



August 6, 2021

VIA ELECTRONIC MAIL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification of Technical Changes to the By-Laws and Rules of the Options Clearing Corporation.

Dear Secretary Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(a), The Options Clearing Corporation (“OCC”) hereby certifies to the CFTC amendments to OCC’s By-Laws and Rules. The date of implementation of the rule is at least 10 business days following receipt of the rule filing by the CFTC or the date the proposed rule is approved by the Securities and Exchange Commission (“SEC”) or otherwise becomes effective under the Securities Exchange Act of 1934 (“Exchange Act”). This rule filing has been submitted to the SEC under the Exchange Act.

Amendments to OCC’s By-Laws and Rules are included in Exhibit A. 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.¹

In conformity with the requirements of Regulation 40.6(a)(7), OCC states the following:

Explanation and Analysis

The purpose of this certification is to amend its By-Laws and Rules to: (1) correct typographical errors, (2) make conforming changes intended by prior filings, (3) correct erroneous cross-references and (4) remove certain inoperative provisions and clarifying certain other provisions related to OCC’s Clearing Member Trade Assignment (“CMTA”) process.

¹ 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>.

1. Typographical Error Correction

First, OCC has identified several typographical errors in the text of the By-Laws and Rules as previously filed with its regulators:

- The definition of “Clearing Member” in Article I of the By-Laws would be amended to reflect that the plural of the defined term “BOUND” is “BOUNDS,” not “BOUNDS.” The same change would be made to Rule 401(a)(3).
- The definition of “Equity Exchange” in Article I of the By-Laws would be amended to correct a reference to “Section VIIA” of the By-Laws. There is no “Section VIIA” of the By-Laws; the references should be to “Article VIIA.”
- The definition of “Hedge Clearing Member” in Article I of the By-Laws would be amended to replace a reference to “Stock Clearing Member,” which is not a term defined by the By-Laws or Rules, with “Clearing Member.”
- Article IV, Section 3 of the By-Laws would be amended to re-insert a comma within a series in the second sentence that was inadvertently removed.
- Article IX, Section 5 of the By-Laws would be amended to employ more standard American spelling of “depositories.”
- Article XXI, Section 2(a)(2) of the By-Laws would be amended to correct capitalization of the word “accordance.”
- Interpretations and Policies to Rule 1309 and Rule 1405 would be renumbered to conform to the standard numbering convention for such Interpretations and Policies.
- Rule 1403(a) would be amended to correct the verb tense in the second clause.
- Interpretation and Policy .01 to Rule 2210A would be amended to correct a typographical error in the possessive of “Clearing Member.”

2. Conforming Changes

Second, OCC has identified instances in which the changes OCC intended to make in prior filings were not applied to all affected provisions. The changes made in this filing would apply conforming changes to OCC’s By-Laws and Rules reflecting the intended changes to the affected provisions:

- Article VI, Section 3(d) of the By-Laws would be deleted. The provision allows for Clearing Members to establish and maintain Pledge Accounts to the extent permitted by OCC’s Rules—Rules which OCC eliminated in 2012 when it terminated the Pledge

Program.² Because OCC's Rules no longer permit Pledge Accounts, Section 3(d) of By-Law Article VI is now inoperative and can be eliminated.

- Article XXVI, Section 1 of the By-Laws would be amended by deleting the definition of "index group." That defined term was previously deleted from Article XVII because it was not used elsewhere in that Article.³ Likewise, the term is not used elsewhere in Article XXVI. In addition, the definition of "index multiplier" would be amended to reflect that the referenced definition is found in Article I, not Article XVII as currently indicated.
- Rule 504(c) would be amended to use the term "non-guaranteed settlement," rather than "money-only settlement." Paragraph (c) was inadvertently excluded from a prior filing that applied the same change to other paragraphs of that Rule.⁴ Consequently, OCC would also renumber paragraphs (d) through (g), as they appeared in that filing, as paragraphs (e) through (h).
- Interpretation and Policy .14 to Rule 604 would be amended to reflect the deletion of a former provision under Rule 604(b)(4). Rule 604(b)(4) limited the amount of margin credit of any single issue to 10% of the margin deposited by Clearing Members. OCC intended to remove that limitation when it eliminated preferred stock as a form of margin asset.⁵ Consequently, the Interpretation and Policy's application of that now defunct provision to sub-accounts is no longer relevant.
- Rule 705 would be amended to reflect that interests or gains received or accrued on the investment of margins deposited in respect of cross margin accounts shall belong to the Corporation or the Participating CCO(s) (rather than "and") as may be determined by mutual agreement between the parties, consistent with unmarked changes in the text as filed in connection with a prior change.⁶

