

Required fields are shown with yellow backgrounds and asterisks.

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 type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" 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	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

Proposed Rule Change to Revise The Options Clearing Corporation's Schedule of Fees

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 * Mark Last Name * Brown
 Title * Assistant General Counsel
 E-mail * mcbrown@theocc.com
 Telephone * (312) 322-1801 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 05/05/2021 Assistant General Counsel
 By Mark C. Brown

(Name *)

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

Mark C. Brown, mcbrown@theocc.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance 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, security-based swap submission, or advance notice 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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Exhibit Sent As Paper Document

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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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 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

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

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” or “Corporation”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to revise OCC’s schedule of fees effective June 1, 2021, to implement a decrease in clearing fees. OCC’s schedule of fees is included as Exhibit 5 to File No. SR-OCC-2021-006. Material proposed to be added to OCC’s schedule of fees as currently in effect is underlined and material proposed to be deleted is marked in strikethrough text. All capitalized terms not 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 rule change was approved for filing with the Commission by OCC’s Compensation and Performance Committee (“CPC”) on April 16, 2021, acting upon authority delegated by the Board of Directors (“Board”) pursuant to the CPC Charter.⁴

Questions should be addressed to Mark C. Brown, Assistant General Counsel, at (312) 322-1801.

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 See CPC Charter (dated Apr. 25, 2019), available at https://www.theocc.com/getmedia/5d0d6d54-e436-435d-88fb-366ef76a10a5/performance_committee_charter.pdf.

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

A. Purpose

The purpose of this proposed rule change is to revise OCC’s schedule of fees effective June 1, 2021, to implement a decrease in clearing fees. OCC’s Capital Management Policy (“Policy”) provides that OCC reviews its fee schedule on a periodic basis in consideration of factors including, but not limited to, projected operating expenses, projected volumes, anticipated cash flows, and capital needs.⁵ Provided that OCC’s shareholders’ equity (“Equity”) exceeds 110% of the Target Capital Requirement⁶ (“Early Warning”)⁷ plus the amount approved for capital expenditures, OCC’s Board, or a Committee the Board has delegated, may use tools as it considers appropriate to lower costs for Clearing Members. Such tools for reducing the cost of clearing include lowering fees, declaring a fee holiday, or issuing refunds.⁸

OCC experienced record volumes in 2020 while maintaining expenses at or around the budgeted amount. These strong financial results put OCC in a position to continue to invest resources in OCC’s initiative to update and upgrade its technology infrastructure for critical

⁵ See Exchange Act Release No. 88029 (Jan. 24, 2020), 85 FR 5500, 5502 (Jan. 30, 2020) (File No. SR-OCC-2019-007) (“Order Approving Policy”); Exchange Act Release No. 87257 (Oct. 8, 2019), 84 FR 55194, 55196 (Oct. 15, 2019) (File No. SR-OCC-2019-805) (“Notice of No-Objection to Policy”).

⁶ The Target Capital Requirement is the amount of Equity recommended by Management and approved by the Board to ensure compliance with regulatory capital requirements and to keep such additional amount the Board may approve for capital expenditures. See OCC Rule 101.

⁷ The Early Warning is one of the thresholds under OCC’s plan for replenishing capital in the event OCC’s Equity falls close to or below OCC’s regulatory capital requirements, as required by SEC Rule 17Ad-22(e)(15)(iii). See 17 CFR 17Ad-22(e)(15)(iii).

⁸ See Order Approving Policy, 85 FR at 5502; Notice of No-Objection to Policy, 84 FR at 55196.

clearing and settlement services, risk systems and data management,⁹ while at the same time lowering the cost of clearing for the users of the markets OCC serves. Accordingly, in August 2020, OCC announced several measures approved by OCC's Board and CPC to lower the cost of clearing, including lowering its clearing fee from \$0.055 per contract to \$0.045 per contract, an anticipated clearing fee refund to be announced at year-end, and the establishment of a persistent minimum level of OCC's own capital that OCC would contribute to cover default losses or liquidity shortfalls (commonly referred to as "skin-in-the-game")—which will serve as a floor to OCC's current, variable amount of skin-in-the-game funded by capital in excess of OCC's Early Warning.¹⁰

