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Page 1 of * 33

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2026 - * 013
Amendment No. (req. for Amendments *)

Filing by Options Clearing Corporation

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☑ Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☑ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

## Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed Rule Change by The Options Clearing Corporation Concerning Providing the Ability to Satisfy Daily Margin Deficit Amounts With Non-Cash Collateral Prior to Settlement Time.

## Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * [redacted] Last Name * [redacted]

Title * [redacted]

E-mail * [redacted]

Telephone * [redacted] Fax

## Signature

Pursuant to the requirements of the Securities Exchange of 1934, Options Clearing Corporation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 11/03/2026

By [redacted]
(Name *)

(Title *) [redacted]

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

[redacted]
Digitally signed by [redacted]
Date: 2026.11.03 08:58:04 -06'00'

*Required fields are shown with yellow backgrounds and astericks.*

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information ***

Add | Remove | View

SR-OCC-2026-013 (Cash Settlement

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change ***

Add | Remove | View

SR-OCC-2026-013 (Cash Settlement

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies ***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2- Notices, Written Comments, Transcripts, Other Communications**

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

☐ Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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SR-OCC-2026-013 Exhibit 3A-3M REI

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐ Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add | Remove | View

SR-OCC-2026-013 (Cash Settlement I

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

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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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),[1] and Rule 19b-4 thereunder,[2] The Options Clearing Corporation ("OCC") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to update OCC's cash settlement process to provide Clearing Members with the ability to satisfy daily margin deficit amounts with non-cash collateral prior to the daily Settlement Time.

The proposed changes to OCC's Rules are contained in Exhibit 5 to SR-OCC-2026-013. Material proposed to be added is marked by underlining and material proposed to be deleted is marked with strikethrough text. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the OCC By-Laws and Rules.[3]

## Item 2. Procedures of the Self-Regulatory Organization

The proposed change was approved for filing with the Commission by OCC's Board of Directors on May 21, 2026. The proposal was presented to OCC's Financial Risk Advisory Council ("FRAC")[4] on May 20, 2026. No substantive feedback on the proposed change was received by the FRAC.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 OCC's By-Laws and Rules can be found on OCC's public website: https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.

4 The FRAC is a forum to discuss and seek feedback on proposed financial risk initiatives comprised of representatives from direct and indirect market participants, including clearing members, customers of clearing members, exchanges, and other relevant stakeholders. As such, the FRAC functions as a risk advisory working groups, as required by Commodity Futures Trading Commission ("CFTC") Regulation. See 17 CFR 39.24(b)(12). Board consultation with the FRAC is also a means by which OCC complies with Exchange Act Rule 17ad-25(j), which requires each clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to require the board of directors to solicit, consider, and document its consideration of the views of participants and other relevant stakeholders of the

**Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

OCC conducts a daily cash settlement process in which OCC drafts cash from Clearing Member bank accounts to offset any deficit in margin assets pledged by the Clearing Member as compared to the total required margin as of Settlement Time.[5] Currently, prior to Settlement Time (8:00 a.m. CT), OCC makes a Daily Margin Report available to each Clearing Member showing, among other things, the Clearing Member's margin requirements and margin previously deposited by the Clearing Member, as well as any surplus over the margin amount required or margin deficit to be satisfied. For all Clearing Members who are reported to have a margin deficit, OCC authorizes cash withdrawals from the Clearing Members' bank accounts in order to satisfy the deficit. Clearing Members currently do not have the opportunity to deposit additional collateral after receipt of the Daily Margin Report to offset any start-of-day margin deficit identified on the report before OCC drafts cash from the Clearing Members' bank accounts.

OCC proposes to replace the Daily Margin Report with a Daily Account Summary.[6] OCC proposes to offer Clearing Members an opportunity, after receiving the Daily Account Summary and prior to Settlement Time, to deposit collateral in order to reduce or eliminate their Start-of-Day Margin Deficit. Any such collateral deposit would correspondingly reduce or

registered clearing agency regarding material developments in its risk management and operations on a recurring basis. 17 CFR 240.17ad-25(j).

5 *See* OCC Rule 100 ("The term 'settlement time', when used in respect of a Clearing Member's obligation to pay the Corporation amounts owed to settle confirmed trades and/or stock loan transactions or any other obligations to the Corporation, other than those related to any cross-margining program with a Participating CCO and transactions settling outside the United States, means 8:00 A.M. Central Time").

6 The Daily Account Summary will be similar in substance to the current report except that the Deficit line on the document will be separated and described as a start-of-day obligation owed by the Clearing Member unless additional non-cash collateral is deposited.

eliminate the necessary cash withdrawal from the Clearing Member's bank account. OCC's Rules already provide Clearing Members a similar opportunity to offset deficits in their Clearing Fund allocations prior to OCC withdrawing cash from Clearing Member bank accounts, as described in Rule 1005.[7] OCC seeks to give Clearing Members this ability with respect to margin deficits.