² See Securities Exchange Act Release ("Exchange Act Release") No. 67706 (Aug. 22, 2012), 77 FR 52082 (Aug. 28, 2012) (File No. SR-OCC-2012-10).

³ See Exchange Act Release No. 58352 (Aug. 13, 2008), 73 FR 48421, 48422 (Aug. 19, 2008) (File No. SR-OCC-2008-17).

⁴ See Exchange Act Release No. 63120 (Oct. 15, 2010), 75 FR 65538 (Oct. 25, 2010) (File No. SR-OCC-2010-17).

⁵ See Exchange Act Release No. 72206 (May 21, 2014), 79 FR 30674, 30675 (May 28, 2014) (File No. SR-OCC-2014-07). As OCC explained, the limitation on margin credit was no longer necessary after eliminating preferred stock as an acceptable form of margin asset because additional charges for concentration positions are already determined under OCC's System for Theoretical Analysis and Numerical Simulations ("STANS").

⁶ See Exchange Act Release No. 58258 (July 30, 2008), 73 FR 46133 (Aug. 7, 2008) (File No. SR-OCC-2008-12).

- Interpretation and Policy .02 to Rule 1106 would be renumbered as .01, consistent with the deletion of the immediately Interpretation and Policy by a previous change.⁷
- Rule 2205 would be amended to reflect that OCC shall “make available,” rather than “issue,” information concerning stock loan positions and stock borrow positions resulting from Stock Loans, consistent with unmarked changes in the text as filed in connection with prior changes.⁸

3. Correcting Erroneous Cross-References

Third, OCC has identified erroneous cross-references to provisions that have been renumbered by prior rule changes. The changes in this certification would correct these erroneous cross-references.⁹ In the case of erroneous cross-references to definitions found in Article I of the By-Laws or Rule 101, OCC is proposing to replace citations to numbered paragraphs with references to the defined term. OCC believes citations to numbered paragraphs are unnecessary for definition sections that are alphabetized,¹⁰ and referring to the definitions by term rather than number will help avoid the need to update cross-references whenever the definition sections are amended.

4. Amendments to CMTA Processes

Finally, OCC is proposing to remove references to certain identifiers related to the CMTA process that were never implemented. Specifically, the provisions related to the Customer CMTA Indicator, CMTA Customer Identifier, and IB Identifier in Article I of the By-Laws, Rule 401, and Rule 407 contemplated that participant exchanges would adopt rules to

⁷ See Exchange Act Release No. 67835 (Sept. 12, 2012), 77 FR 57602 (Sept. 18, 2012) (File No. SR-OCC-2012-14).

⁸ See Exchange Act Release No. 80171 (Mar. 8, 2017), 82 FR 13690 (Mar. 14, 2017) (File No. SR-OCC-2017-004); Exchange Act Release No. 59294 (Jan. 23, 2009), 74 FR 5958 (Feb. 3, 2009) (File No. SR-OCC-2008-20).