OCC implemented the announced clearing fee decrease on September 1, 2020,¹¹ and in December, OCC announced that its Board had approved a clearing fee refund of \$156 million,¹² which OCC paid on April 19, 2021. The Commission issued a notice of no objection to the advance notice for OCC's skin-in-the-game proposal on April 7, 2021.¹³ Implementation of that

⁹ See OCC Technology Changes + Enhancements Reference Guide (Jan. 28, 2021), available at <https://www.theocc.com/getmedia/2926b09d-5da5-4f00-85f2-09111bb2fcf8/OCC-Tech-Changes-Enhancements-RefGuide-012821-FNL.pdf?ext=.pdf>.

¹⁰ See Letter to Clearing Member Firms – OCC To Lower Costs for Users of U.S. Equity Derivatives Markets (Aug. 3, 2020), available at <https://www.theocc.com/Newsroom/Views/2020/08-03-Letter-to-Clearing-Member-Firms>.

¹¹ See Exchange Act Release No. 89534 (Aug. 12, 2020), 85 FR 50858 (Aug. 18, 2020) (File No. SR-OCC-2020-009).

¹² See Press Release, OCC to Provide Year-End Refund to Clearing Members (Dec. 17, 2020), available at <https://www.theocc.com/Newsroom/Press-Releases/2020/12-17-OCC-to-Provide-Year-End-Refund-for-Clearing>.

¹³ See Exchange Act Release No. 91491 (Apr. 7, 2021), 86 FR 19061 (Apr. 12, 2021) (File No. SR-OCC-2021-801).

proposal is currently pending approval of a proposed rule change pending with the Commission.¹⁴

As of December 31, 2020, OCC maintained Equity of approximately \$557.6 million, or approximately \$282.6 million more than the Early Warning.¹⁵ OCC continues to experience record volume in 2021 while maintaining expenses at or around the budgeted amount. Based on projections of contract volume and expenses, OCC believes that it can lower fees by 2.5 cents while maintaining sufficient revenue to support OCC’s operations and capital needs, including 2021 cash needs related to OCC’s technology infrastructure transformation.¹⁶ Accordingly, OCC proposes to modify its fee schedule to: (i) decrease its per contract clearing fee from \$0.045 to \$0.02 per contract; and (ii) adjust the quantity of contracts at which the fixed, per trade clearing fee begins from trades with more than 1,222 contracts per trade to trades with more than 2,750 contracts per trade, as set forth in the schedule of fees depicted below.¹⁷

Current Fee Schedule		Proposed Fee Schedule	
Clearing Fees		Clearing Fees	
Trades with contracts of 0-1222	\$0.045/contract	Trades with contracts of 0-2750	\$0.02/contract
Trades with contracts of more than 1222	\$55/trade	Trades with contracts of more than 2750	\$55/trade

¹⁴ See Exchange Act Release No. 91483 (Apr. 6, 2021), 86 FR 19066 (Apr. 12, 2021) (File No. SR-OCC-2021-003); Exchange Act Release No. 91199 (Feb. 24, 2021), 86 FR 12237 (Mar. 2, 2021) (File No. SR-OCC-2021-003).

¹⁵ See OCC 2020 Financials, available at <https://www.theocc.com/getattachment/9f5d22ff-d810-4690-948d-f9a207df083d/attachment.aspx>.

¹⁶ OCC has provided confidential data and analysis to the Commission in Exhibit 3 to File No. SR-OCC-2021-006.

¹⁷ These changes are also reflected in Exhibit 5 to File No. SR-OCC-2021-006.

