



November 8, 2013

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-2013-21 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

This proposed rule change by OCC would make technical changes to OCC’s By-laws and Rules in connection with the modification of the individual registration categories of the Investment Industry Regulatory Organization of Canada (“IIROC”) under which every Canadian clearing member or applicant seeking to become a Canadian clearing member would be required to employ at least one associated person registered as a Chief Financial Officer (“CFO”) with IIROC. In connection with a change made by IIROC to its individual registration categories, OCC is proposing to make technical changes to its By-laws and Rules under which every Canadian clearing member or applicant seeking to become a Canadian clearing member would be required to employ at least one associated person registered as the Clearing Member’s CFO. OCC’s membership standards include conditions designed to assess the overall quality and character of the personnel of an applicant. These conditions include a requirement that at least one associated person of the applicant be registered as a Financial and Operations Principal (“FINOP”) with FINRA and at least two key operations staff be full-time employees of the applicant. For Canadian clearing members, OCC has permitted this requirement to be satisfied

where any principal, director or officer of the firm is also registered as a Designated Registered Options Principal (“DROP”) with the IIROC. However, as a result of IIROC’s modification of its registration categories the DROP has supervisory authority with respect to options transactions but no responsibilities over the books and records of the IIROC member.

Under IIROC’s rules, the registered CFO is responsible for monitoring the investment dealer’s adherence with the financial rules of IIROC as well as establishing and maintaining policies and procedures related to financial requirements, which in OCC’s view equates to that of the function of FINOP under the rules for membership standards. Accordingly, the proposed changes to Article VI and Section (a) of Rule 214 takes into account the regulatory changes made by IIROC with respect to the DROP by requiring every Canadian clearing member or applicant seeking to become a Canadian clearing member employ at least one associated person registered as the Canadian clearing member’s CFO, in place of the current requirement that at least one employee be a Principal/Director/Officer and a DROP. OCC is also proposing to replace outdated references in the By-Laws and Rules to the Investment Dealers Association of Canada to IIROC, which is its successor.¹

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

Participant and Product Eligibility. OCC believes that by implementing the proposed rule change it will be better able to manage the risks associated with discharging its responsibilities, through the use of appropriate procedures, with respect to participant and product eligibility, as set forth in the DCO Core Principles. The technical changes described above will ensure that OCC continues to maintain appropriate admission and continuing participation requirements for Canadian clearing members that are objective, publically disclosed and risk-based.

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.

¹ IIROC was established on June 1, 2008 through the consolidation of the Investment Dealers Association of Canada and Market Regulation Services Inc.

Melissa Jurgens
November 8, 2013
Page 3

Certification

OCC hereby certifies that the rule set forth at Item 1 of the enclosed filing complies with the Act and the CFTC's regulations thereunder.

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

Sincerely,

A handwritten signature in black ink that reads "Stephen Szarmack". The signature is written in a cursive style with a large, stylized 'S' and 'Z'.

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 make technical changes to OCC’s By-laws and Rules in connection with the modification of the individual registration categories of the Investment Industry Regulatory Organization of Canada (“IIROC”) under which every Canadian clearing member or applicant seeking to become a Canadian clearing member would be required to employ at least one associated person registered as a Chief Financial Officer (“CFO”) with IIROC. Proposed amendments to OCC’s By-laws and Rules are set forth below. Material proposed to be added is marked by underlining. Material proposed to be deleted is enclosed in bold brackets.

THE OPTIONS CLEARING CORPORATION

BY-LAWS

* * *

ARTICLE V

CLEARING MEMBERS

Qualifications

SECTION 1. (a) – (d) [No change]

. . . Interpretations & Policies:

.01 – .02 [No change]

.03 Experience and Competence

The Membership/Risk Committee has discretion not to recommend, and will not

recommend if so ordered by the SEC, the approval of any application for clearing membership if:

a. – c. [No change]

* * *

In respect of clause (c) above, an applicant for clearing membership or at least one associated person of applicant:

a. [No change]

b. in the case of a Non-U.S. Securities Firm that is applying for clearing membership as an exempt Canadian Clearing Member, must be registered as [both a Principal/Director/Officer and as a Designated Registered Options Principal]such Canadian Clearing Member's Chief Financial Officer with the [Investment Dealers Association of Canada]Investment Industry Regulatory Organization of Canada; or

c. – d. [No change]

