

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22

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

File No. * SR 2022 - * 009

Amendment No. (req. for Amendments *)

Filing by Options Clearing Corporation

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 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 One Multiplier Options

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 * Karen Last Name * Bilek

Title * Associate General Counsel

E-mail * kbilek@theocc.com

Telephone * (312) 322-4521 Fax

Signature

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

Date 07/18/2022

(Title *)

By Mark C. Brown

Associate General Counsel

(Name *)

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.

Mark C. Brown
Digitally signed by Mark C. Brown
Date: 2022.07.18 15:32:56 -05'00'

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-2022-009 19b-4 (7.18.2022)

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-2022-009 Exhibit 1A (7.18.2

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 *

Add Remove View

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 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

Add Remove View

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

Add Remove View

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

Add Remove View

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-2022-009 Exhibit 5 (7.18.202

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

Add Remove View

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

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 ("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 amend provisions of OCC Rules to accommodate the issuance, clearance and settlement of index options and flexibly structured index options with an index multiplier of one (collectively "One Multiplier Options"). The proposed changes to OCC's Rules are contained in Exhibit 5 to filing number SR-OCC-2022-009. Material proposed to be added to OCC's Rules as currently in effect 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 By-Laws and Rules.³

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved for filing with the Commission by OCC's Board of Directors ("Board") at a meeting held on March 5, 2021.

Questions should be addressed to Karen Bilek, Executive Principal, Associate General Counsel, at (312) 322-4521.

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>.

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

A. Purpose

The Cboe Exchange (“Cboe”) received approval from the Commission to list One Multiplier Options as a variation of currently-traded index and index flex options.⁴ One Multiplier Options will be similar to currently traded index and index flex options except that the multiplier for such options will be one rather than 100. With the proliferation of options with multipliers less than 100, OCC is proposing to modify its Rules to explicitly allow for a corresponding reduction in the automatic exercise threshold used for expiration processing for these products.

OCC Rule 1804 provides expiration procedures for cash-settled options. Rule 1804(b) establishes that expiring index options with standard expiration dates will be automatically exercised on an option’s expiration date if it is in-the-money by \$1.00 or more per contract unless a Clearing Member instructs that any such option contract should not be exercised. Options are exercised under this section as an operational convenience for Clearing Members to automatically exercise an option that is in-the-money by \$1.00 or more, but Clearing Members have the ability to prevent the exercise of an in-the-money option that would otherwise be deemed exercised by submitting contrary exercise instructions. OCC proposes to make Rule 1804(b) applicable to One Multiplier Options that are not flexibly structured index options. Rule

⁴ See Securities Exchange Act Release No. 34-91528 (April 9, 2021), 86 FR 19933 (April 15, 2021) (SR-CBOE-2020-117), and Securities Exchange Act Release No. 34-993122 (September 24, 2021), 86 FR 54269 (September 30, 2021) (SR-CBOE-2021-041).

1804(c) addresses expiration processing for expiring OTC index option contracts, flexibly structured index option contracts, quarterly index option contracts, monthly index option contracts, weekly index option contracts, and short term index options, and these products will be subject to automatic exercise on an option's expiration date if the option is in-the-money by the threshold amount specified in the rule.⁵ By product design, the index product types covered by Rule 1804(c) are automatically exercised if expiring option contracts meets the exercise threshold established therein, and Clearing Members do not have the ability to submit instructions to prevent the exercise of an option that is in-the-money by the exercise threshold amount. OCC proposes to make Rule 1804(c) applicable to flexibly-structured One Multiplier Options.

With the exception of OTC index options, Rule 1804(b) and (c) set \$1.00 per contract as the threshold amount to determine if an expiring index option contract will be deemed exercised immediately prior to the expiration time of the index option, meaning such options will be exercised if the Exercise Settlement Amount of such option is \$1.00 or more. As defined in Article XVII Section 1 of the OCC By-Laws, the Exercise Settlement Amount is the difference between the aggregate exercise price and the aggregate index value on the day of exercise. The \$1.00 amount provided in Rule 1804(b) and (c) serves as a threshold amount to determine which option positions will be automatically exercised. In other words, index option positions, other than OTC index option positions which have an exercise threshold amount of \$0.01 per contract,

⁵ Currently, Rule 1804(c) establishes a \$0.01 per contract automatic exercise amount for OTC index options and a \$1.00 per contract automatic exercise amount for all other index option types addressed in Rule 1804(c).

will be deemed automatically exercised if the option is in-the-money by \$1.00 or more per contract on an option's expiration date.