OCC proposes to make the fee change effective June 1, 2021, because OCC believes that this date is the first date that the industry could be prepared to process the new fee without disruption based on consultations with market participants.¹⁸

B. Statutory Basis

Section 17A(b)(3)(D) of the Act¹⁹ requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. OCC believes that the proposed fee change is reasonable because it is designed to decrease the cost of clearing while maintaining sufficient reserves in the form of liquid net assets to cover OCC's operating expenses and address potential business or operational losses so that OCC can continue to meet its obligations as a systemically important financial market utility to Clearing Members and the general public if such losses were to materialize (including through a recovery or orderly wind-down of critical operations and services) and thereby facilitate compliance with certain requirements of Rule 17Ad-22(e)(15)(ii).²⁰

In determining the appropriate level of the proposed fee decrease, the CPC considered a variety of factors, including projected average daily volume, operating income, and a scenario analysis modeling the sensitivity of operating income and margin, adjusting for different clearing fee levels.²¹ The CPC also considered OCC's cash needs through 2021 to support its technology transformation initiative. OCC believes that the proposed decrease in clearing fees is reasonable and consistent with its existing By-Laws and Rules. OCC also believes that the proposed fee

¹⁸ OCC notes that a mid-month change to clearing fees could introduce operational disruption to Clearing Members due to the impact on their billing processes.

¹⁹ 15 U.S.C. 78q-1(b)(3)(D).

²⁰ 17 CFR 240.17Ad-22(e)(15)(ii).

²¹ A summary of the scenario and sensitivity analyses is included in confidential Exhibit 3 to File No. SR-OCC-2021-006.

change would result in an equitable allocation of fees among its participants because it would be equally applicable to all market participants transacting at a given level of contract volume. As a result, OCC believes that the proposed fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.²²

The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

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

Section 17A(b)(3)(I) of the Act²³ 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. Although this proposed rule change affects clearing members, their customers, and the markets that OCC serves, OCC believes that the proposed rule change would not disadvantage or favor any particular user of OCC’s services in relationship to another user because the proposed clearing fees apply equally to all users of OCC. Accordingly, OCC does not believe that the proposed rule change would have any impact or impose a 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.

²² 15 U.S.C. 78q-1(b)(3)(D).

²³ 15 U.S.C. 78q-1(b)(3)(I).

Item 6. Extension of Time Period for Commission Action

OCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act.²⁴

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)(ii)²⁵ of the Act, and Rule 19b-4(f)(2) thereunder,²⁶ the proposed rule change is filed for immediate effectiveness as it constitutes a change in fees charged to OCC clearing members. 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.²⁷

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

Not applicable.

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.

²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁶ 17 CFR 240.19b-4(f)(2).

²⁷ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

Item 11. Exhibits

Exhibit 1A. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 3. Confidential Data and Analysis.

Exhibit 5. Proposed changes to OCC schedule of fees, effective June 1, 2021.

CONFIDENTIAL TREATMENT IS REQUESTED FOR EXHIBIT 3

PURSUANT TO SEC RULE 24b-2

SIGNATURES

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

THE OPTIONS CLEARING CORPORATION

By:

Mark C. Brown
Assistant General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_____]; File No. SR-OCC-2021-006)

May [___], 2021

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise The Options Clearing Corporation's Schedule of Fees

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 May 5, 2021, 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)(ii)³ of the Act and Rule 19b-4(f)(2)⁴ thereunder so that the proposal was effective upon filing with the Commission. 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

The proposed rule change by OCC would revise OCC's schedule of fees effective June 1, 2021, to implement a decrease in clearing fees. Proposed changes to OCC's schedule of fees are attached as Exhibit 5 to File Number SR-OCC-2021-006. Material proposed to be added to OCC's schedule of fees as currently in effect is underlined and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

material proposed to be deleted is marked in strikethrough text. All capitalized terms not 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

(1) Purpose

The purpose of this proposed rule change is to revise OCC's schedule of fees effective June 1, 2021, to implement a decrease in clearing fees. OCC's Capital Management Policy ("Policy") provides that OCC reviews its fee schedule on a periodic basis in consideration of factors including, but not limited to, projected operating expenses, projected volumes, anticipated cash flows, and capital needs.⁶ Provided that OCC's shareholders' equity ("Equity") exceeds 110% of the Target Capital Requirement⁷

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 Exchange Act Release No. 88029 (Jan. 24, 2020), 85 FR 5500, 5502 (Jan. 30, 2020) (File No. SR-OCC-2019-007) ("Order Approving Policy"); Exchange Act Release No. 87257 (Oct. 8, 2019), 84 FR 55194, 55196 (Oct. 15, 2019) (File No. SR-OCC-2019-805) ("Notice of No-Objection to Policy").