⁹ Specifically, OCC would update the cross-references in the bracketed parentheticals that identify By-Laws or Rules supplemented or replaced by Article XII, Section 4A; Article XIII, Sections 1 and 3; Article XV, Section 1; Article XVI, Section 1; and Article XVII, Section 1 of the By-Laws and Rules 1401, 1402, 1403, 1404, 1503, 1703, 1704, 1805, and 2704. OCC would also amend erroneous cross-references in Rules 101, 304(a), 309(f), and 803 and Article XV, Section 1 of the By-Laws. Notwithstanding the amendments to Article XV, that Article remains inoperative until further notice by OCC. See Exchange Act Release No. 58977 (Nov. 19, 2008), 73 FR 72097, 72098 (Nov. 26, 2008) (File No. SR-OCC-2008-09).

¹⁰ The practice of referring to definition sections by number dates to OCC’s original practice of adding new definitions sequentially to the end of the definition sections, which OCC ceased when it alphabetized the definition sections. See Exchange Act Release No. 30327 (Jan. 31, 1992), 57 FR 4785-01 (Feb. 7, 1992) (File No. SR-OCC-92-4).

implement them, which did not occur.¹¹ OCC proposes to remove the changes applied when it added the capacity for those identifiers.¹²

OCC would also clarify Rule 407(b) to address situations where the account designated by the Carrying Clearing Member to receive confirmed trades is not approved to hold a specific confirmed trade. Rule 407(b) does not provide for what happens in this event. In such cases, it is OCC's practice to default to the Carrying Clearing Member's customer or segregated futures account, as applicable, or, if the Carrying Clearing Member does not maintain such an account, to the Carrying Clearing Member's firm account. In addition, OCC would delete the last sentence of Rule 407(b), which provides for default accounts if an Executing Clearing Member failed to designate a default account for failed transactions. Executing Clearing Members are required to make a designation prior to engaging in transactions, so the situation this provision is intended to address could not occur. Therefore, this last sentence is unnecessary and can be eliminated. OCC believes that these changes help to clarify OCC's Rules with respect to default accounts and reflect OCC's current practice.

Compliance with DCO Core Principles

OCC reviewed the DCO core principles ("Core Principles") as set forth in the Act, regulations thereunder, and the provisions applicable to a DCO that elects to be subject to the provisions of 17 CFR Subpart C ("Subpart C DCO"). During this review, OCC identified the following Core Principles and related regulations as potentially being impacted:

Public Information. OCC believes that implementing the changes will align with Core Principle L,¹³ and CFTC Rule 39.21 thereunder,¹⁴ which require, in part, that a DCO make information concerning the rules and operating and default procedures governing the clearing and settlement systems of the DCO available to market participants,¹⁵ and making its rulebook publicly available on its website.¹⁶ OCC believes that implementing the changes and posting the updated By-Laws and Rules to OCC's public website would provide Clearing Members and the public with more accurate information about OCC's rules, which govern the clearance and settlement of cleared contracts and OCC's operating and default procedures.

¹¹ See OCC Rule 401(a) ("Such confirmed trade information shall also include a Customer CMTA Indicator, a CMTA Customer Identifier, and an IB Identifier to the extent required under applicable Exchange rules.")

¹² See Exchange Act Release No. 51350 (Mar. 9, 2005), 70 FR 12934 (Mar. 16, 2005) (File No. SR-OCC-2004-19).

¹³ 7 U.S.C. 7a-1(c)(2)(L).

¹⁴ 17 CFR 39.21.

¹⁵ 7 U.S.C. 7a-1(c)(2)(L)(ii); 17 CFR 39.21(b).

¹⁶ 17 CFR 39.21(c)(6). See also 7 U.S.C. 7a-1(c)(2)(L)(iii)(I) (requiring a DCO to disclose publicly the terms and conditions of each contract, agreement, and transaction cleared and settled by the DCO).

Legal risk considerations. OCC believes that implementing the changes will also align with Core Principle R,¹⁷ and CFTC Rule 39.27 thereunder,¹⁸ which require, in part that a DCO have a well-founded, transparent, and enforceable legal framework for each aspect of its activities. By correcting typographical errors, omissions and erroneous cross-references in OCC's By-Laws and Rules, as well as removing inoperative provisions, the changes facilitate the administration of OCC's By-Laws and Rules and improve their clarity and transparency.

