

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104106; File No. SR-OCC-2025-016]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change by The Options Clearing Corporation Concerning Revisions to OCC’s Schedule of Fees Effective November 1, 2025, to Implement a Decrease in Certain Clearing Fees.

September 26, 2025.

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 September 25, 2025, The Options Clearing Corporation (“OCC”) 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)³ of the Act and paragraph (f) of Rule 19b-4⁴ thereunder, such that the proposed rule change was immediately 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 Options Clearing Corporation is filing with the Securities and Exchange Commission a proposed rule change to revise OCC’s schedule of fees effective November 1, 2025, to implement a decrease in certain clearing fees. Specifically, OCC

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).

proposes to eliminate its clearing fee for linkage transactions, currently \$0.02 with a per transaction fee cap of \$55.00 for transactions of 2,751 or more contracts. The fee change will have minimal impact on OCC's finances, and better reflect the economic and operational reality of linkage trades. OCC filed proposed changes to OCC's schedule of fees as Exhibit 5 to File Number SR-OCC-2025-016. 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.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*

Founded in 1973, OCC operates as a central counterparty ("CCP") under the jurisdiction of both the SEC and the Commodity Futures Trading Commission ("CFTC"). As a registered clearing agency under the SEC's jurisdiction, OCC is the sole clearing agency for equity options listed on national securities exchanges. As a registered Subpart C DCO under the CFTC's jurisdiction, OCC clears and settles transactions in futures and

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>.

options on futures. OCC also provides central counterparty clearing and settlement services for securities lending transactions. In its role as a CCP, OCC guarantees the performance of its Clearing Members for all transactions cleared by OCC by becoming the buyer to every seller and the seller to every buyer. Given OCC's critical role, OCC has been designated by the Financial Stability Oversight Council as a systemically important financial market utility ("SIFMU") under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act").⁶

To support its critical role, OCC's principal source of revenue is derived from the clearing fees that it charges for each contract cleared through OCC. OCC currently charges a reduced clearing fee per side for so-called "linkage" transactions; i.e., when one national securities exchange routes an order for a listed options contract to another national securities exchange that has a better priced quote through a joint member of both exchanges ("Linkage Member"). Historically, the Linkage Member would recoup its fees for executing the linkage transaction, including OCC's linkage fees, from the exchanges. To support the linkage process, OCC has rebated to the exchanges the difference between the fee for linkage trades and the standard clearing fee on a quarterly basis. To better reflect the economic reality of these trades, OCC now proposes to eliminate the fee for linkage trades, such that the fee on the Linkage Member for such trades would be \$0.00. OCC would continue to charge its standard clearing fee to the Clearing Member on each side of the transaction with the Linkage Member, as it does today.

⁶ 12 U.S.C. 5463.

1. Purpose

Background

In 2009, the national securities exchanges that list standardized equity options filed a new plan to link the various options exchanges and achieve intermarket order protection with the SEC.⁷ The plan was referred to as Decentralized Linkage or Distributed Linkage and allows the options exchanges to access other options exchanges using private connectivity and membership. Decentralized Linkage replaced a previous hub and spoke linkage plan where OCC operated as the hub.

With decentralized linkage, when another exchange has a better priced quote, an options exchange is required to fill an order from its own order book at the better price from the other options exchange through a Linkage Member. In these cases, the Linkage Member executes a transaction at the better price on the other exchange and then fills the initial order, again at the better price, on the first exchange. As a result, there are two trades cleared at OCC for every linkage transaction, one on the “away” exchange between the Linkage Member and a counterparty and a second one on the “initiating” exchange between the Linkage Member and the original order submitter. Both of these trades are cleared separately at OCC as standalone transactions.

Historically, the Linkage Member passed their fees back to the exchanges, including the OCC clearing fee. The exchanges asked OCC to consider charging these linkage trades at a reduced rate, making the argument that these trades represent a service to the national options market and should be discounted similar to Market Maker scratch

⁷ See e.g., Exchange Act Release No. 60187 (June 29, 2009); 74 FR 32664 (July 8, 2009) (File No. SR-CBOE-2009-040).

trades. OCC agreed and implemented a process to identify the linkage trades and rebate the difference between the standard clearing rate and the linkage rate back to the routing firm on a quarterly basis.

Proposed Fee Change

OCC proposes to eliminate the linkage fee effective November 1, 2025, to better reflect the economic and operational reality of the trade. From an economic perspective, the Linkage Member is performing a service and is not trading for its own economic gain. The Linkage Member enters into the two trades at the same price leaving it in the same economic position it was before the transactions. The SEC has similarly acknowledged this reality and exempted riskless principal sales, which include linkage transactions, from SEC Section 31 fees.⁸ Operationally, linkage transactions do not require margining, corporate actions or any other post-settlement services provided by OCC because the Linkage Member's legs of the transactions net off on settlement.

Additionally, OCC can remain compliant with its target capital level as defined by OCC's Capital Management Policy following the removal of the linkage fee. Regulation 17ad-22(e)(15), in part, requires OCC to maintain liquid net assets funded by equity ("LNAFBE") in an amount equal to, among other things, 6 months of OCC's current operating expenses.⁹ OCC's capital management plan requires OCC to set fees based on its projected operating expenses, LNAFBE target and other capital needs, and projected trading volume. Based on previous years, OCC anticipates the financial impact of

⁸ See 17 C.F.R. § 240.31(a)(11)(viii) (exempting any recognized riskless principal sale as defined in rule 31(a)(14).