⁷ The Target Capital Requirement is the amount of Equity recommended by Management and approved by the Board of Directors ("Board") to ensure compliance with regulatory capital requirements and to keep such additional amount the Board may approve for capital expenditures. See OCC Rule 101.

(“Early Warning”)⁸ plus the amount approved for capital expenditures, OCC’s Board, or a Committee the Board has delegated, may use tools as it considers appropriate to lower costs for Clearing Members. Such tools for reducing the cost of clearing include lowering fees, declaring a fee holiday, or issuing refunds.⁹

OCC experienced record volumes in 2020 while maintaining expenses at or around the budgeted amount. These strong financial results put OCC in a position to continue to invest resources in OCC’s initiative to update and upgrade its technology infrastructure for critical clearing and settlement services, risk systems and data management,¹⁰ while at the same time lowering the cost of clearing for the users of the markets OCC serves. Accordingly, in August 2020, OCC announced several measures approved by OCC’s Board and Compensation and Performance Committee (“CPC”) to lower the cost of clearing, including lowering its clearing fee from \$0.055 per contract to \$0.045 per contract, an anticipated clearing fee refund to be announced at year-end, and the establishment of a persistent minimum level of OCC’s own capital that OCC would contribute to cover default losses or liquidity shortfalls (commonly referred to as “skin-

⁸ The Early Warning is one of the thresholds under OCC’s plan for replenishing capital in the event OCC’s Equity falls close to or below OCC’s regulatory capital requirements, as required by SEC Rule 17Ad-22(e)(15)(iii). See 17 CFR 17Ad-22(e)(15)(iii).

⁹ See Order Approving Policy, 85 FR at 5502; Notice of No-Objection to Policy, 84 FR at 55196.

¹⁰ See OCC Technology Changes + Enhancements Reference Guide (Jan. 28, 2021), available at <https://www.theocc.com/getmedia/2926b09d-5da5-4f00-85f2-09111bb2fcf8/OCC-Tech-Changes-Enhancements-RefGuide-012821-FNL.pdf?ext=.pdf>.

in-the-game”)—which will serve as a floor to OCC’s current, variable amount of skin-in-the-game funded by capital in excess of OCC’s Early Warning.¹¹

OCC implemented the announced clearing fee decrease on September 1, 2020,¹² and in December, OCC announced that its Board had approved a clearing fee refund of \$156 million,¹³ which OCC paid on April 19, 2021. The Commission issued a notice of no objection to the advance notice for OCC’s skin-in-the-game proposal on April 7, 2021.¹⁴ Implementation of that proposal is currently pending approval of a proposed rule change pending with the Commission.¹⁵

As of December 31, 2020, OCC maintained Equity of approximately \$557.6 million, or approximately \$282.6 million more than the Early Warning.¹⁶ OCC continues to experience record volume in 2021 while maintaining expenses at or around the budgeted amount. Based on projections of contract volume and expenses, OCC believes that it can lower fees by 2.5 cents while maintaining sufficient revenue to support OCC’s operations and capital needs, including 2021 cash needs related to OCC’s technology

¹¹ See Letter to Clearing Member Firms – OCC To Lower Costs for Users of U.S. Equity Derivatives Markets (Aug. 3, 2020), available at <https://www.theocc.com/Newsroom/Views/2020/08-03-Letter-to-Clearing-Member-Firms>.

¹² See Exchange Act Release No. 89534 (Aug. 12, 2020), 85 FR 50858 (Aug. 18, 2020) (File No. SR-OCC-2020-009).

