

MEMORANDUM

To: SR-OCC-2022-801

From: Office of Clearance and Settlement, Division of Trading and Markets

Re: Commission's Request for Additional Information

Date: May 24, 2022

On January 24, 2022, the Options Clearing Corporation (“OCC”) filed advance notice SR-OCC-2022-801 (“Advance Notice”) with the U.S. Securities and Exchange Commission (“Commission”) pursuant to Section 806(e)(1) of the Act¹ and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934.² The Advance Notice concerns a change in OCC’s quantitative models related to certain volatility products. The Commission published notice of the Advance Notice in the Federal Register on February 11, 2022, to solicit public comment.³ The Commission has received comments regarding the substance of the changes proposed in the Advance Notice.⁴ On March 24, 2022, pursuant to Section 806(e)(1)(H) of the Clearing Supervision Act,⁵ the Commission extended the review period for the Advance Notice for an additional 60 days because the Commission found the issues raised by the Advance Notice to be complex.⁶ Notice of such extension was published in the Federal Register on March 30, 2022.⁷

On May 24, 2022, the Commission requested additional information from OCC pursuant to Section 806(e)(1)(D) of the Clearing Supervision Act.⁸

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).

³ Securities Exchange Act Release No. 94166 (Feb. 7, 2022), 87 Fed. Reg. 8063 (Feb. 11, 2022) (File No. SR-OCC-2022-801) (“Notice of Filing”).

⁴ Since the proposal contained in the Advance Notice was also filed as a proposed rule change, all public comments received on the proposal are considered regardless of whether the comments are submitted on the Proposed Rule Change or the Advance Notice. Comments on the Proposed Rule Change are available at <https://www.sec.gov/comments/sr-occ-2022-001/srocc2022001.htm>.

⁵ 12 U.S.C. 5465(e)(1)(H).

⁶ See Securities Exchange Act Release No. 94504 (Mar. 24), 87 Fed. Reg. 18414 (Mar. 30, 2022) (File No. SR-OCC-2022-801).

⁷ See id.

⁸ See 12 U.S.C. 5465(e)(1)(D).

Pursuant to Section 806(e)(1) of the Clearing Supervision Act,⁹ the Commission's period of review of the Advance Notice is tolled and shall be 120 days from the date the information requested is received by the Commission absent an additional information request.¹⁰

⁹ See 12 U.S.C. 5465(e)(1)(E) and (G).

¹⁰ See 12 U.S.C. 5465(e)(1)(H) (indicating that the Commission may, during the 60-day review period, extend the review period for an additional 60 days for proposed changes that raise novel or complex issues).