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

OCC hereby certifies that notice of this rule filing has been given to Clearing Members of OCC in compliance with Regulation 40.6(a)(2) by posting a copy of this submission on OCC's website concurrently with the filing of this submission.

Certification

OCC hereby certifies that the rule set forth at enclosed Exhibit A complies with the Act and the CFTC's regulations thereunder.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Mark C. Brown
Assistant General Counsel

Enclosure

¹⁷ 7 U.S.C. 7a-1(c)(2)(R).

¹⁸ 17 CFR 39.27.

Exhibit A – OCC’s By-Laws and Rules

Citation	Text
By-Law Art. I § 1.C.(15)	<p>Clearing Member (15) The term “Clearing Member” means a person or organization that has been admitted to membership in the Corporation pursuant to the provisions of the By-Laws and Rules. References in the By-Laws or Rules to the term “Clearing Member” preceded by a capitalized reference to an underlying interest or a cleared contract, e.g., a “Stock Clearing Member,” or a “Security Futures Clearing Member,” shall be deemed to be to a Clearing Member approved in accordance with Article V of the By-Laws to clear transactions in options on the specified underlying interest, or in the cleared contract, as applicable, provided that the term “Stock Clearing Member” shall be deemed to include a Clearing Member approved to clear transactions in BOUNDS<u>BOUNDS</u> as well as stock options, the term “Treasury Securities Clearing Member” shall mean a Clearing Member approved to clear transactions in Treasury Securities options excluding yield-based Treasury options and the term “Index Clearing Member” shall mean a Clearing Member approved to clear transactions in cash-settled options other than OTC options. The term “OTC Index Option Clearing Member” means a person that has been approved to clear OTC index options.</p>
By-Law Art. I § 1.C.(20)	<p>CMTA (20) The term “CMTA” (Clearing Member Trade Assignment) means the process by which an Executing Clearing Member, acting on its own behalf or as the Clearing Member of an Introducing Broker, directs the transfer of a confirmed trade to a designated account of a Carrying Clearing Member for clearance and settlement.</p>
By-Law Art. I § 1.C.(22)	<p>CMTA Customer; CMTA Customer Identifier; Customer CMTA Indicator (22) The term “CMTA Customer” means a customer of a Carrying Clearing Member who has been assigned a CMTA Customer Identifier by such Carrying Clearing Member to designate that confirmed trades executed and cleared on such customer’s behalf are pursuant to a CMTA arrangement. The term “CMTA Customer Identifier” means a string of characters (as may be modified from time to time) assigned by a Carrying Clearing Member to identify a CMTA Customer. The term “Customer CMTA Indicator” means an indicator included with the confirmed trade information to designate that a confirmed trade was effected on behalf of a CMTA Customer <u>Reserved.</u></p>

Citation	Text
By-Law Art. I § 1.E.(6)	<p>Equity Exchange</p> <p>(6) The term “Equity Exchange” means each national securities exchange that has been qualified for participation in the Corporation pursuant to the provisions of Article VIIA of the By-Laws and any national securities exchange or national securities association to which any of such exchanges transfer their Class A Common Stock and Class B Common Stock of the Corporation in accordance with the Stockholders Agreement referred to in SectionArticle VIIA of the By-Laws.</p>
By-Law Art. I § 1.E.(12)	<p>Executing Clearing Member</p> <p>(12) The term “Executing Clearing Member” means a Clearing Member, on its own behalf or as the Clearing Member of an Introducing Broker, that has been authorized by a Carrying Clearing Member to direct confirmed trades to be transferred to a designated account of the Carrying Clearing Member pursuant to such Clearing Members’ CMTA arrangement.</p>
By-Law Art. I § 1.H.(1)	<p>Hedge Clearing Member</p> <p>(1) The term "Hedge Clearing Member" means a Stock-Clearing Member approved to participate in the Stock Loan/Hedge Program</p>
By-Law Art. I § 1.I.(12)	<p>Introducing Broker; IB Identifier</p> <p>(12) The term “Introducing Broker” means a broker-dealer or futures commission merchant that takes an order for a transaction in a cleared contract from a CMTA Customer, executes or arranges for another broker-dealer or futures commission merchant to execute such transaction and, in the case of an Introducing Broker that is not a Clearing Member, arranges for its Clearing Member or the executing broker-dealer’s or futures commission merchant’s Clearing Member to direct the resulting confirmed trade to be transferred to a designated account of a Carrying Clearing Member. The term “IB Identifier” means a string of characters (as may be modified from time to time) assigned by the Executing Clearing Member to (i) itself or (ii) an Introducing Broker that is not a Clearing Member to identify an Introducing Broker that has executed or arranged for the execution of any transaction in a cleared contract on behalf of a CMTA Customer.</p>