* * *

RULES

* * *

CHAPTER II MISCELLANEOUS REQUIREMENTS

* * *

Financial and Operational Personnel

RULE 214. (a) Except as otherwise provided in this Rule 214, every Domestic Clearing Member shall employ at least one associated person who is registered as a “Limited Principal Financial and Operations” with the Financial Industry Regulatory Authority or has passed the appropriate qualification examination for registration as such. Every Canadian Clearing Member that is an exempt Non-U.S. Clearing Member shall employ at least one associated person who is registered as [both a Principal/Director/Officer and a Designated Registered Options Principal]such Canadian Clearing Member's Chief Financial Officer with the [Investment

Dealers Association of Canada] Investment Industry Regulatory Organization of Canada. Every Non-U.S. Clearing Member that is not an exempt Non-U.S. Clearing Member shall employ at least one associated person who has taken and successfully completed any applicable OCC financial and operational examination for an employee who is responsible for supervising the preparation of such Clearing Member's financial reports. If a Clearing Member elects to use an associated person to satisfy those of the foregoing requirements applicable to such Clearing Member, that associated person shall be a full-time employee of the Clearing Member.

(b) – (d) [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 July 12, 2013. 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

In connection with a change made by IIROC to its individual registration categories, OCC is proposing to make technical changes to its By-laws and Rules under which every Canadian clearing member or applicant seeking to become a Canadian clearing member would be required to employ at least one associated person registered as the Clearing Member's CFO. OCC's membership standards include conditions designed to assess the overall quality and character of the personnel of an applicant. These conditions include a requirement that at least one associated person of the applicant be registered as a Financial and Operations Principal ("FINOP") with FINRA and at least two key operations staff be full-time employees of the applicant. For Canadian members, OCC

has permitted this requirement to be satisfied where any principal, director or officer of the firm is also registered as a Designated Registered Options Principal (“DROP”) with the IIROC. However, as a result of IIROC’s modification of its registration categories the DROP has supervisory authority with respect to options transactions but no responsibilities over the books and records of the IIROC member.

Under IIROC’s rules, the registered CFO is responsible for monitoring the investment dealer’s adherence with the financial rules of IIROC as well as establishing and maintaining policies and procedures related to financial requirements, which in OCC’s view equates to that of the function of FINOP under the rules for membership standards. Accordingly, the proposed changes to Article VI and Section (a) of Rule 214 takes into account the regulatory changes made by IIROC with respect to the DROP by requiring every Canadian clearing member or applicant seeking to become a Canadian clearing member employ at least one associated person registered as the Canadian clearing member’s CFO, in place of the current requirement that at least one employee be a Principal/Director/Officer and a DROP. OCC is also proposing to replace outdated references in the By-Laws and Rules to the Investment Dealers Association of Canada to IIROC, which is its successor.¹

* * *

OCC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the

¹ IIROC was established on June 1, 2008 through the consolidation of the Investment Dealers Association of Canada and Market Regulation Services Inc.

Securities Exchange Act of 1934, as amended (the “Exchange Act”),² and the rules and regulations thereunder, including Rules 17Ad-22(d)(1) and 17Ad-22(d)(2), because the proposed modifications would help ensure that the Rules of OCC provide for a well-founded, transparent, and enforceable legal framework for each aspect of its activities in all relevant jurisdictions³ and require participants to have robust operational capacity to meet obligations arising from participation in the clearing agency and to have procedures in place to monitor that participation requirements are met on an ongoing basis.⁴ 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 Exchange Act.⁵ 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 affects only Canadian clearing members or applicants seeking to become a Canadian clearing member 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 proposed modifications are

² 15 U.S.C. 78q-1.

³ 17 CFR 240.17Ad-22(d)(1).

⁴ 17 CFR 240.17Ad-22(d)(2).

⁵ 15 U.S.C. 78q-1(b)(3)(I).

technical in nature and designed to take into account changes in regulations applicable to Canadian broker-dealers and would apply equally to all Canadian clearing members.

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 for Commission action on the proposed rule change.