One Multiplier Options are 1/100th the size of most index option or index flex option on the same underlying index. Whereas the standard option has a multiplier of 100, One Multiplier Options will have a multiplier of one, meaning that the exercise settlement amount for One Multiplier Options will be determined as the difference between the strike price (multiplied by one) and the index value (multiplied by one). Due to the decrease in product size as the result of the smaller multiplier, Cboe has requested a proportionate reduction to the exercise threshold amount as established in Rule 1804(b) and (c).⁶ Consequently, OCC proposes to amend Rule 1804(b) and (c) to establish an exercise threshold that is 1/100th the size of a standard option, or \$0.01 per contract for the One Multiplier Options.

To achieve this outcome, OCC proposes to amend Rule 1804 to state that any index option with a multiplier of one will have an exercise threshold of \$0.01 per contract. The threshold amount for all other options included in Rule 1804 will remain unchanged. To clearly differentiate between the exercise amounts for options with a multiplier of one from other

⁶ Pursuant to Rule 1804, OCC may change the exercise threshold amounts by providing Clearing Members with notice of the new threshold amount not less than 30 days prior to the effective date of the new threshold amount. OCC provided such notice to Clearing Members by posting OCC Information Memo #50046 on the OCC website on February 11, 2022, stating that index options with a multiplier less than 100 will have an exercise threshold of \$0.01 per contract. Cboe launched standard One Multiplier Options on March 14, 2022 and OCC applied the \$0.01 exercise threshold to the product at that time. Given the proliferation of options with multipliers less than 100, OCC is proposing this change to its Rules to explicitly state an exercise threshold that should apply to each product with this characteristic.

options, OCC proposes to modify Rule 1804(b) and (c) to include separate subsections in Rule 1804(b)(1) and (2) and Rule 1804(c)(1), (2) and (3).

As noted previously, Rule 1804(b) and (c) allow OCC to establish a different threshold amount by providing 30 days' prior notice to Index Clearing Members. The proposed rule change will subsequently align the exercise threshold in the rule with the exercise threshold for One Multiplier Options established by previously providing the required 30 days' advance notice in the form of an Information Memo.

B. Statutory Basis

OCC believes that the proposed rule change is consistent with Section 17A of the Act⁷ and the rules thereunder applicable to OCC. Section 17A(b)(3)(F) of the Act⁸ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions. As described in greater detail above, the proposed rule aligns OCC's Rules with respect to expiration processing with the specifications of One Multiplier Options as established by Cboe. Accordingly, OCC believes the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities and derivatives transactions in accordance with Section 17A(b)(3)(F) of the Act.

⁷ 15 U.S.C. 78q-1.

⁸ 15 U.S.C. 78q-1(b)(3)(F).

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

Section 17A(b)(3)(I) of the Act⁹ 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 impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would apply the automatic exercise threshold of \$0.01 uniformly to any index product with a multiplier less than 100 traded on any exchange. Furthermore, the automatic exercise threshold is used in expiration processing solely for the operational convenience of OCC Clearing Members and thus does not impact or impose any burden on competition.

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 rule 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)

Not applicable.

Item 8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

Not applicable.

⁹ 15 U.S.C. 78q-1(b)(3)(I).

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the 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 5. OCC Rules.

SIGNATURES

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

THE OPTIONS CLEARING CORPORATION

By: _____
Karen Bilek
Executive Principal, Associate General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-[_____]; File No. SR-OCC-2022-009)

[July __], 2022

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change by The Options Clearing Corporation Concerning One Multiplier Options.

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 July 18, 2022, 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. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

This proposed rule change would amend provisions of OCC Rules to accommodate the issuance, clearance and settlement of index options and flexibly structured index options with an index multiplier of one (collectively “One Multiplier Options”). The proposed changes to OCC’s Rules are contained in Exhibit 5 to filing number SR-OCC-2022-009. Material proposed to be added to OCC’s Rules as currently in effect is marked by underlining, and material proposed to be deleted is marked with

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

strikethrough text. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the By-Laws and Rules.³

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

(1) Purpose

The Cboe Exchange ("Cboe") received approval from the Commission to list One Multiplier Options as a variation of currently-traded index and index flex options.⁴ One Multiplier Options will be similar to currently traded index and index flex options except that the multiplier for such options will be one rather than 100. With the proliferation of options with multipliers less than 100, OCC is proposing to modify its Rules to explicitly allow for a corresponding reduction in the automatic exercise threshold used for expiration processing for these products.

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 See Securities Exchange Act Release No. 34-91528 (April 9, 2021), 86 FR 19933 (April 15, 2021) (SR-CBOE-2020-117), and Securities Exchange Act Release No. 34-993122 (September 24, 2021), 86 FR 54269 (September 30, 2021) (SR-CBOE-2021-041).