Citation	Text
By-Law Art. IV § 3	Any officer may be removed by the Board of Directors at any time with or without cause. Any officer or agent appointed by the Executive Chairman, Chief Executive Officer, or Chief Operating Officer may be removed by the Executive Chairman, Chief Executive Officer, or Chief Operating Officer, respectively, at any time with or without cause; provided that the Executive Chairman and Chief Executive Officer also shall have the authority to remove any officer or agent appointed by the Chief Operating Officer. Such removal shall be without prejudice to the contract rights, if any, of the person removed.
By-Law Art. VI § 3(d)	(d) A Clearing Member may also establish and maintain separate "Pledge Accounts" to the extent permitted by the Rules and subject to the provisions thereof. <u>Reserved.</u>
By-Law Art. IX § 5	All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories <u>depositories</u> as the Board of Directors may select.
By-Law Art. XII § 4A [parenthetical]	[Section 4A of this Article replaces Section 11 A(a)-(j) , and the Interpretations and Policies promulgated thereunder, of Article VI of the By-Laws.]
By-Law Art. XIII § 1 [parenthetical]	[Section 1 of this Article adds certain new definitions relevant to Treasury security options; <u>and replaces or, with respect to the definitions of "premium," "class of options" and "unit of trading," supplements the definitions of the same term or constituent terms in paragraphs E.(8), (11), P.(9), C.(1) and A.(3) of Section 1 of Article I of the By-Laws for purposes of Treasury security options and supplements paragraphs P.(3), C.(4) and U.(2) of that Section.</u>]
By-Law Art. XIII § 3 [parenthetical]	[Section 3 of this Article supplements <u>paragraph U.(3) of Section 1 U.(1) of Article I of the By-Laws and replaces paragraphs (a) and (b) of Section 9 of Article VI of the By-Laws.</u>]
By-Law Art. XV § 1 [parenthetical]	[Section 1 of this Article adds certain new definitions relevant to foreign currency options and replaces <u>or, with respect to the definitions of "business day" and "unit of trading," supplements the definitions of the same term in paragraphs A.(3), C.(1), (4), E.(8), (11), (14) and P.(9) of Section 1 of Article I of the By-Laws for purposes of foreign currency options and supplements paragraphs B.(2) and U.(2) of that Section.</u> The terms "Paying Clearing Member" and "Collecting Clearing Member" are defined in respect of foreign currency options in Chapter XVI of the Rules.]

