

covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to describe its process to replenish any financial resources it may use following a default or other event in which use of resources is contemplated.⁴⁵

As noted above, OCC's current recovery tools include a cooling-off period, during which OCC's authority to assess Clearing Members for funds to replenish OCC's Clearing Fund is limited. Recognizing the limit that such a cooling-off period places on the financial resources available to OCC, the Commission continues to believe that the cooling-off period provides certainty and predictability regarding Clearing Members' maximum liability for Clearing Fund contributions.⁴⁶ OCC proposes to expand the set of events that would start the cooling-off period to include proportionate Clearing Fund charges to Clearing Members triggered by certain protective transactions or the failure of a Clearing Member to meet certain obligations under OCC's rules, consistent with OCC's original intention with its prior filing. The two events to be added as triggers for the cooling-off period are similar to the current triggers in that they pertain to amounts paid out of the Clearing Fund to manage the failure of a Clearing Member to meet its obligations to OCC. Consistent with the Commission's statements regarding the current formulation of the cooling-off period, the Commission believes that the proposed expansion is consistent with OCC's obligations to describe its process to replenish any financial resources it may use following a default or other event in which use of resources is contemplated as required under Rule 17Ad-22(e)(4)(ix).⁴⁷

Accordingly, and for the reasons stated above, the Commission believes the changes proposed in the Advance Notice are consistent with Rule 17Ad-22(e)(4) under the Exchange Act.⁴⁸

IV. Conclusion

It is therefore noticed, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act, that the Commission *does not object* to Advance Notice (SR-OCC-2019-806) and that OCC is *authorized* to implement the proposed change as of the date of this notice or the date of an order by the Commission approving proposed rule change SR-OCC-2019-009 whichever is later.

By the Commission.

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87674; File No. SR-CboeEDGA-2019-011]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc; Notice of Withdrawal of a Proposed Rule Change To Amend the Fee Schedule Assessed on Members To Establish a Monthly Trading Rights Fee

December 6, 2019.

On May 2, 2019, Cboe EDGA Exchange, Inc. ("EDGA" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the EDGA Fee Schedule to establish a monthly Trading Rights Fee to be assessed on Members. The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.³ The proposed rule change was published for comment in the **Federal Register** on May 16, 2019.⁴ On June 28, 2019, the Commission temporarily suspended the proposed rule change and instituted proceedings to determine whether to approve or disapprove the proposed rule change.⁵ In response to the EDGA OIP, the Commission received three comment letters, including a response letter from the Exchange.⁶ On November 12, 2019, pursuant to Section 19(b)(2) of the Act,⁷ the Commission designated a longer period within which to approve or disapprove the proposed rule change.⁸ On November 22, 2019, the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ See Securities Exchange Act Release No. 85842 (May 10, 2019), 84 FR 22212.

⁵ See Securities Exchange Act Release No. 86236, 84 FR 32235 (July 05, 2019) ("EDGA OIP").

⁶ See Letters from Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, dated July 26, 2019; Tyler Gellasch, Executive Director, Healthy Markets, dated July 26, 2019; and Rebecca Tenuta, Counsel, Cboe Global Markets, dated August 9, 2019.

⁷ 15 U.S.C. 78s(b)(2).

⁸ See Securities Exchange Act Release No. 87497, 84 FR 63688 (November 18, 2019). The Commission designated January 11, 2020, as the date by which the Commission would approve or disapprove the proposed rule change.

Exchange withdrew the proposed rule change (SR-CboeEDGA-2019-011).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87673; File No. SR-OCC-2019-807]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of No Objection To Advance Notice Related to Proposed Changes to The Options Clearing Corporation's Rules, Margin Policy, Margin Methodology, Clearing Fund Methodology Policy, and Clearing Fund and Stress Testing Methodology To Address Specific Wrong-Way Risk

December 6, 2019.

I. Introduction

On October 10, 2019, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") advance notice SR-OCC-2019-807 ("Advance Notice") pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i)² under the Securities Exchange Act of 1934 ("Exchange Act")³ to revise OCC's Rules, margin policy and methodology, Clearing Fund policy, and Clearing Fund and stress testing methodology to adopt new margin charges and other risk measures to address the specific wrong-way risk presented by certain cleared positions.⁴ The Advance Notice was published for public comment in the **Federal Register** on November 12, 2019,⁵ and the

⁹ 17 CFR 200.30-3(a)(12).

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).

³ 15 U.S.C. 78a *et seq.*

⁴ See Notice of Filing *infra* note 5, at 84 FR 61114.

⁵ Securities Exchange Act Release No. 87476 (Nov. 6, 2019), 84 FR 61114 (Nov. 12, 2019) (File No. SR-OCC-2019-807) ("Notice of Filing"). On October 10, 2019, OCC also filed a related proposed rule change (SR-OCC-2019-010) with the Commission pursuant to Section 19(b)(1) of the Exchange Act and Rule 19b-4 thereunder ("Proposed Rule Change"). 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. In the Proposed Rule Change, which was published in the **Federal Register** on October 29, 2019, OCC seeks approval

Continued

⁴⁵ 17 CFR 240.17Ad-22(e)(4)(ix).

⁴⁶ See Securities Exchange Act Release No. 83916 (Aug. 23, 2018), 83 FR 44076, 44082 (Aug. 29, 2018) (SR-OCC-2017-020).

⁴⁷ 17 CFR 240.17Ad-22(e)(4)(ix).

⁴⁸ 17 CFR 240.17Ad-22(e)(4).