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September 10, 2024

Ms. Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: File Number SR-OCC-2024-010 - Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change by The Options Clearing Corporation to Establish a Margin Add-On Charge That Would Be Applied to All Clearing Member Accounts to Help Mitigate the Risks Arising from Intraday and Overnight Trading Activity

Dear Ms. Countryman:

Cboe Global Markets, Inc. ("Cboe") appreciates the opportunity to provide comments on the above-referenced proposed rule ("the Proposal") submitted by The Options Clearing Corporation ("OCC") and filed with the Securities and Exchange Commission ("SEC" or "Commission") on August 6, 2024.[1] We suggest the Commission extend the comment period to allow for more comprehensive feedback and analysis to ensure all potential impacts are properly understood.

Cboe, through its subsidiaries, is among other things a global leader in exchange-traded centrally cleared derivatives. Our U.S. derivatives markets – including our S&P 500 Index Options ("SPX Options") products – collectively represent one of the largest risk transfer and hedging mechanisms in the world. We recognize and share the OCC's commitment to maintaining a safe and secure clearing system, and we agree that addressing risks in options markets effectively is crucial for the stability of the financial markets. Cboe is supportive of ensuring the right safeguards are in place to protect market participants and help build a trusted trading environment.

The latest OCC proposal concerning a margin add-on for intraday trading activity aims to enhance the OCC's risk management stemming from the increase in zero-day-to-expiry ("0DTE") trading. In particular, the margin add-on is designed to reduce the OCC's overnight and intraday risk exposure to its clearing members ("CMs") in between the collections of margin at the start of each business day. Under the existing approach, OCC's margin calculation relies on end-of-day positions, which may not fully reflect intraday risk.

The Proposal has garnered much healthy discussion in the industry. As part of the proposal, the OCC reviewed the potential impact and noted the proposed add-on would have added an average margin increase of less than 5% in the aggregate during the one-year period they analyzed. Nevertheless, the proposal requires additional analysis by firms and the industry to understand the changes and potential impacts.

Before adopting this rule, and to the extent they have not already done so, we recommend the OCC provide clearing members with detailed estimates of the expected increases in margin requirements associated with the proposed rule. This information will be vital to support better preparedness and ensure that all stakeholders can continue providing liquidity in these important markets.

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1 See Securities Exchange Act Release No. 34-100664, File No. SR-OCC-2024-010 (August 6, 2024).

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Additionally, we urge the Commission to consider extending the comment period for this proposal. An extended timeline will allow for more comprehensive analysis and feedback from all affected parties, fostering a more robust and informed discussion about the proposed changes.

Thank you for considering our comments and recommendations.

Sincerely,

s/Patrick Sexton

Patrick Sexton
EVP, General Counsel & Corporate Secretary
Cboe Global Markets, Inc.