Citation	Text
By-Law Art. XV § 1.B.(5)	Notwithstanding Article I, Section 1B.(2) of the By-Laws, the <u>The</u> term "business day" when used with respect to expiring foreign currency options may include the Sunday following the expiration date and may exclude the last day of trading preceding such expiration date for the purposes of certain Rules in Chapter XVI as specified in Interpretations and Policies following those Rules.
By-Law Art. XVI § 1 [parenthetical]	Section 1 of this Article adds certain new definitions relevant to yield-based Treasury options and replaces the definitions of the same term in paragraphs A.(3), C.(1), (4), E.(8), (11), P.(3), (9) and U.(1), (2) of Section 1 of Article I of the Bylaws.
By-Law Art. XVII § 1 [parenthetical]	[Section 1 of this Article adds certain new definitions relevant to index options, and replaces the definitions of the same term in paragraphs A.(3), C.(1), (4), E.(8), (11), P.(3), (9), S.(2), U.(1) and (2) of Section 1 of Article I of the By-Laws.]
By-Laws Art. XXI § 2(a)(2)	(2) stock borrow positions of a Clearing Member established as the result of Stock Loans relating to the same Eligible Stock in which the Clearing Member is the Borrowing Clearing Member shall be aggregated for position reporting purposes, but shall not be netted against any stock loan position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members or the voluntary termination by offset and re-matching of Matched-Book Positions in Accordance <u>accordance</u> with Rule 2208(e).
By-Law Art. XXVI § 1.I.	(1) The definition of "index group" in Section 1 of Article XVII of the By-Laws shall apply to packaged spread options. <u>(21)</u> The definition of "index multiplier" in Section 1 of Article XVII of the By-laws shall apply to packaged spread options, interpreting the term "index option contract" as used therein to include a packaged spread option.
Rule 101	Good Deliverable Form (1) The term "good deliverable form" shall have the meaning set forth in Rule 90 <u>45</u> .
Rule 304(a)	(a) No Clearing Member other than an exempt Non-U.S. Clearing Member shall withdraw any funds from any subordinated loan account (whether at the maturity of the subordinated loan or otherwise) without the prior written authorization of the Corporation if, after giving effect to such withdrawal, a condition specified in Rule 303(<u>ab</u>), (1), (2), (3) or (4) would exist with respect to such Clearing Member.

Citation	Text
Rule 309(f)	(f) In the event that a Clearing Member proposes to become a Managed Clearing Member by entering into a facilities management agreement with a Managing Clearing Member, such Clearing Member shall not implement such agreement until the Risk Committee has determined that the agreement is in a form acceptable to the Corporation and otherwise meets the requirements of Article V, Section 1, Interpretation and Policy .04.05 of the By-Laws.
Rule 401(a)	(a) Each business day each Exchange or OTC Trade Source shall report to the Corporation information with respect to each confirmed trade made on such Exchange or affirmed on such OTC Trade Source during said business day (or on a previous day and reconciled on said business day) and as to which confirmed trade information has been submitted by or on behalf of the Purchasing Clearing Member and the Writing or Selling Clearing Member. Such confirmed trade information shall also include a Customer CMTA Indicator, a CMTA Customer Identifier, and an IB Identifier to the extent required under applicable Exchange rules. . . .
Rule 401(a)(3)	(3) BOUNDS <u>BOUNDSs</u> . If the relevant transaction is in BOUNDS <u>BOUNDSs</u> , the matching trade information for such transaction shall include (A) the identity of the Purchasing Clearing Member and the Writing Clearing Member and of the accounts in which the transaction was effected, (B) the series, (C) the number of BOUNDS, (D) the trade price per single BOUND, (E) except for a transaction in a Market-Maker's account, whether an opening or closing transaction, and (F) such other information as may be required by the Corporation.
Rule 407(a)(1)	(a)(1) A Clearing Member that is a party to a CMTA arrangement involving CMTA Customers shall also register with the Corporation each CMTA Customer Identifier and each IB Identifier that has been assigned for purposes of such CMTA arrangement, and shall promptly update such registrations to the extent a CMTA Customer Identifier or an IB Identifier is modified or deleted; provided that the identifiers have been approved by the other Clearing Member to the CMTA arrangement before the identifiers are submitted to the Corporation for registration. Registration of such identifiers, including any modifications or deletions thereto, shall be effective when the Corporation's systems have accepted such registration or updated identifier information. The Corporation may reject the registration a particular CMTA Customer Identifier or IB Identifier in the event an assigned identifier is already registered with the Corporation.
Rule 407(b)	(b) Before transferring a confirmed trade to a Carrying Clearing

