

SUBJECT: Comments on proposed rule SR-OCC-2024-001

Dear Madam, Sir,

After having taken knowledge of its content, I wish to express my disagreement with the proposed rule change by the Options Clearing Corporation (OCC) regarding the adjustments for calculating margins during periods of high volatility (rule SR-OCC-2024-001).

The first reason is that no input from the public was sought when the rule was proposed. Hence there is no certainty that the rulemakers took into account the needs of active stakeholders into their suggestions. This reason alone is enough to refuse this proposal.

Another reason is that when suggesting to adjust parameters in their proprietary system to calculate margins, the OCC fails to provide which are those parameters and how they are set. This lack of transparency poses various issues:

- it is a threat to fair markets since we can't assess the risks associated to the investments we choose to make;
- it raises questions regarding conflicts of interests, since it allows the OCC to adjust these parameters for reasons known only to themselves;
- those parameters may create more harm than good if they are irrelevant to or inappropriately used during periods of high volatility.

Finally, I am highly concerned that only one FRM officer may be authorized to decide on the use of those parameters. The permission to make decisions affecting the circulation of billions of dollars should be only given to groups of experts. I also believe that the outcome of their decisions should be consensual and open to the public.

I wish the OCC to revise their proposed rule in accordance to the points made above, by a) including public input, b) introducing external auditing and supervision, and c) improving transparency requirements.

In closing, I strongly oppose the adoption of proposed rule SR-OCC-2024-001 in its current form and encourage a thorough reconsideration of its implications.

Thank you for your attention to this matter.

Sincerely,

Emmett D. Eos