

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70545; File No. SR-OCC-2013-15)

September 27, 2013

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Correct an Inadvertent Omission in a Prior Rule Change Filing Related to the Definition of Hedge Clearing Member

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that, on September 19, 2013, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change 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)(iii)³ of the Act and Rule 19b-4(f)(4)(ii)⁴ thereunder, so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

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

OCC proposes to correct an inadvertent omission in a prior rule change filing related to the definition of Hedge Clearing Member.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(4)(ii).

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

The purpose of this proposed rule change is to correct an inadvertent omission in a prior rule change filing related to the definition of "Hedge Clearing Member" in OCC's By-Laws ("By-Laws"). By way of background, in 2002 OCC proposed, and the SEC approved, certain rule changes to OCC's Stock Loan/Hedge Program ("Hedge Program") (SR-OCC-2002-11).⁵ As part of that proposed rule change, OCC deleted and relocated an existing interpretation to Article V, Section 1 relating to the designation of a Hedge Clearing Member. In connection with relocating the interpretation, OCC also amended the interpretation so that designation as a Hedge Clearing Member was no longer pre-conditioned upon the Clearing Member also being a Stock Clearing Member. However, a concurrent change to the definition of Hedge Clearing Member was not made at that time, thereby creating an inconsistency between the description of Hedge Clearing Member found in Article V of the By-Laws and the definition of Hedge Clearing Member found in Article I of the By-Laws. OCC now proposes to resolve this inconsistency by making a technical correction to the definition of Hedge Clearing Member in Article I of the By-

⁵ Securities and Exchange Act Release No. 34-47898 (May 21, 2003), 68 FR 32164 (May 29, 2003).

Laws so that it is consistent with the description of Hedge Clearing Member found in Article V of the By-Laws.

As described above, through SR-OCC-2002-11, OCC made certain changes its Hedge Program. One such change was that OCC determined that it was no longer necessary to require that a Hedge Clearing Member initially be designated as a “Stock” Clearing Member and, accordingly, updated Article V of the By-Laws. However, through an inadvertent oversight, a concurrent change to Article I of the By-Laws was not made at that time. Accordingly, OCC now proposes to make a technical correction to the Article I definition of Hedge Clearing Member so that it is consistent with the description of Hedge Clearing Member found in Article V of the By-Laws by removing the reference to “Stock” Clearing Member from the definition of Hedge Clearing Member. This proposed change will resolve the inconsistency within the By-Laws with respect to the definition of Hedge Clearing Member.

The proposed change to OCC’s By-Laws is consistent with the purposes and requirements of Section 17A(b)(3)(F)⁶ of the Act⁷ and Rule 17Ad-22(d)(2)⁸ thereunder because it will prevent unfair discrimination in the admission of participants, or among participants, in the use of OCC’s Hedge Program and ensure that OCC’s By-Laws are reasonably designed to have participation requirements that are objective, publicly disclosed and permit fair and open access. The proposed changes are also intended to remove potential impediments to, and will perfect the mechanism of a national system for, the prompt and accurate clearance and settlement of securities transactions.

⁶ 15 U.S.C. § 78q-1(b)(3)(F).

⁷ 15 U.S.C. § 78a et seq.

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 impact, or impose a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change, which will apply to all clearing members, is administrative in nature and will correct an inconsistency within OCC's By-Laws. Accordingly, the proposed change will reduce unnecessary administrative burdens on its clearing members, including any such burdens that may impact competition.

(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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(1)¹⁰ thereunder, the proposed rule change is filed for immediate effectiveness inasmuch as it constitutes a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule. OCC will delay the implementation of the rule change until it is deemed certified under CFTC Regulation § 40.6. At any time within 60 days 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

⁹ 15 U.S.C. § 78s(b)(3).

¹⁰ 17 CFR 240.19b-4(f)(1).

necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹¹

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-2013-15 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-2013-15. 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 of submission. 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,

¹¹ 15 U.S.C. 78s(b)(3)(C).

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/components/docs/legal/rules_and_bylaws/sr_occ_13_15.pdf.

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-2013-15 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

¹² 17 CFR 200.30-3(a)(12).