A. Purpose

OCC proposes to change its Rules to provide Clearing Members with an opportunity to reduce or eliminate any margin deficit identified in the Daily Account Summary to avoid OCC's cash draw prior to Settlement Time.

This change is expected to have positive effects on both OCC and Clearing Members. The current start-of-day margin cash settlement process often requires multiple inefficient transfers of collateral and cash during the trading day, resulting in temporary double-collateralization for Clearing Members. Presently, after OCC drafts cash from a Clearing Member's bank account prior to Settlement Time to satisfy a start-of-day-margin deficit, the Clearing Member often deposits non-cash collateral with OCC and requests that OCC return some or all of the cash back to the Clearing Member's bank account. OCC allows this intraday deposit of margin and returns the cash, but the process is inefficient for all parties. Under the current process, OCC must often make multiple cash transactions, drafting cash from Clearing Member accounts and then returning the cash to the Clearing Member on the same day. And because the cash transfer is not instantaneous, this series of events leaves Clearing Members

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7 *See* OCC Rule 1005(c) (authorizing OCC to withdraw from the Clearing Member's bank account an amount equal to any deficit the member fails to satisfy as shown on certain reports listing, among other things, the current amount of the contribution required of such Clearing Member and any deficit in the Clearing Member's contribution or surplus over and above the required amount).

double-collateralized for a period. Clearing Members may not receive their returned cash until hours after they deposited additional collateral, meaning that they are double-collateralized (through the newly deposited collateral and the cash that has not yet been returned) from the time when they deposit additional collateral until the previously drafted cash is returned to their bank accounts.

This process increases cash liquidity demands on Clearing Members, causes Clearing Members to hold excess collateral to attempt to avoid daily deficit cash drafts, and increases instances of same-day double-collateralization. For OCC, this process increases transactional cash flows, causing unnecessary inefficiency and increased operational risk. These issues could be alleviated or eliminated if Clearing Members had the opportunity to deposit collateral to satisfy any identified margin deficit before OCC withdraws cash to satisfy the deficit. And regardless of whether a Clearing Member chooses to deposit additional margin, the ultimate Start-of-Day Margin Deficit and the corresponding deficit cash draft would be no greater than the deficit originally identified in the Daily Account Summary.

A hypothetical example may demonstrate how the updated daily settlement process would work in practice. If OCC were to report on a Clearing Member's Daily Account Summary that the Clearing Member faced a margin deficit, the Clearing Member would be afforded the choice whether to offset that deficit, in whole or in part, by depositing collateral prior to OCC issuing cash settlement instructions to the Clearing Member's bank. If the Clearing Member were to choose not to deposit additional collateral, OCC would issue cash settlement instructions to the Clearing Member's bank to satisfy the deficit with cash from the Clearing Member's account. But if the Clearing Member were to deposit additional collateral before

OCC issued cash settlement instructions to the bank, the newly deposited collateral would reduce or eliminate the amount that OCC would withdraw from the Clearing Member's bank account.

If the proposed change is adopted, OCC will no longer immediately draft the full margin deficit from the Clearing Member's account in cash, but instead will give the Clearing Member the opportunity to satisfy or reduce the deficit with non-cash collateral before OCC conducts any cash draw from Clearing Member bank accounts. This reduces Clearing Members' need for cash liquidity, double-collateralization, and OCC's transactional cash flows and any attendant operational risk.

OCC does not anticipate that this proposed change would negatively affect its liquidity. Start of day liquidity is unaffected because OCC will continue to withdraw cash from Clearing Member bank accounts by Settlement Time each day to satisfy any remaining margin deficits, just as it does in the current model. And intraday liquidity will be only minimally affected. In the current model when OCC withdraws cash to satisfy a margin deficit, most of the cash is returned to Clearing Members that same day after the Clearing Members deposit additional non-cash collateral. Finally, the proposed change affects only margin deficits; it will not affect how OCC handles money that flows daily through it from one party to another or how OCC collects mandatory margin cash requirements from time to time. For example, the settlement system by which OCC collects cash from one Clearing Member and passes it along to another Clearing Member would remain unchanged, as would the process for when a Clearing Member defaults. OCC will have qualified liquidity resources supported by all eligible forms of collateral both at the start of the day and intraday under the proposed change.

**Description of Change**

In order to provide Clearing Members with the opportunity to satisfy daily margin deficits with collateral prior to OCC initiating a cash draw from their bank accounts, OCC proposes to amend its Rules.[8] In particular OCC proposes amendments to Rule 605 and the creation of a new Rule 605A to implement this change.