Citation	Text
	<p>Member as specified in the confirmed trade information reported to the Corporation, the Corporation shall first determine whether a CMTA registration is in effect between the Executing Clearing Member and the Carrying Clearing Member. If such a registration is in effect, the Corporation shall transfer the confirmed trade to the designated account of the Carrying Clearing Member. <u>If the designated account is not approved to carry the confirmed trade, the Corporation shall transfer the confirmed trade to the Carrying Clearing Member's customers' account or segregated futures account, as applicable, or, if the Carrying Clearing Member does not maintain a such an account, to the Carrying Clearing Member's firm account</u> unless such confirmed trade information additionally includes a Customer CMTA Indicator. In that event, the Corporation shall further determine whether such confirmed trade information also includes a CMTA Customer Identifier and IB Identifier. If the matching confirmed trade information includes a CMTA Customer Identifier and an IB Identifier and each such identifier matches a CMTA Customer Identifier and an IB Identifier registered for purposes of the CMTA arrangement between the Carrying Clearing Member and the Executing Clearing Member, the Corporation shall transfer the confirmed trade to the Carrying Clearing Member. If, however, (i) a CMTA registration is not in effect, <u>or</u> (ii) the Corporation, in its sole discretion, determines that the information submitted in connection with the CMTA transaction contains an error or omission as provided in paragraph (c) of Interpretation .01 to Article VI, Section 1 of the By-Laws, or (iii) the confirmed trade information reported in respect of a confirmed trade includes a Customer CMTA Indicator, but incorrect, incomplete, or missing information as to either identifier, the transaction shall be deemed to be a failed CMTA transaction and shall not be transferred to an account of the Carrying Clearing Member. A failed CMTA transaction will instead be transferred to a designated account of the Executing Clearing Member, which shall be responsible for the clearance and settlement of such transaction. In the absence of such designation, the Corporation shall transfer the failed CMTA transaction to the customers' or segregated futures account, as applicable, of the Executing Clearing Member.</p>
Rule 407 I&P .02	<p>.02 For systemic reasons, the Corporation may establish criteria applicable to the characters used to form a CMTA Customer Identifier and an IB Identifier, including number of required characters, acceptable type of character and other similar criteria.</p>

Citation	Text
Rule 504(c)-(g)	<p>(c) On or before such time as shall be specified by the Corporation, each Clearing Member that is a paying Clearing Member in respect of Instructions approved in accordance with paragraph (b) shall be obligated to pay the Corporation, as agent, and the Corporation shall be authorized to withdraw from such Clearing Member’s bank account established with respect to its firm account, any money-only non-guaranteed settlement amounts shown to be due other Clearing Members in such Instructions.</p> <p>[paragraphs (d) through (g) renumbered as paragraphs (e) through (h)]</p>
Rule 604 I&P .14	<p>.14 In the case of any account that is divided into sub-accounts, the Corporation will calculate the 10% limitation on the value of an issue of any one issuer as described in subparagraph (b)(4) of this Rule 604 separately for the parent account and any sub-account that is margin and collateral enabled. Neither the margin requirement nor margin excess of any sub-account that is margin enabled, nor the collateral in any sub-account that is collateral enabled, will be considered in connection with such calculation for any other sub-account or for the parent account. Reserved. <u>Reserved.</u></p>
Rule 705	<p>Margin deposited in respect of sets of X-M accounts may be deposited in the form of cash, United States Treasury securities, GSE debt securities, shares in money market funds (“MMF Shares”), letters of credit, common stock meeting the requirements of Rule 604(b)(3) or a combination of the foregoing. Cash may from time to time be partially or wholly invested in Government securities, and any interest or gain received or accrued on such investments shall belong to the Corporation and<u>or</u> the Participating CCO(s) as may be mutually agreed between or among the Corporation and the Participating CCO(s). . . .</p>
Rule 803	<p>. . .</p> <p>Subject to the provisions of the By-Laws, exercise notices accepted by the Corporation shall be assigned at or before 8:00 A.M. Central Time (9:00 A.M. Eastern Time) on the following business day. Assignments shall be dated and effective as of the date the applicable exercise notices were accepted by the Corporation. A Clearing Member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Corporation, and, if applicable, a Clearing Member submitting an exercise notice shall (subject to the provisions of Rule 901<u>2</u>) be notified of the identity of the Assigned Clearing Member, through the transmission of Delivery Advices or as soon as practicable after such notice is assigned by the Corporation.</p>