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)(i) of the Exchange Act⁶ and Rule 19b-4(f)(1) thereunder,⁷ the proposed rule change is filed for immediate effectiveness because it constitutes a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule. 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

⁶ 15 U.S.C. 78s(b)(3)(A)(i).

⁷ 17 CFR 240.19b-4(f)(1).

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.


Item 11. Exhibits

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

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-2013-21)

November 8, 2013

Clearing Agency; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Make Technical Changes to OCC's By-laws and Rules in Connection with the Modification of the Individual Registration Categories of the Investment Industry Regulatory Organization of Canada.

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 November 8, 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. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(i)³ of the Act and Rule 19b-4(f)(1)⁴ thereunder.

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

This proposed rule change by The Options Clearing Corporation ("OCC") would make technical changes to OCC's By-laws and Rules in connection with the modification of the individual registration categories of the Investment Industry Regulatory Organization of Canada ("IIROC") under which every Canadian clearing member or applicant seeking to become a Canadian clearing member would be required to employ at least one associated person registered as a Chief Financial Officer ("CFO") with IIROC.

¹ 15 U.S.C. §78s (b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. §78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

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

In connection with a change made by IIROC to its individual registration categories, OCC is proposing to make technical changes to its By-laws and Rules under which every Canadian clearing member or applicant seeking to become a Canadian clearing member would be required to employ at least one associated person registered as the Clearing Member's CFO. OCC's membership standards include conditions designed to assess the overall quality and character of the personnel of an applicant. These conditions include a requirement that at least one associated person of the applicant be registered as a Financial and Operations Principal ("FINOP") with FINRA and at least two key operations staff be full-time employees of the applicant. For Canadian members, OCC has permitted this requirement to be satisfied where any principal, director or officer of the firm is also registered as a Designated Registered Options Principal ("DRO") with the IIROC. However, as a result of IIROC's modification of its registration categories the DRO has supervisory authority with respect to options transactions but no responsibilities over the books and records of the IIROC member.

Under IIROC's rules, the registered CFO is responsible for monitoring the investment dealer's adherence with the financial rules of IIROC as well as establishing and maintaining policies and procedures related to financial requirements, which in OCC's view equates to that of the function of FINOP under the rules for membership standards. Accordingly, the proposed changes to Article VI and Section (a) of Rule 214 takes into account the regulatory changes made by IIROC with respect to the DROP by requiring every Canadian clearing member or applicant seeking to become a Canadian clearing member employ at least one associated person registered as the Canadian clearing member's CFO, in place of the current requirement that at least one employee be a Principal/Director/Officer and a DROP. OCC is also proposing to replace outdated references in the By-Laws and Rules to the Investment Dealers Association of Canada to IIROC, which is its successor.⁵

OCC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act⁶ and the rules and regulations thereunder, including Rules 17Ad-22(d)(1) and 17Ad-22(d)(2), because the proposed modifications would help ensure that the Rules of OCC provide for a well-founded, transparent, and enforceable legal framework for each aspect of its activities in all relevant jurisdictions⁷ and require participants to have robust operational capacity to meet obligations arising from participation in the clearing agency and to have procedures in place to monitor that participation requirements are met on an ongoing basis.⁸ The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

⁵ IIROC was established on June 1, 2008 through the consolidation of the Investment Dealers Association of Canada and Market Regulation Services Inc.

⁶ 15 U.S.C. 78q-1.

⁷ 17 CFR 240.17Ad-22(d)(1).

⁸ 17 CFR 240.17Ad-22(d)(2).

(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 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 affects only Canadian clearing members or applicants seeking to become a Canadian clearing member 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 proposed modifications are technical in nature and designed to take into account changes in regulations applicable to Canadian broker-dealers and would apply equally to all Canadian clearing members.

(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)(i) of the Act¹⁰ and Rule 19b-4(f)(1)¹¹ thereunder, the proposed rule change is filed for immediate effectiveness because it constitutes a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule. 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

⁹ 15 U.S.C. 78q-1(b)(3)(I).

¹⁰ 15 U.S.C. § 78s(b)(3)(A)(i).

¹¹ 17 CFR 240.19b-4(f)(1).

days of the filing of such rule change, the Commission 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:

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-2013-21 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-2013-21. 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-2013-21 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.¹²

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: _____

¹² 17 CFR 200.30-3(a)(12).