⁹ 17 CFR 240.17ad-22(e)(15)(ii).

removing the linkage fee will be approximately \$3 million per year.¹⁰ For 2024, the fees collected for linkage trades (approximately \$2.1 million) amounted to less than 0.5% of clearing fee revenue (approximately \$477.9 million).¹¹ As of June 30, 2025, OCC's LNAFBE was \$401.70 million,¹² which is above OCC's Target Capital Requirement of \$286 million. Based on projected trading volumes, projected expenses, and OCC's LNAFBE target, OCC does not believe that eliminating the linkage fee will have any effect on OCC's ability to meet its regulatory requirements.¹³

To implement the proposed changes, OCC would update its schedule of fees as set out below.

Current Fee Schedule	Proposed Fee Schedule
Linkage Per Side	Linkage Per Side
\$0.02 \$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>	\$0.00

2. Statutory Basis

OCC believes the proposed rule change is consistent with the Act¹⁴ and the rules and regulations thereunder.

¹⁰ OCC has filed data concerning prior years' linkage fees as confidential Exhibit 3A to File No. SR-OCC-2025-016.

¹¹ OCC's income statement for 2024 can be found on its public website: <https://annualreport.theocc.com>.

¹² This measurement of LNAFBE is based on unaudited financials as of June 30, 2025.

¹³ OCC has filed a chart showing projected cash flow outflows and LNAFBE compared to OCC's Target Capital Requirement as Exhibit 3B to File No. SR-OCC-2025-016.

¹⁴ 15 U.S.C. 78a, et seq.

Compliance with Section 17A(b)(3)(D) of the Act

OCC believes that the proposed fee change is consistent with Section 17A(b)(3)(D) of the Act,¹⁵ which 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. As described above, removing the fee for linkage transactions accurately reflects the economic reality of the transaction. The Linkage Member is performing a service rather than entering into a transaction for their own economic gain. Further, the linkage trades are offset immediately upon settlement and are not transactions that OCC needs to margin and otherwise risk manage. Therefore, it is reasonable that linkage legs would not be subject to a clearing fee.

OCC further believes that removing the fee for linkage transactions represents an equitable allocation of its fees. When entering into a linkage transaction, the Linkage Member is not pursuing an options strategy for its own gain, but rather is performing a service for the options markets. By entering into the linkage trade, Linkage Members ensure that traders can access the best price for an option regardless of the exchange the trader uses. Performing this service free from an OCC fee is an equitable result. The options exchanges have long recognized this reality and rebated the fee paid for linkage transactions. Similarly, the SEC has exempted these trades from section 31 fees.¹⁶

¹⁵ 15 U.S.C. 78q-1(b)(3)(D).

¹⁶ See 17 C.F.R. § 240.31(a)(11).

As a result, OCC believes that the proposed change to OCC's fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.¹⁷

Compliance with Rule 17ad-22(e)(15)

In addition, OCC believes that the proposed rule change is consistent with Rule 17ad-22(e)(15), which requires that OCC establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor, and manage OCC's general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that OCC can continue operations and services as a going concern if those losses materialize.¹⁸ The Rule also requires OCC to hold LNAFBE equal to at least six months of OCC's current operating expenses, among other measures.¹⁹ As described above, OCC will be able to continue to meet its ongoing obligations and hold the required amount of LNAFBE following the fee reduction. Linkage fees have made up less than 0.3% of fee revenue for 2025 and OCC will be able to remain compliant with its Target Capital Requirement after the reduction in fee revenue. Therefore, OCC believes that the proposed changes to OCC's schedule of fees are consistent with Rule 17ad-22(e)(15).²⁰

¹⁷ 15 U.S.C. 78q-1(b)(3)(D).

¹⁸ 17 CFR 240.17ad-22(e)(15).

¹⁹ 17 CFR 250.17ad-22(e)(15)(ii).

²⁰ Id.

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

Section 17A(b)(3)(I) of the Act²¹ 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. Linkage transactions are not competitive trades but are the operational process that allows a trader to access a better price for an option contract that is quoted on a second exchange. Notably, the trader in this scenario and the seller on the second exchange still pay the same clearing fee as any other transaction. It is only the extra two legs that link the two exchanges that will not pay a fee. Further, the fee removal applies to any type of market participant that is serving as the Linkage Member and will not give any particular type of market participant a competitive advantage. In addition, the linkage fee will be eliminated for linkage transactions between any of OCC's participant exchanges, regardless of whether the exchange is an OCC stockholder. 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 were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

²¹ 15 U.S.C. 78q-1(b)(3)(I).

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) of the Act²² and paragraph (f) of Rule 19b-4²³ 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.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.²⁴

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include file number SR-OCC-2025-016 on the subject line.

²² 15 U.S.C. 78s(b)(3)(A).

²³ 17 CFR 240.19b-4(f).

²⁴ Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

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-2025-016. 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of such filing will be available for inspection and copying at the principal office of OCC and on OCC's website at <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-OCC-2025-016 and should be submitted on or before [INSERT DATE 21 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,

Assistant Secretary.

²⁵ 17 CFR 200.30-3(a)(12).