OCC proposes to amend Rule 605 to change the name of the report Clearing Members receive identifying their margin deficit from "Daily Margin Report" to "Daily Account Summary." This change is proposed to more accurately reflect the document that Clearing Members receive on a daily basis that identifies their margin deficit. OCC also proposes shortening and simplifying the rule by simply stating that the Daily Account Summary will show the margin required by the Clearing Member's "margined positions," rather than listing each type of position that could require margin; however, the types of positions covered in the report will not change. Additionally, OCC proposes to move the sentences requiring that any margin deficit be satisfied by Settlement Time and authorizing OCC to withdraw cash from the Clearing Member's bank account to obtain satisfaction from current Rule 605 to proposed Rule 605A and to make conforming changes, as discussed below.

Rule 605A creates a new term, the "Start-of-Day Margin Deficit," to represent any remaining margin deficit after a Clearing Member has had the opportunity to deposit collateral to offset the margin deficit identified in the Daily Account Summary. New Rule 605A states that Clearing Members are permitted to deposit such collateral to reduce any margin deficit identified in the Daily Account Summary. Under the new Rule, when OCC receives and recognizes the

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8 OCC does not propose to amend OCC Rule 706 to apply this change to cross-margining accounts at this time. OCC intends to address its cross-margining accounts, including their daily settlement procedure, in a future filing.

newly deposited collateral before OCC has issued withdrawal instructions to the Clearing Member's bank, the outstanding margin deficit will be reduced. The margin deficit identified in the Daily Account Summary minus the value of the collateral deposited thereafter is the Start-of-Day Margin Deficit, and subject to the provisions of Rule 606 OCC may withdraw cash from the Clearing Member's bank account to satisfy this deficit.

Finally, the changes to Rule 605 and the creation of Rule 605A will require ancillary changes in Rule 606 to add the term Start-of-Day Margin Deficit and in Rules 606 and 607 to change the term Daily Margin Report to Daily Account Summary.

**Implementation Timeframe**

OCC expects to implement the proposed changes following receipt of all necessary approvals and within approximately 270 days after the launch of Ovation[9] as OCC's system of record in light of the technical system changes that are required to implement this change. OCC will announce the implementation date of the proposed changes by an Information Memorandum posted to its public website at least two weeks prior to implementation.

B. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A of the Exchange Act[10] and Rules 17ad-22(e)(17) and (21)[11] thereunder. Section 17A(b)(3)(F) of the Act[12] requires, among other things, that the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions

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9 OCC is building Ovation, a new clearance and settlement system, to replace its current clearing platform. Information about OCC's planned launch of Ovation may be found at https://www.theocc.com/company-information/occ-transformation.

10 15 U.S.C. 78q-1.

11 17 CFR 240.17ad-22(e)(17) and (21).

12 15 U.S.C. 78q-1(b)(3)(F).

and, in general, to protect investors and the public interest. The proposed change would provide Clearing Members with the option to provide non-cash collateral to satisfy any start-of-day margin deficit rather than requiring a cash draw, fostering OCC's cooperation and coordination with Clearing Members regarding the form of eligible collateral they wish to deposit. The change would also protect investors and the public interest by ensuring that margin deficits are satisfied while also affording Clearing Members the opportunity to select for themselves the collateral to be deposited, maximizing their capital and liquidity efficiency. For these reasons, the proposed changes to OCC's rules are reasonably designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and, in general, to protect investors and the public interest in accordance with Section 17A(b)(3)(F) of the Act.[13]

Rule 17ad-22(e)(17)(i)[14] requires OCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to manage OCC's operational risks by, among other things, identifying the plausible sources of operational risk and mitigating their impact through the use of appropriate systems, policies, procedures, and controls. The proposed change to the start-of-day margin deficit settlement process should reduce or eliminate Clearing Members' need to engage in same-day collateral substitution, thereby reducing or eliminating OCC's operational risk in conducting that process. If Clearing Members deposit collateral to satisfy any margin deficit during the proposed optional window, OCC will no longer need to make cash draws from Clearing Member bank accounts and then return the cash later in the day when the Clearing Member has deposited other collateral. Avoiding this inefficient process

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13 Id.