Citation	Text
Rule 1106 I&P .02	02.01 See Interpretation and Policy .02 following Rule 1104 for a description of the private auction process by which OCC may close out a suspended Clearing Member’s open positions in cleared contracts generally. See Rule 1106(e)(2) for a description of the alternative private auction process by which OCC may close out a suspended Clearing Member’s open positions in OTC options, related positions and margin assets in certain circumstances.
Rule 1309 I&P 01.	01.01 As used in Rule 1309, "good cause" shall be deemed by the Corporation to include, in respect of the settlement of physically-settled Treasury futures, but not to be limited to, failure of the Federal Reserve wire or the failure of access to such wire by the correspondent bank of either the Receiving or the Delivering Clearing Member, provided settlement is made on the next business day on which such wire is operable.
Rule 1401 [parenthetical]	[Rule 140 4 <u>1</u> supplements Rule 805.]
Rule 1402 [parenthetical]	[Rule 140 5 <u>2</u> , together with Rule 140 6 <u>3</u> , replaces Rule 90 2 <u>3</u> .]
Rule 1403(a)	(a) Every Treasury Securities Clearing Member either (i) shall be and shall remain a participant in the Government Securities Division (“GSD”) of the Fixed Income Clearing Corporation (“FICC”) or (ii) shall designated <u>designate</u> a GSD participant as its representative to submit trade information into FICC’s real-time trade matching system as specified in this Rule. . . .
Rule 1403 [parenthetical]	[Rule 140 6 <u>3</u> replaces Rule 901 and, together with Rule 140 5 <u>2</u> , replaces Rule 90 2 <u>3</u> .]
Rule 1404 [parenthetical]	[Rule 140 9 <u>4</u> replaces Rule 910.] [Rule 1410 replaces Rule 911.]
Rule 1405 I&P .01	01.01 As used in Rule 1405, “good cause” shall be deemed by the Corporation to include, but not to be limited to, failure of FICC’s real-time matching system or the failure of access to such system by either the Receiving or the Delivering Clearing Member, provided settlement is made on the next business day on which such system is operable.
Rule 1503 [parenthetical]	[Rule 1503, together with Rule 1504, replaces Rule 90 2 <u>3</u> .]
Rule 1703 [parenthetical]	[Rule 1703, together with Rule 1704, replaces Rule 90 2 <u>3</u> .]
Rule 1704 [parenthetical]	[Rule 1704 replaces Rule 101E.(3) <u>the definition of “exercise settlement amount” in Chapter I of the Rules, and replaces</u> Chapter IX of the Rules and supplements Rules 502 and 607.]

Citation	Text
Rule 1805 [parenthetical]	[Rule 1805, together with Rule 1806, replaces Rule 9023.]
Rule 2205	Prior to such time on each business day as the Corporation may from time to time establish, the Corporation shall issue make available to each Hedge Clearing Member one or more reports listing all stock loan positions and stock borrow positions resulting from Stock Loans carried by the Clearing Member. . . .
Rule 2201A I&P .01	.01 At any time on any business day prior to the deadline specified by the Corporation, an eligible Market Loan Clearing Member may transfer all or any portion of an existing stock loan or stock borrow position (including positions resulting from that day’s activity) among its accounts by submitting an appropriate transfer instruction to the Corporation that designates the accounts and/or sub-accounts from and to which the positions shall be transferred. If a Market Loan Clearing Member’s request for transfer exceeds the number of stock loan or stock borrow shares available in the account from which the shares will be transferred, then the transfer instruction will be rejected.
Rule 2704 [parenthetical]	[Rule 2704, together with Rule 2705, replaces Rule 9023.]