

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-87246; File No. SR-OCC-2019-007)

October 8, 2019

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Partial Amendment No. 1 and Notice of Designation of Longer Period for Commission Action on Proposed Rule Change Concerning a Proposed Capital Management Policy That Would Support The Options Clearing Corporation's Function as a Systemically Important Financial Market Utility

I. INTRODUCTION

On August 9, 2019, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-OCC-2019-007 (“Proposed Rule Change”) pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4² thereunder to adopt a policy concerning capital management at OCC, which includes OCC’s plan to replenish its capital in the event it falls close to or below target capital levels.³ The Proposed Rule Change was published for public comment in the Federal Register on August 27, 2019.⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Notice of Filing infra note 4, at 84 Fed. Reg. 44952.

⁴ Securities Exchange Act Release No. 86725 (Aug. 21, 2019), 84 Fed. Reg. 44952 (Aug. 27, 2019) (SR-OCC-2019-007) (“Notice of Filing”). OCC also filed a related advance notice (SR-OCC-2019-805) (“Advance Notice”) with the Commission pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 and Rule 19b-4(n)(1)(i) under the Exchange Act. 12 U.S.C. 5465(e)(1). 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4. The Advance Notice was published in the Federal Register on September 11, 2019. Securities Exchange Act Release No. 86888 (Sep. 5, 2019), 84 Fed. Reg. 47990 (Sep. 11, 2019) (SR-OCC-2019-805).

The Commission received comments regarding the Proposed Rule Change.⁵ On September 11, 2019, OCC filed a partial amendment (“Partial Amendment No. 1”) to modify the Proposed Rule Change.⁶ The Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons.

II. 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 Exchange 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-2019-007 on the subject line.

⁵ See letter from Jacqueline Mesa, Chief Operating Officer & Senior Vice President of Global Policy Futures Industry Association (“FIA”), dated September 17, 2019, to Vanessa Countryman, Secretary, Commission (“FIA Letter”); letter from Joseph P. Kamnik, Senior Vice President and Chief Regulatory Counsel, OCC, dated September 20, 2019 to Vanessa Countryman, Secretary, Commission (“OCC Letter”); letter from Steven Morrison, SVP, Associate General Counsel, LPL Financial (“LPL”) to Brent J. Fields, Secretary, Commission, dated September 17, 2019 (received September 26, 2019) (“LPL Letter”), available at <https://www.sec.gov/comments/sr-occ-2019-007/srocc2019007.htm>.

⁶ In Partial Amendment No. 1, OCC appended an Exhibit 2 to the materials filed on August 9, 2019 regarding File No. SR-OCC-2019-007. The appended Exhibit 2 consists of communications from OCC concerning the proposal dated after OCC filed the proposal on August 9, 2019 and does not change the purpose of or basis for the Proposed Rule Change. References to the Proposed Rule Change from this point forward refer to the Proposed Rule Change, as amended by Partial Amendment No. 1.

Paper Comments:

Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549.

All submissions should refer to File Number SR-OCC-2019-007. 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 Room, 100 F Street, N.E., Washington, D.C. 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of OCC and OCC's website at <https://www.theocc.com/about/publications/bylaws.jsp>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-OCC-2019-007 and should be submitted on or before [insert date 15 days from publication in the Federal Register].

III. DESIGNATION OF LONGER PERIOD FOR COMMISSION ACTION

Section 19(b)(2) of the Exchange Act⁷ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the Notice of Filing is October 11, 2019. The Commission is extending this 45-day time period.

In order to provide the Commission with sufficient time to consider the Proposed Rule Change, the Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change.

⁷ 15 U.S.C. 78s(b)(2).

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Exchange Act,⁸ designates November 25, 2019 as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove proposed rule change SR-OCC-2019-007.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Eduardo A. Aleman
Deputy Secretary

⁸ Id.

⁹ 17 CFR 200.30-3(a)(31).