14 17 CFR 240.17ad-22(e)(17)(i).

eliminates the risk that OCC might make an operational error in the same-day collateral substitution. For those reasons, OCC believes that the proposal is consistent with Rule 17ad-22(e)(17)(i).[15]

Rule 17ad-22(e)(21)(i) requires OCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves, and to regularly review the efficiency and effectiveness of its settlement arrangements.[16] This proposed change promotes efficiency by reducing or eliminating the need for same-day collateral substitution for Clearing Members who wish to take advantage of the optional window to deposit collateral to offset their margin deficits. The change would enable Clearing Members to more efficiently allocate their assets for collateral purposes and avoid intraday double-collateralization. And as noted above, this change would reduce the number of cash draws and returns OCC is required to make to satisfy margin deficits, improving efficiency. For those reasons, OCC believes that the proposal is consistent with Rule 17ad-22(e)(21)(i).[17]

**Item 4. Self-Regulatory Organization's Statement on Burden on Competition**

Section 17A(b)(3)(I) of the Act[18] requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. OCC does not believe that the proposed rule change would have any impact or impose a burden on competition. All Clearing Members would have the opportunity to deposit non-cash

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15 Id.

16 17 CFR 240.17ad-22(e)(21)(i).

17 Id.

18 15 U.S.C. 78q-1(b)(3)(I).

collateral during the optional window, if they so choose. The proposal would not advantage any particular Clearing Members at the expense of others.

**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 change and none have been received.

**Item 6. Extension of Time Period for Commission Action**

Not applicable.

**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)(iii)[19] of the Exchange Act, and Rule 19b-4(f)(4)(i),[20] the proposed rule change is filed for immediate effectiveness. Rule 19b-4(f)(4)(i) provides that proposed rule changes may take effect upon filing if it effects a change to an existing service that (A) does not adversely affect the safeguarding of securities or funds in the custody or control of OCC or for which it is responsible; and (B) does not significantly affect the respective rights or obligations of OCC or persons using the service. OCC believes the proposed rule change qualifies for immediate effectiveness pursuant to Rule 19b-4(f)(4)(i)[21] because it effects a change to an existing service, daily settlement, that does not adversely affect the safeguarding of securities or funds and does not significantly affect the rights or obligations of OCC or its participants. The proposed change would merely allow Clearing Members the opportunity to deposit non-cash collateral to offset any Start-of-Day Margin Deficit after being informed of the precise amount of such deficit. This change does not significantly affect OCC's or its Clearing Members' rights or

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19 15 U.S.C. 78s(b)(3)(A)(iii).

20 17 CFR 240.19b-4(f)(4)(i).

21 Id.

obligations. Clearing Members already have the ability to pre-fund margin requirements by maintaining excess margin pre-settlement; the proposed change merely makes that process more efficient because Clearing Members will be able to learn their precise Start-of-Day Margin Deficit prior to depositing additional collateral.

At any time within 60 days of the filing of the proposed 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. The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed,[22] Ovation has been launched, and the technical system changes required to implement this proposal have been completed, as described in Item 3, above.

**Item 8. Advance Notice 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 Exchange 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.

Exhibit 3A. Sept. 2, 2026 OCC Responses to SEC Staff Requests for Information

[22] Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

Exhibit 3B. Oct. 13, 2026 OCC Responses to SEC Staff Requests for Information

Exhibit 3C. Documentation of example cash settlement from August 24, 2026

Exhibit 3D. Meeting notes from the May 8, 2026 Joint Meeting of the Stress Test Working Group and Credit & Liquidity Risk Working Group

Exhibit 3E. Meeting notes from the May 14, 2026 Management Committee Meeting

Exhibit 3F. Meeting notes from the May 20, 2026 FRAC Meeting

Exhibit 3G. Materials from the May 8, 2026 Joint Meeting of the Stress Test Working Group and Credit & Liquidity Risk Working Group

Exhibit 3H. Materials from the May 14, 2026 Management Committee Meeting

Exhibit 3I. Materials from the May 20, 2026 FRAC Meeting

Exhibit 3J. Agenda from a June 16, 2026 Settlement Bank Annual Review Meeting

Exhibit 3K. Data regarding margin cash debits and returns

Exhibit 3L. Proposed Changes to Operations Manual

Exhibit 3M. Conceptual Daily Account Summary

Exhibit 5. OCC Rules

**Exhibits 3A, 3B, 3C, 3D, 3E, 3F, 3G, 3H, 3I, 3J, 3K, 3L, and 3M have been omitted and filed separately with the Commission with a request for confidential treatment pursuant to SEC Rule 24b-2 (17 CFR 240.24b-2).**

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-[_____]; File No. SR-OCC-2026-013)

[November __, 2026]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by The Options Clearing Corporation Concerning Providing the Ability to Satisfy Daily Margin Deficit Amounts With Non-Cash Collateral Prior to Settlement Time.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on November 4, 2026, The Options Clearing Corporation ("OCC" or "Corporation") filed with the Securities and Exchange Commission ("SEC" or "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)[3] of the Act and paragraph (f) or Rule 19b-4[4] thereunder, such that the proposed rule change was immediately effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A).

4 17 CFR 240.19b-4(f).

