upon the applicant's qualifications. If the Membership/Risk Committee proposes to recommend to the Board of Directors that an application for clearing membership be disapproved, it shall first furnish the applicant with a written statement of its proposed recommendation and the specific grounds therefor, and afford the applicant an opportunity to be heard and to present evidence on its own behalf. If the applicant fails to request a hearing within such reasonable time as the Membership/Risk Committee may prescribe; or if, after a hearing, the Membership/Risk

Committee still proposes to recommend disapproval, the Membership/Risk Committee shall make its recommendation to the Board of Directors in writing, accompanied by a statement of the specific grounds therefor, and a copy thereof shall be furnished to the applicant on request. The Board of Directors shall independently review any recommendation by the Committee, and may, in its discretion, if the applicant so requests, afford the applicant a further opportunity to be heard and to present evidence. If the Board of Directors disapproves the application, written notice of its decision, accompanied by a statement of the specific grounds therefor, shall be mailed or delivered to the applicant. An applicant shall have right to present such evidence as it may deem relevant to its application. A verbatim record shall be kept of any hearing held pursuant hereto.

\* \* \*

### **Conditions to Admission**

SECTION 3. No applicant shall be admitted as a Clearing Member until the applicant has deposited with the Corporation its initial contribution to the Clearing Fund in the amount required by Article VIII of the By-Laws and has signed and delivered to the Corporation an agreement in such form as the [Board of Directors] Corporation shall require, including applicant's agreements (a) to clear through the Corporation, either directly or through another Clearing Member, all of its Exchange transactions and all other transactions which the By-Laws or the Rules may require to be cleared through the Corporation, (b) to abide by all provisions of the By-Laws and the Rules and by all procedures adopted pursuant thereto, (c) that the By-Laws and the Rules shall be a part of the terms and conditions of every Exchange transaction or other contract or transaction which the applicant, while a Clearing Member, may make or have with the Corporation, or with other Clearing Members in respect of cleared contracts, or which may be cleared or required to be cleared through the Corporation, (d) to grant the Corporation all liens, rights and remedies set forth in the By-Laws and the Rules, (e) to pay to the Corporation all fees and other compensation provided by or pursuant to the By-Laws and the Rules for clearance and for all other services rendered by the Corporation to the applicant while a Clearing Member, (f) to pay such fines as may be imposed on it in accordance with the By-Laws and the Rules, (g) to permit inspection of its books and records at all times by the representatives of the Corporation and to furnish the Corporation with all information in respect of the applicant's business and transactions as the Corporation or its officers may require, (h) to make such payments to or in respect of the Clearing Fund as may be required from time to time, (i) to comply, in the case of Non-U.S. Securities Firms, 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 of 1934 and Regulation T promulgated thereunder by the Board of Governors of the Federal Reserve System, with respect to any customer account that includes cleared contracts issued by the Corporation, (j) to comply, in the case of Non-U.S. Securities Firms, with the Rules of the Financial Industry Regulatory Authority governing maintenance margin and cut-off times for the submission of exercise notices by customers, and (k) to consent, in the case of Non-U.S. Securities Firms, to the jurisdiction of Illinois courts and to the application of United States law in connection with any dispute with the Corporation arising from membership.

...*Interpretations and Polices* .01 [no change]

\* \* \*

**Item 2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by OCC's Board of Directors at a meeting held on May 22, 2012.

Questions regarding the proposed rule change 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**

The purpose of this proposed rule change is to amend OCC's By-Laws to allow the Corporation to approve OCC's form of clearing member application and form of clearing agreement. Currently, OCC's Board of Directors must approve the form of these documents. OCC is also proposing general updates to its Agreement for OCC Services which has not been updated for several years.

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whereby the clearing member agrees to meet all of the requirements of clearing membership at OCC. The By-Laws require OCC's Board of Directors to approve both the form of clearing member application and the form of clearing member agreement.

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#### **Proposed By-Law and Rule Changes**

OCC proposes to amend the applicable provisions of its By-Laws to state that both the form of clearing member application and the form of clearing member agreement be specified by OCC generally, rather than its Board of Directors. The requirement that the Board of Directors approve the form of such documents is overly ministerial given that OCC's By-Laws specify the substantive requirements of both the clearing member application and the clearing member agreement.

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contains no warranty provisions. Any applicable warranty provisions would be contained within the ancillary supplements to the Agreement for OCC Services.