¹³ See Press Release, OCC to Provide Year-End Refund to Clearing Members (Dec. 17, 2020), available at <https://www.theocc.com/Newsroom/Press-Releases/2020/12-17-OCC-to-Provide-Year-End-Refund-for-Clearing>.

¹⁴ See Exchange Act Release No. 91491 (Apr. 7, 2021), 86 FR 19061 (Apr. 12, 2021) (File No. SR-OCC-2021-801).

¹⁵ See Exchange Act Release No. 91483 (Apr. 6, 2021), 86 FR 19066 (Apr. 12, 2021) (File No. SR-OCC-2021-003); Exchange Act Release No. 91199 (Feb. 24, 2021), 86 FR 12237 (Mar. 2, 2021) (File No. SR-OCC-2021-003).

¹⁶ See OCC 2020 Financials, available at <https://www.theocc.com/getattachment/9f5d22ff-d810-4690-948d-f9a207df083d/attachment.aspx>.

infrastructure transformation.¹⁷ Accordingly, OCC proposes to modify its fee schedule to: (i) decrease its per contract clearing fee from \$0.045 to \$0.02 per contract; and (ii) adjust the quantity of contracts at which the fixed, per trade clearing fee begins from trades with more than 1,222 contracts per trade to trades with more than 2,750 contracts per trade, as set forth in the schedule of fees depicted below.¹⁸

Current Fee Schedule		Proposed Fee Schedule	
Clearing Fees		Clearing Fees	
Trades with contracts of 0-1222	\$0.045/contract	Trades with contracts of 0-2750	\$0.02/contract
Trades with contracts of more than 1222	\$55/trade	Trades with contracts of more than 2750	\$55/trade

OCC proposes to make the fee change effective June 1, 2021, because OCC believes that this date is the first date that the industry could be prepared to process the new fee without disruption based on consultations with market participants.¹⁹

(2) Statutory Basis

Section 17A(b)(3)(D) of the Act²⁰ requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. OCC believes that the proposed fee change is reasonable because it is designed to decrease the cost of clearing while maintaining sufficient reserves in the form of liquid net assets to cover OCC's operating expenses and address potential business or operational losses so that OCC can continue to meet its obligations as a systemically

¹⁷ OCC has provided confidential data and analysis to the Commission in Exhibit 3 to File No. SR-OCC-2021-006.

¹⁸ These changes are also reflected in Exhibit 5 to File No. SR-OCC-2021-006.

¹⁹ OCC notes that a mid-month change to clearing fees could introduce operational disruption to Clearing Members due to the impact on their billing processes.

²⁰ 15 U.S.C. 78q-1(b)(3)(D).

important financial market utility to Clearing Members and the general public if such losses were to materialize (including through a recovery or orderly wind-down of critical operations and services) and thereby facilitate compliance with certain requirements of Rule 17Ad-22(e)(15)(ii).²¹

In determining the appropriate level of the proposed fee decrease, the CPC considered a variety of factors, including projected average daily volume, operating income, and a scenario analysis modeling the sensitivity of operating income and margin, adjusting for different clearing fee levels.²² The CPC also considered OCC's cash needs through 2021 to support its technology transformation initiative. OCC believes that the proposed decrease in clearing fees is reasonable and consistent with its existing By-Laws and Rules. OCC also believes that the proposed fee change would result in an equitable allocation of fees among its participants because it would be equally applicable to all market participants transacting at a given level of contract volume. As a result, OCC believes that the proposed fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.²³

The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

²¹ 17 CFR 240.17Ad-22(e)(15)(ii).

²² A summary of the scenario and sensitivity analyses is included in confidential Exhibit 3 to File No. SR-OCC-2021-006.

²³ 15 U.S.C. 78q-1(b)(3)(D).

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

Section 17A(b)(3)(I) of the Act²⁴ 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. Although this proposed rule change affects clearing members, their customers, and the markets that OCC serves, OCC believes that the proposed rule change would not disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed clearing fees apply equally to all users of OCC. Accordingly, OCC does not believe that the proposed rule change would have any impact or impose a 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.