OCC Rule 1804 provides expiration procedures for cash-settled options. Rule 1804(b) establishes that expiring index options with standard expiration dates will be automatically exercised on an option's expiration date if it is in-the-money by \$1.00 or more per contract unless a Clearing Member instructs that any such option contract should not be exercised. Options are exercised under this section as an operational convenience for Clearing Members to automatically exercise an option that is in-the-money by \$1.00 or more, but Clearing Members have the ability to prevent the exercise of an in-the-money option that would otherwise be deemed exercised by submitting contrary exercise instructions. OCC proposes to make Rule 1804(b) applicable to One Multiplier Options that are not flexibly structured index options. Rule 1804(c) addresses expiration processing for expiring OTC index option contracts, flexibly structured index option contracts, quarterly index option contracts, monthly index option contracts, weekly index option contracts, and short term index options, and these products will be subject to automatic exercise on an option's expiration date if the option is in-the-money by the threshold amount specified in the rule.⁵ By product design, the index product types covered by Rule 1804(c) are automatically exercised if expiring option contracts meets the exercise threshold established therein, and Clearing Members do not have the ability to submit instructions to prevent the exercise of an option that is in-the-money by the exercise threshold amount. OCC proposes to make Rule 1804(c) applicable to flexibly-structured One Multiplier Options.

⁵ Currently, Rule 1804(c) establishes a \$0.01 per contract automatic exercise amount for OTC index options and a \$1.00 per contract automatic exercise amount for all other index option types addressed in Rule 1804(c).

With the exception of OTC index options, Rule 1804(b) and (c) set \$1.00 per contract as the threshold amount to determine if an expiring index option contract will be deemed exercised immediately prior to the expiration time of the index option, meaning such options will be exercised if the Exercise Settlement Amount of such option is \$1.00 or more. As defined in Article XVII Section 1 of the OCC By-Laws, the Exercise Settlement Amount is the difference between the aggregate exercise price and the aggregate index value on the day of exercise. The \$1.00 amount provided in Rule 1804(b) and (c) serves as a threshold amount to determine which option positions will be automatically exercised. In other words, index option positions, other than OTC index option positions which have an exercise threshold amount of \$0.01 per contract, will be deemed automatically exercised if the option is in-the-money by \$1.00 or more per contract on an option's expiration date.

One Multiplier Options are 1/100th the size of most index option or index flex option on the same underlying index. Whereas the standard option has a multiplier of 100, One Multiplier Options will have a multiplier of one, meaning that the exercise settlement amount for One Multiplier Options will be determined as the difference between the strike price (multiplied by one) and the index value (multiplied by one). Due to the decrease in product size as the result of the smaller multiplier, Cboe has requested a proportionate reduction to the exercise threshold amount as established in Rule 1804(b) and (c).⁶ Consequently, OCC proposes to amend Rule 1804(b) and (c) to establish an

⁶ Pursuant to Rule 1804, OCC may change the exercise threshold amounts by providing Clearing Members with notice of the new threshold amount not less than 30 days prior to the effective date of the new threshold amount. OCC provided such notice to Clearing Members by posting OCC Information Memo #50046 on the OCC website on February 11, 2022, stating that index options with a multiplier less than 100 will have an exercise

exercise threshold that is 1/100th the size of a standard option, or \$0.01 per contract for the One Multiplier Options.

To achieve this outcome, OCC proposes to amend Rule 1804 to state that any index option with a multiplier of one will have an exercise threshold of \$0.01 per contract. The threshold amount for all other options included in Rule 1804 will remain unchanged. To clearly differentiate between the exercise amounts for options with a multiplier of one from other options, OCC proposes to modify Rule 1804(b) and (c) to include separate subsections in Rule 1804(b)(1) and (2) and Rule 1804(c)(1), (2) and (3).

As noted previously, Rule 1804(b) and (c) allow OCC to establish a different threshold amount by providing 30 days' prior notice to Index Clearing Members. The proposed rule change will subsequently align the exercise threshold in the rule with the exercise threshold for One Multiplier Options established by previously providing the required 30 days' advance notice in the form of an Information Memo.

(2) Statutory Basis

OCC believes that the proposed rule change is consistent with Section 17A of the Act⁷ and the rules thereunder applicable to OCC. Section 17A(b)(3)(F) of the Act⁸ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the

threshold of \$0.01 per contract. Cboe launched standard One Multiplier Options on March 14, 2022 and OCC applied the \$0.01 exercise threshold to the product at that time. Given the proliferation of options with multipliers less than 100, OCC is proposing this change to its Rules to explicitly state an exercise threshold that should apply to each product with this characteristic.

⁷ 15 U.S.C. 78q-1.

⁸ 15 U.S.C. 78q-1(b)(3)(F).

extent applicable, derivative agreements, contracts, and transactions. As described in greater detail above, the proposed rule aligns OCC's Rules with respect to expiration processing with the specifications of One Multiplier Options as established by Cboe. Accordingly, OCC believes the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities and derivatives transactions in accordance with Section 17A(b)(3)(F) of the Act.