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

This proposed rule change would update OCC's cash settlement process to provide Clearing Members with the ability to satisfy daily margin deficit amounts with non-cash collateral prior to the daily Settlement Time.

The proposed changes to OCC's Rules are contained in Exhibit 5 to SR-OCC-2026-013. Material proposed to be added is marked by underlining and material proposed to be deleted is marked with strikethrough text. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the OCC By-Laws and Rules.[5]

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

OCC conducts a daily cash settlement process in which OCC drafts cash from Clearing Member bank accounts to offset any deficit in margin assets pledged by the Clearing Member as compared to the total required margin as of Settlement Time.[6]

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5 OCC's By-Laws and Rules can be found on OCC's public website: https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.

6 *See* OCC Rule 100 ("The term 'settlement time', when used in respect of a Clearing Member's obligation to pay the Corporation amounts owed to settle confirmed trades and/or stock loan

Currently, prior to Settlement Time (8:00 a.m. CT), OCC makes a Daily Margin Report available to each Clearing Member showing, among other things, the Clearing Member's margin requirements and margin previously deposited by the Clearing Member, as well as any surplus over the margin amount required or margin deficit to be satisfied. For all Clearing Members who are reported to have a margin deficit, OCC authorizes cash withdrawals from the Clearing Members' bank accounts in order to satisfy the deficit. Clearing Members currently do not have the opportunity to deposit additional collateral after receipt of the Daily Margin Report to offset any start-of-day margin deficit identified on the report before OCC drafts cash from the Clearing Members' bank accounts.

OCC proposes to replace the Daily Margin Report with a Daily Account Summary.[7] OCC proposes to offer Clearing Members an opportunity, after receiving the Daily Account Summary and prior to Settlement Time, to deposit collateral in order to reduce or eliminate their Start-of-Day Margin Deficit. Any such collateral deposit would correspondingly reduce or eliminate the necessary cash withdrawal from the Clearing Member's bank account. OCC's Rules already provide Clearing Members a similar opportunity to offset deficits in their Clearing Fund allocations prior to OCC withdrawing

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transactions or any other obligations to the Corporation, other than those related to any cross-margining program with a Participating CCO and transactions settling outside the United States, means 8:00 A.M. Central Time").

7 The Daily Account Summary will be similar in substance to the current report except that the Deficit line on the document will be separated and described as a start-of-day obligation owed by the Clearing Member unless additional non-cash collateral is deposited.

cash from Clearing Member bank accounts, as described in Rule 1005.[8] OCC seeks to give Clearing Members this ability with respect to margin deficits.

1. Purpose

OCC proposes to change its Rules to provide Clearing Members with an opportunity to reduce or eliminate any margin deficit identified in the Daily Account Summary to avoid OCC's cash draw prior to Settlement Time.

This change is expected to have positive effects on both OCC and Clearing Members. The current start-of-day margin cash settlement process often requires multiple inefficient transfers of collateral and cash during the trading day, resulting in temporary double-collateralization for Clearing Members. Presently, after OCC drafts cash from a Clearing Member's bank account prior to Settlement Time to satisfy a start-of-day-margin deficit, the Clearing Member often deposits non-cash collateral with OCC and requests that OCC return some or all of the cash back to the Clearing Member's bank account. OCC allows this intraday deposit of margin and returns the cash, but the process is inefficient for all parties. Under the current process, OCC must often make multiple cash transactions, drafting cash from Clearing Member accounts and then returning the cash to the Clearing Member on the same day. And because the cash transfer is not instantaneous, this series of events leaves Clearing Members double-collateralized for a period. Clearing Members may not receive their returned cash until hours after they deposited additional collateral, meaning that they are double-collateralized (through the newly deposited collateral and the cash that has not yet been

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8 *See* OCC Rule 1005(c) (authorizing OCC to withdraw from the Clearing Member's bank account an amount equal to any deficit the member fails to satisfy as shown on certain reports listing, among other things, the current amount of the contribution required of such Clearing Member and any deficit in the Clearing Member's contribution or surplus over and above the required amount).

returned) from the time when they deposit additional collateral until the previously drafted cash is returned to their bank accounts.

This process increases cash liquidity demands on Clearing Members, causes Clearing Members to hold excess collateral to attempt to avoid daily deficit cash drafts, and increases instances of same-day double-collateralization. For OCC, this process increases transactional cash flows, causing unnecessary inefficiency and increased operational risk. These issues could be alleviated or eliminated if Clearing Members had the opportunity to deposit collateral to satisfy any identified margin deficit before OCC withdraws cash to satisfy the deficit. And regardless of whether a Clearing Member chooses to deposit additional margin, the ultimate Start-of-Day Margin Deficit and the corresponding deficit cash draft would be no greater than the deficit originally identified in the Daily Account Summary.