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

Pursuant to Section 19(b)(3)(A)(ii)²⁵ of the Act, and Rule 19b-4(f)(2) thereunder,²⁶ the proposed rule change is filed for immediate effectiveness as it constitutes a change in fees charged to OCC clearing members. 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

²⁴ 15 U.S.C. 78q-1(b)(3)(I).

²⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁶ 17 CFR 240.19b-4(f)(2).

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.²⁷

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-2021-006 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-2021-006. 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

²⁷ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

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.

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-2021-006 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.²⁸

Secretary

²⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 3

[Redacted Pursuant to Rule 24b-2]

[Redacted Pursuant to Rule 24b-2]

EXHIBIT 5

Underlined text indicates new text

~~Strikethrough~~ text indicates deleted text

The Options Clearing Corporation

Schedule of Fees

Clearing Member

Clearing	
Clearing Fees	
Trades with contracts of 0 - 1222 <u>2750</u>	\$0.045 <u>0.02</u>
Trades with contracts of more than 1222 <u>2750</u>	\$55.00/trade
New Products	
Unless otherwise agreed to by OCC and the applicable exchange, from the first day of listing through the end of the following calendar month	\$0.00
Linkage per side	\$0.02
<i>*A Linkage transaction that includes more than 2,750 contracts will be charged a flat fee of \$55.00 per trade per side.</i>	
Minimum Monthly Clearing Fee	\$200.00
Exercise Fee — per line item on exercise notice	\$1.00
Membership	
New Clearing Member Qualification Fee	\$4,000.00
Stock and Market Loan Program Transaction Fees	
Per transaction assessed against each lender and borrower	\$1.00
Stock and Market Loan Program Borrower Fees	
Monthly annualized charge on average daily notional outstanding balance	0.4 basis point
Stamps	

Clearing Member Authorization Stamp	\$23.00/stamp
Ancillary Services	Per Month
TIER I	\$1,500.00
ENCORE Access • MyOCC Access • Data Service - proprietary position and trade data (includes transmission to service bureau) • Report Bundle • Series File • Special Settlement File • Open Interest File • Prices File • Stock Loan File • Theoretical Profit and Loss Values • Leased line charges are additional	
TIER II	\$1,000.00
ENCORE Access • MyOCC Access • Data Service - proprietary position and trade data (includes transmission to service bureau) • Report Bundle • Leased line charges are additional	
TIER III	\$650.00
ENCORE Access • MyOCC Access	
TIER IV (Stock Loan only)	\$300.00
ENCORE Access • MyOCC Access	
Additional Clearing Member	No Charge
Leased Line Service Destinations	Per month, per line
Midwest	\$1,000.00
East Coast	\$1,500.00
West Coast	\$2,000.00
Cash Management Fee	
Monthly annualized charge on Clearing Member's average daily cash balance in OCC's Federal Reserve bank account.	5 basis points

Operational Loss Fee

Maximum Operational Loss Fee**	\$143,066,667.00 less the aggregate amount of Operational Loss Fees previously charged and not refunded as of the date calculated, divided by the number of Clearing Members at the time charged.
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*** OCC would charge the Operational Loss Fee if OCC's shareholders' equity falls below \$225,000,000.00 at any time or falls below \$250,000,000.00 for a period of 90 consecutive calendar days. If less than the maximum Operational Loss Fee is needed to return OCC's shareholders' equity to \$275,000,000.00, OCC will charge only that amount.*

Clearing Member & Non-Clearing Member

Publications

Disclosure Documents	\$0.45
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OCC/ICC By-Laws and Rules	Updates can be obtained on a subscription basis for \$47.00 per year.
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Non-Clearing Member

Series Information	Per Month
Non-Distribution	\$1,750.00
Distribution	\$3,000.00
Real Time Data (in addition to fees listed above)	\$250.00
Prices Information	\$3,000.00
Theoretical Profit and Loss Values	\$1,000.00

Escrow Banks

Escrow Program Fees	\$200.00 per month
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As of ~~January~~ June 2021. ALL FEES ARE SUBJECT TO CHANGE.

For further information, contact Member Services at 1-800-621-6072.