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

Section 17A(b)(3)(I) of the Act⁹ 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 impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would apply the automatic exercise threshold of \$0.01 uniformly to any index product with a multiplier less than 100 traded on any exchange. Furthermore, the automatic exercise threshold is used in expiration processing solely for the operational convenience of OCC Clearing Members and thus does not impact or impose any burden on 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.

⁹ 15 U.S.C. 78q-1(b)(3)(I).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self regulatory organization consents, the Commission will: (A) by order approve or disapprove such proposed rule change, or (B) institute proceedings to determine whether the proposed rule change should be disapproved. The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

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-2022-009 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-2022-009. 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, NE, 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 <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

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-2022-009 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.¹⁰

Secretary

¹⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5



Rules

Underlined text indicates new text

~~Strikethrough~~ text indicates deleted text

CHAPTER XVIII – INDEX OPTIONS AND CERTAIN OTHER CASH-SETTLED OPTIONS

RULE 1804 - Expiration Exercise Procedure for Cash-Settled Options

(a) The expiration exercise procedures set forth in Rule 805 shall apply to cash-settled option contracts except that American-style flexibly structured options on fund shares that are cash settled and subject to delayed settlement for any deliverable component will not be subject to Rule 805(d), and except as provided in paragraphs (b) and (c) of this Rule.

(b) A Clearing Member shall be deemed to have properly and irrevocably tendered to the Corporation, immediately prior to the expiration time on each expiration date, an exercise notice with respect to every expiring cash-settled option contract identified in the Clearing Member's Expiration Exercise Report, other than a flexibly structured option on fund shares that is cash settled, a flexibly structured index option contract, quarterly index option contract, monthly index option contract, weekly index option contract, short term index option contract or OTC index option contract, if:

(1) for cash settled option contracts with a multiplier other than one, each option contract that has an exercise settlement value of \$1.00 or more per contract, or such other amount as the Corporation may from time to time establish on not less than 30 days prior notice to all Clearing Members, unless the Clearing Member shall have duly instructed the Corporation, in accordance with Rule 805(b), to exercise none, or fewer than all, of such contracts. If a Clearing Member desires that any such option contract not be exercised, it shall be the responsibility of the Clearing Member to give appropriate instructions to the Corporation in accordance with Rule 805(b), and

(2) for cash settled option contracts with a multiplier of one, each option contract that has an exercise settlement amount of \$0.01 or more per contract or such other amount as the Corporation may from time to time establish on not less than 30 days prior notice to all Index Clearing Members, unless the Clearing Member shall have duly instructed the Corporation, in accordance with Rule 805(b), to exercise none, or fewer than all, of such contracts. If a Clearing Member desires that any such option contract not be exercised, it shall be the responsibility of the Clearing Member to give appropriate instructions to the Corporation in accordance with Rule 805(b).

(c) A Clearing Member shall be automatically deemed to have exercised, immediately prior to the expiration time on each expiration date, every expiring OTC index option contract, flexibly structured index option contract, quarterly index option contract, monthly index option contract, weekly index option contract, and short term index option contract identified in the Clearing Member's Expiration Exercise Report if:

(1) for OTC index option contracts, each option contract ~~that~~ has an exercise settlement amount of \$0.01 or more per contract; ~~in the case of OTC index option contracts and~~

(2) for all other types of index option contracts referenced in this Rule 1804(c) with a multiplier other than one, each option contract has an exercise settlement amount of \$1.00 or more per contract ~~in the case of all other types of index option contracts~~ or such other amount as the Corporation may from time to time establish on not less than 30 days prior notice to all Index Clearing Members; and

(3) for all other types of index option contracts referenced in this Rule 1804(c) with a multiplier of one, each option contract that has an exercise settlement amount of \$0.01 or more per contract or such other amount as the Corporation may from time to time establish on not less than 30 days prior notice to all Index Clearing Members.

. . . Interpretations and Policies:

.01 Except in the case of options that are subject to automatic exercise, the exercise thresholds provided for in this Rule 1804 and elsewhere in the Rules are part of the administrative procedures established by the Corporation to expedite its processing of exercises of expiring options by Clearing Members, and are not intended to dictate to Clearing Members which positions in the customers' account should or must be exercised.

.02 The foregoing expiration exercise procedures are modified by the provisions of Article XVII, Section 4 of the By-Laws under the special circumstances referred to therein relating to the unavailability or inaccuracy of the current value for an underlying interest.

.03 The Corporation has determined that, for purposes of paragraph (c) of this Rule 1804, an OTC index option will be automatically exercised at expiration if the exercise settlement amount is any positive amount.

.04 "Closing price" as used with respect to an underlying security in Rule 805 pertains to the expiration exercise procedure for flexibly structured options on fund shares that are cash settled.