



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72330; File No. SR-OCC-2014-11)

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change to Correct an Inadvertent Omission in a Prior Proposed Rule Change Concerning OCC's Clearing Fee Schedule

June 5, 2014

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder² notice is hereby given that on May 28, 2014, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared primarily by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)³ of the Act and Rule 19b-4(f)(2)⁴ thereunder.⁵

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

OCC proposes to amend its Schedule of Fees in order to correct an inadvertent omission in the Schedule of Fees that was the subject of a prior rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this rule change is deemed certified under CFTC Regulation § 40.6.

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 correct an inadvertent omission in the Schedule of Fees that was the subject of a prior rule filing. In March 2014, OCC filed, for immediate effectiveness, a proposal with the Commission to amend its Schedule of Fees, effective April 1, 2014 ("Filing 2014-05").⁶ Filing 2014-05 has since been published on the Commission's website and in the Federal Register. However, through an inadvertent oversight, the Schedule of Fees attached as Exhibit 5 to Filing 2014-05 did not include a reference to the "decentralized linkage" fee.⁷ OCC is now proposing to correct the Schedule of Fees set forth in Exhibit 5 in order to properly reflect the

⁶ See Securities and Exchange Act Release No. 71769 (March 21, 2014), 79 FR 17214 (March 27, 2014) (SR-OCC-2014-05). This filing reinstated the permanent reduced fee rates adopted, effective May 1, 2007, for securities options and securities futures.

⁷ The decentralized linkage fee was added to OCC's Schedule of Fees in 2012 so that OCC could, for the purposes of charging a clearing fee, treat routing trades executed in accordance with the Options Order Protection and Locked/Crossed Market Plan the same as market maker/specialist scratch trades. See Securities and Exchange Act Release No. 68025 (October 10, 2012), 77 FR 63398 (October 16, 2012) (SR-OCC-2012-18).

decentralized linkage fee of two cents (\$0.02) that has been applied since its adoption.⁸

In addition, OCC proposes to add language to its Schedule of Fees to clarify the trade volume number (i.e., more than 2750 contracts) at which market maker/specialist scratch trades and decentralized linkage trades are charged a flat fee of \$55 per trade, per side instead of a per trade, per side fee of two cents (\$0.02). Except for the aforementioned changes, the Schedule of Fees set forth in Exhibit 5 to this proposed rule change is the same as the Schedule of Fees contained in Exhibit 5 to Filing 2014-05.

2. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A(b)(3)(D)⁹ of the Act because it corrects an inadvertent omission in OCC's Schedule of Fees, thereby ensuring transparency regarding fees. As there is no intentional change in the Fee Schedule, OCC will continue to equitably allocate fees among its clearing members and other market participants. The proposed rule change is not inconsistent with the existing rules of the OCC including any other rules proposed to be amended.

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

OCC does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.¹⁰

⁸ OCC considers the decentralized linkage trade to be substantially similar to a market maker/scratch trade. *Id.* Therefore the decentralized linkage fee will be the same as the market maker/scratch fee set forth in Filing 2014-05.

⁹ 15 U.S.C. 78q-1(b)(3)(D).

¹⁰ 15 U.S.C. 78q-1(b)(3)(I).

Changes to the rules of a clearing agency may have an impact on the participants in a clearing agency, their customers, and the markets that the clearing agency serves. This proposed rule change primarily affects such users and OCC believes that the proposed modifications would not disadvantage or favor any particular user in relationship to another user because the discount is being eliminated for, and the clearing fees apply equally to, all users of OCC's services.

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest, would be consistent with the requirements of the Act applicable to clearing agencies, and would not impose a burden on competition that is unnecessary or inappropriate in furtherance of the purposes of the Act.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹¹ of the Act and Rule 19b-4(f)(2)¹² thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(2).

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-2014-11 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-OCC-2014-11. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Section, 100 F Street, N.E., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the

principal office of OCC and on OCC's website at

http://www.theocc.com/components/docs/legal/rules_and_bylaws/sr_occ_14_11.pdf.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2014-11 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.¹³

Kevin M. O'Neill
Deputy Secretary

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¹³ 17 CFR 200.30-3(a)(12).