A hypothetical example may demonstrate how the updated daily settlement process would work in practice. If OCC were to report on a Clearing Member's Daily Account Summary that the Clearing Member faced a margin deficit, the Clearing Member would be afforded the choice whether to offset that deficit, in whole or in part, by depositing collateral prior to OCC issuing cash settlement instructions to the Clearing Member's bank. If the Clearing Member were to choose not to deposit additional collateral, OCC would issue cash settlement instructions to the Clearing Member's bank to satisfy the deficit with cash from the Clearing Member's account. But if the Clearing Member were to deposit additional collateral before OCC issued cash settlement instructions to the bank, the newly deposited collateral would reduce or eliminate the amount that OCC would withdraw from the Clearing Member's bank account.

If the proposed change is adopted, OCC will no longer immediately draft the full margin deficit from the Clearing Member's account in cash, but instead will give the Clearing Member the opportunity to satisfy or reduce the deficit with non-cash collateral before OCC conducts any cash draw from Clearing Member bank accounts. This reduces Clearing Members' need for cash liquidity, double-collateralization, and OCC's transactional cash flows and any attendant operational risk.

OCC does not anticipate that this proposed change would negatively affect its liquidity. Start of day liquidity is unaffected because OCC will continue to withdraw cash from Clearing Member bank accounts by Settlement Time each day to satisfy any remaining margin deficits, just as it does in the current model. And intraday liquidity will be only minimally affected. In the current model when OCC withdraws cash to satisfy a margin deficit, most of the cash is returned to Clearing Members that same day after the Clearing Members deposit additional non-cash collateral. Finally, the proposed change affects only margin deficits; it will not affect how OCC handles money that flows daily through it from one party to another or how OCC collects mandatory margin cash requirements from time to time. For example, the settlement system by which OCC collects cash from one Clearing Member and passes it along to another Clearing Member would remain unchanged, as would the process for when a Clearing Member defaults. OCC will have qualified liquidity resources supported by all eligible forms of collateral both at the start of the day and intraday under the proposed change.

**Description of Change**

In order to provide Clearing Members with the opportunity to satisfy daily margin deficits with collateral prior to OCC initiating a cash draw from their bank accounts,

OCC proposes to amend its Rules.[9] In particular OCC proposes amendments to Rule 605 and the creation of a new Rule 605A to implement this change.

OCC proposes to amend Rule 605 to change the name of the report Clearing Members receive identifying their margin deficit from "Daily Margin Report" to "Daily Account Summary." This change is proposed to more accurately reflect the document that Clearing Members receive on a daily basis that identifies their margin deficit. OCC also proposes shortening and simplifying the rule by simply stating that the Daily Account Summary will show the margin required by the Clearing Member's "margined positions," rather than listing each type of position that could require margin; however, the types of positions covered in the report will not change. Additionally, OCC proposes to move the sentences requiring that any margin deficit be satisfied by Settlement Time and authorizing OCC to withdraw cash from the Clearing Member's bank account to obtain satisfaction from current Rule 605 to proposed Rule 605A and to make conforming changes, as discussed below.

Rule 605A creates a new term, the "Start-of-Day Margin Deficit," to represent any remaining margin deficit after a Clearing Member has had the opportunity to deposit collateral to offset the margin deficit identified in the Daily Account Summary. New Rule 605A states that Clearing Members are permitted to deposit such collateral to reduce any margin deficit identified in the Daily Account Summary. Under the new Rule, when OCC receives and recognizes the newly deposited collateral before OCC has issued withdrawal instructions to the Clearing Member's bank, the outstanding margin

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[9] OCC does not propose to amend OCC Rule 706 to apply this change to cross-margining accounts at this time. OCC intends to address its cross-margining accounts, including their daily settlement procedure, in a future filing.

deficit will be reduced. The margin deficit identified in the Daily Account Summary minus the value of the collateral deposited thereafter is the Start-of-Day Margin Deficit, and subject to the provisions of Rule 606 OCC may withdraw cash from the Clearing Member's bank account to satisfy this deficit.

Finally, the changes to Rule 605 and the creation of Rule 605A will require ancillary changes in Rule 606 to add the term Start-of-Day Margin Deficit and in Rules 606 and 607 to change the term Daily Margin Report to Daily Account Summary.

**Implementation Timeframe**

OCC expects to implement the proposed changes following receipt of all necessary approvals and within approximately 270 days after the launch of Ovation[10] as OCC's system of record in light of the technical system changes that are required to implement this change. OCC will announce the implementation date of the proposed changes by an Information Memorandum posted to its public website at least two weeks prior to implementation.

2. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A of the Exchange Act[11] and Rules 17ad-22(e)(17) and (21)[12] thereunder. Section 17A(b)(3)(F) of the Act[13] requires, among other things, that the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement

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10 OCC is building Ovation, a new clearance and settlement system, to replace its current clearing platform. Information about OCC's planned launch of Ovation may be found at https://www.theocc.com/company-information/occ-transformation.

11 15 U.S.C. 78q-1.

12 17 CFR 240.17ad-22(e)(17) and (21).

13 15 U.S.C. 78q-1(b)(3)(F).

of securities transactions and, in general, to protect investors and the public interest. The proposed change would provide Clearing Members with the option to provide non-cash collateral to satisfy any start-of-day margin deficit rather than requiring a cash draw, fostering OCC's cooperation and coordination with Clearing Members regarding the form of eligible collateral they wish to deposit. The change would also protect investors and the public interest by ensuring that margin deficits are satisfied while also affording Clearing Members the opportunity to select for themselves the collateral to be deposited, maximizing their capital and liquidity efficiency. For these reasons, the proposed changes to OCC's rules are reasonably designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and, in general, to protect investors and the public interest in accordance with Section 17A(b)(3)(F) of the Act.[14]

Rule 17ad-22(e)(17)(i)[15] requires OCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to manage OCC's operational risks by, among other things, identifying the plausible sources of operational risk and mitigating their impact through the use of appropriate systems, policies, procedures, and controls. The proposed change to the start-of-day margin deficit settlement process should reduce or eliminate Clearing Members' need to engage in same-day collateral substitution, thereby reducing or eliminating OCC's operational risk in conducting that process. If Clearing Members deposit collateral to satisfy any margin deficit during the proposed optional window, OCC will no longer need to make cash

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14 Id.

15 17 CFR 240.17ad-22(e)(17)(i).

draws from Clearing Member bank accounts and then return the cash later in the day when the Clearing Member has deposited other collateral. Avoiding this inefficient process eliminates the risk that OCC might make an operational error in the same-day collateral substitution. For those reasons, OCC believes that the proposal is consistent with Rule 17ad-22(e)(17)(i).[16]

Rule 17ad-22(e)(21)(i) requires OCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves, and to regularly review the efficiency and effectiveness of its settlement arrangements.[17] This proposed change promotes efficiency by reducing or eliminating the need for same-day collateral substitution for Clearing Members who wish to take advantage of the optional window to deposit collateral to offset their margin deficits. The change would enable Clearing Members to more efficiently allocate their assets for collateral purposes and avoid intraday double-collateralization. And as noted above, this change would reduce the number of cash draws and returns OCC is required to make to satisfy margin deficits, improving efficiency. For those reasons, OCC believes that the proposal is consistent with Rule 17ad-22(e)(21)(i).[18]

(B) Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act[19] requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the

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16 Id.

17 17 CFR 240.17ad-22(e)(21)(i).

18 Id.

19 15 U.S.C. 78q-1(b)(3)(I).

purposes of the Act. OCC does not believe that the proposed rule change would have any impact or impose a burden on competition. All Clearing Members would have the opportunity to deposit non-cash collateral during the optional window, if they so choose. The proposal would not advantage any particular Clearing Members at the expense of others.

(C) Clearing Agency'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 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 pursuant to Section 19(b)(3)(A) of the Act[20] and paragraph (f) of Rule 19b-4[21] thereunder. At any time within 60 days of the filing of the proposed 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.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.[22]

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20 15 U.S.C. 78s(b)(3)(A).

21 17 CFR 240.19b-4(f).

22 Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

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-2026-013 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2026-013. 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 such filing will be available for inspection and copying at the principal office of OCC and on OCC's website at https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to File Number SR-OCC-2026-013 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.[23]

Secretary

[23] 17 CFR 200.30-3(a)(12).

