



September 13, 2018

Via E-Mail (rule-comments@sec.gov)

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 25049

Re: Proposed Rule Change to Amend Rule 6.21., Give Up of a Clearing Trading Permit Holder (Release No. 34-83872; File No. SR-CBOE-2018-55)

Dear Mr. Fields:

The Options Clearing Corporation (“OCC”) appreciates the opportunity to comment on the rule filing SR-CBOE-2018-55 (“Filing”) by the Cboe Exchange, Inc. (“Cboe Options”) with the Securities and Exchange Commission (“SEC”) to amend its rule governing the give up of a Clearing Trading Permit Holder (“CTPH”) by a Trading Permit Holder (“TPH”) on exchange transactions. OCC is the central counterparty (“CCP”) for all options transactions effected on the U.S. options exchanges, including Cboe Options.

In the Filing, Cboe Options proposes to amend Rule 6.21 to provide that TPHs will no longer be able to designate any CTPH for which they desire to give up. Rather, the Exchange proposes to provide that TPHs must first have received written authorization from a CTPH before it may give up that CTPH. Cboe Options notes that this change is being made in response to concerns from several bank-affiliated clearing firm members of the Securities Industry and Financial Markets Association (“SIFMA”) related to the process by which executing brokers on U.S. options exchanges are allowed to designate or “give up” a clearing firm for purposes of clearing particular transactions. The SIFMA member clearing firms indicated that the Federal Reserve has recently identified the current give up process as a significant source of risk for clearing firms. SIFMA member clearing firms subsequently requested that U.S. options exchanges alleviate this risk by amending their rules governing the give up process. Cboe Options’ Filing is designed to address these concerns.

We note that two of our largest clearing member firms, Goldman Sachs & Co. LLC and Merrill Lynch Professional Clearing Corp., both submitted letters supporting the Filing and recommending that the SEC approve it. The two clearing members also encouraged the other U.S. options exchanges to adopt comparable policies.

As the CCP for all listed options transactions in the U.S., OCC is keenly focused on risks that affect its clearing members (or CTPHs as they are referred to in the Filing). Because the Filing is designed

to reduce clearing member risks, we support it and believe the SEC should approve it. We also express support for the request that the other U.S. options exchanges adopt comparable policies.

We appreciate the opportunity to submit these comments on the Filing and are more than happy to address any questions you have related to them.

Sincerely,

A handwritten signature in black ink, appearing to read "Scot Warren", with a long horizontal line extending to the right.

Scot Warren
Executive Vice President and Chief Administrative Officer
OCC