\* \* \*

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, as amended (the "Exchange Act"), because they eliminate inefficient and burdensome administrative procedures which unnecessarily require OCC's Board approval for the form of clearing member application and agreement. The proposed rule change is not inconsistent with any rules of OCC, including those 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 material 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.

**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 of 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. Exhibits**

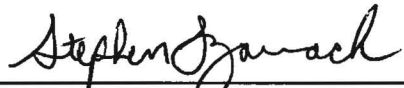
Exhibit 1 Completed notice of the proposed rule change for publication in the Federal Register.

Exhibit 5 Amended Agreement for OCC Services

**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:   
\_\_\_\_\_  
**Stephen M. Szarmack**  
**Vice President and Associate General**  
**Counsel**

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

(Release No. 34-\_\_\_\_\_ ; File No. SR-OCC-2012-12

**SELF-REGULATORY ORGANIZATION**

Proposed Rule Change By  
The Options Clearing Corporation

Relating to Service Agreement

Comments requested within \_\_\_\_\_ days  
after the date of this publication.

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Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on \_\_\_\_\_, 2012, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The proposed rule change would amend OCC's By-Laws to allow the Corporation to approve OCC's form of clearing member application and form of clearing agreement.

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

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

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\* \* \*

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**B. Self-Regulatory Organization's Statement on Burden on Competition**

OCC does not believe that the proposed rule change would impose any burden on competition.

**C. 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.

**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 (i) as the Commission may designate up to 90 days of such date 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 the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

#### **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](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2012-12 on the subject line.

*Paper Comments:*

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

All submissions should refer to File Number SR-OCC-2012-12. 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 Web site (<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 inspection and copying in the Commission's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-1090. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. 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-2012-12 and should be submitted on or before [insert date 21 days from publication in the Federal Register]

\_\_\_\_\_.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Secretary

Dated: \_\_\_\_\_



The Options Clearing Corporation

Section A  
Document 9

**AGREEMENT FOR OCC SERVICES**

AGREEMENT dated \_\_\_\_\_, 20\_\_\_\_, by and between THE OPTIONS CLEARING CORPORATION ("OCC"), 1 North Wacker Drive, 5<sup>th</sup> Floor, Chicago, Illinois, 60606 and \_\_\_\_\_ ("Clearing Member") whose place of business is located at \_\_\_\_\_

WHEREAS, OCC is desirous of providing certain services to its Clearing Member with respect to its Clearing Member's clearing [options] activity with OCC; and,

WHEREAS, Clearing Member desires to receive those services from OCC in addition to those normally provided by OCC under its By-Laws and Rules:

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree that the following terms and conditions will apply to any Clearing Member request(s) for services accepted by OCC under this agreement:

1. Clearing Member shall select a desired service by signing a Supplement to this A[a]greement for OCC Services for each service desired. Upon OCC's acceptance of the Supplement, OCC shall provide to Clearing Member selected service.
2. Clearing Member agrees to pay OCC for performing those services the charges specified in each Supplement to Agreement for OCC Services. [~~Such charges may be revised from time to time by OCC upon ninety (90) days prior written notice to Clearing Member.~~] Clearing Member hereby authorizes OCC to withdraw funds from its Clearing Member bank account established with respect to its firm account, on or after the fifth business day following the end of each calendar month. [~~in~~] payment of all charges associated with this [~~a~~]Agreement.
3. The term of this Agreement shall commence on the date hereof. This Agreement shall continue in full force and effect until either party gives the other party written notice of its intention to discontinue all services within the timeframes stipulated in the appropriate Supplement(s) to Agreement for OCC Services. Upon proper notice, Clearing Member may discontinue to receive any other service(s) contracted for under this Agreement.

~~[4. THE WARRANTIES CONTAINED HEREIN ARE IN THE LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.]~~

[~~5~~]4. This Agreement is to be governed by the Laws of the State of Illinois.

[~~6~~]5. This Agreement may be amended or modified only by mutual agreement of the parties, expressed in writing.

[~~7~~]6. All notices required hereunder shall be effective if given by registered mail, return receipt requested and delivered.

If to OCC to:

Member Services

If to Clearing Member to:

\_\_\_\_\_

The Options Clearing Corporation  
One North Wacker Drive, 5<sup>th</sup> Floor  
Chicago, Illinois 60606

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other persons or address as one party may hereafter designate to the other in writing.

IN WITNESS WHEREOF, the parties have executed this Agreement on the first day above written.

THE OPTIONS CLEARING CORPORATION

\_\_\_\_\_  
(Clearing Member)

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_