**Exhibit 3A-3M**

This Exhibit contains thirteen electronic files embedded in this cover page for filing efficiency, as identified below. OCC has omitted the embedded files pursuant to 17 CFR 240.24b-2. OCC has separately filed and requested confidential treatment of the cover page containing the embedded files as protected from public disclosure by Exemptions 4 and 8 of the Freedom of Information Act ("FOIA"), 5 U.S.C. 552(b)(4), (b)(8), and 15 U.S.C. 78x(e) because the information it contains concerns (i) OCC's trade secrets and commercial information not customarily released to the public and is, and always has been, treated as the private information of OCC, the release of which is likely to cause foreseeable harm to OCC's commercial or financial interests; and (ii) the supervision of OCC, a financial institution regulated by the Commission. OCC believes the Form 19b-4 Information and Exhibit 1A provide a clear and adequate description of the relevant substance of the embedded file to facilitate meaningful public comment.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3A – Sept. 2, 2026 OCC Responses to SEC Staff Requests for Information; 6 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3B – Oct. 13, 2026 OCC Responses to SEC Staff Requests for Information; 3 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3C – Documentation of example cash settlement from August 24, 2026; 2 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3D – Meeting notes from the May 8, 2026 Joint Meeting of the Stress Test Working Group and Credit & Liquidity Risk Working Group; 2 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3E – Meeting notes from the May 14, 2026 Management Committee Meeting; 2 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3F – Meeting notes from the May 20, 2026 FRAC Meeting; 10 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3G – Materials from the May 8, 2026 Joint Meeting of the Stress Test Working Group and Credit & Liquidity Risk Working Group; 6 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3H – Materials from the May 14, 2026 Management Committee Meeting; 6 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3I – Materials from the May 20, 2026 FRAC Meeting; 4 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3J – Agenda from a June 16, 2026 Settlement Bank Annual Review Meeting; 3 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3K– Data regarding margin cash debits and returns; 5 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3L – Proposed Changes to Operations Manual; 2 pages.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3M – Conceptual Daily Account Summary; 2 pages.

# Rules

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**RULE 605 – ~~Daily Margin Report~~Daily Account Summary**

Prior to 8:00 A.M. Central Time (9:00 A.M. Eastern Time) of each business day, the Corporation ~~shall~~will make available to each Clearing Member ~~a Daily Margin Report~~a Daily Account Summary for each account maintained by the Clearing Member with the Corporation. The ~~Daily Margin Report shall~~Daily Account Summary will show the amount of margin required by the Corporation on the Clearing Member's ~~short~~ margined positions ~~in options (including futures options and commodity options that are subject to the Corporation's margin requirements pursuant to any Participating CCO Agreement), the Clearing Member's positions in futures (including commodity futures that are subject to the Corporation's margin requirements pursuant to any Participating CCO Agreement), and the Clearing Member's exercised contracts and stock loan and borrow positions~~. Margins previously deposited by the Clearing Member and any surplus over the amount required or deficit to be satisfied, as the case may be, will also be shown. ~~A deficit in any account of a Clearing Member as shown in the Daily Margin Report of a particular day shall be satisfied by Settlement Time on such day, notwithstanding any error in such Report and notwithstanding any margin excess that may exist in another account of the Clearing Member. Subject to the provisions of Rule 606, the Corporation shall be authorized to withdraw from the Clearing Member's bank account established in respect of any account an amount equal to such deficit as shown on the Daily Margin Report.~~ All errors in the ~~Daily Margin Report~~ Daily Account Summary ~~shall~~must be reported to the Corporation promptly, and any correction or adjustment in the amount of required margin shall be shown on the next day's ~~Daily Margin Report~~Daily Account Summary.

**RULE 605A – Start-of-Day Margin Deficit**

A Clearing Member may deposit eligible collateral to reduce or satisfy a margin deficit reported in its Daily Account Summary. If the Corporation receives and recognizes collateral deposited by a Clearing Member before the Corporation issues cash settlement instructions to the Clearing Member's bank, the Corporation will deduct the value of the received collateral, as calculated pursuant to Rule 601(c)(2), from the margin deficit identified in the Daily Account Summary. The Start-of-Day Margin Deficit is the margin deficit reflected on the Daily Account Summary less the value of any collateral received and recognized before the Corporation issues cash settlement instructions. The Start-of-Day Margin Deficit must be satisfied at Settlement Time, notwithstanding any error in the Daily Account Summary, notwithstanding any margin excess that may exist in another account of the Clearing Member, and notwithstanding any additional collateral the Clearing Member has deposited or attempted to deposit which was not timely received and recognized by the Corporation. Subject to the provisions of Rule 606, the Corporation may

withdraw from the Clearing Member's bank account established in respect of any account an amount equal to the Start-of-Day Margin Deficit.

**RULE 606 – Application of Settlement Credit**

The Corporation may apply in satisfaction of ~~any margin deficit~~the Start-of-Day Margin Deficit any credit balance in favor of the Clearing Member shown on ~~his~~its Daily ~~Position Report~~Account Summary to be applicable to trades that settle on the business day of such margin deficit; provided, however, that any such balance arising in a segregated futures account may not be applied in satisfaction of any margin deficit arising in any account other than a segregated futures account.

**RULE 607 – Application of Cash Margin Excess**

A margin excess reported on a Clearing Member's ~~Daily Margin Report~~Daily Account Summary, not to exceed the amount of cash margin on deposit as shown in such ~~Report~~Summary, may be applied against the amount of the net daily premium and variation payment due to the Corporation in such account in accordance with Rule 502 or against the foreign currency option exercise settlement amount due to the Corporation in accordance with Rule 1606; provided, however, that the cash margin excess and the obligation to which it is applied must be in the same currency.