

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106391; File No. SR-OCC-2026-007]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Partial Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change as modified by Partial Amendment No. 1, by The Options Clearing Corporation Concerning the Payment of Interest on Margin Cash.

September 16, 2026.

I. INTRODUCTION

On July 24, 2026, the Options Clearing Corporation (“OCC”), filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change regarding the payment of interest on Clearing Members’ cash margin. The proposed rule change was published for comment in the *Federal Register* on August 5, 2026.³ On September 15, 2026, OCC amended File No. SR OCC-2026-007 (hereinafter “Partial Amendment No. 1”) to clarify statements concerning the use of subaccounts at a Federal Reserve Bank (“FRB”).⁴ The Commission has not received any comments on the Proposed Rule Change. For the reasons discussed below, the Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons, and approving the proposed rule change, as modified by Partial Amendment No. 1 (hereinafter, the “Proposed Rule Change”).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 106018 (July 31, 2026), 91 FR 50579 (Aug. 5, 2026) (File No. SR-OCC-2026-007) (“Notice”).

⁴ This amendment does not change the purpose of or basis for File No. SR-OCC-2026-007.

OCC is a central counterparty (“CCP”), which means that, as part of its function as a clearing agency, it interposes itself as the buyer to every seller and seller to every buyer for certain financial transactions. As the CCP for the listed options markets in the United States,⁵ as well as for certain futures and stock loans, OCC is exposed to various risks arising from providing clearance and settlement services to its Clearing Members.⁶ Because OCC is obligated to perform on the contracts it clears, one such risk that OCC is exposed to is liquidity risk, including the risk that OCC would not maintain sufficient liquid resources to cover payment obligations, including exposures if one of its Clearing Members defaults or is otherwise unable to perform its counterparty obligations.

One of the ways OCC manages liquidity risk is through the collection of cash collateral from its Clearing Members. Although OCC allows Clearing Members to contribute margin in different forms, OCC may require each Clearing Member to post some amount of margin collateral in cash. Similarly, OCC requires each Clearing Member to contribute cash to meet a portion its Clearing Fund requirement. As permitted under its current rules, OCC maintains an interest-bearing FRB account which it uses to hold Clearing Fund cash. OCC holds some Clearing Member cash margin in its FRB account, but OCC cannot hold securities customer cash margin in its FRB account under OCC’s current rules. OCC manages securities customer cash through its commercial bank relationships. According to OCC, Clearing Member cash margin deposits averaged

⁵ OCC describes itself as “the sole clearing agency for standardized equity options listed on a national securities exchange registered with the Commission (‘listed options’).” *See* Securities Exchange Act Release No. 96533 (Dec. 19, 2022), 87 FR 79015 (Dec. 23, 2022) (File No. SR-OCC-2022-012).

⁶ Capitalized terms used but not defined herein have the meanings specified in OCC’s Rules and By-Laws, *available at* <https://www.theocc.com/company-information/documents-and-archives/by-laws-and-rules>.

\$2.5 billion during the year prior to filing, which OCC describes as a small amount compared to the total amount of margined assets, including valued securities and government securities.⁷

Currently OCC passes on earned interest from its cash Clearing Fund deposits to Clearing Members, minus a 5-basis point fee. OCC has observed that since it began paying interest on Clearing Fund cash, some Clearing Members deposit more Clearing Fund cash than is required under OCC's Rules.⁸ OCC stated that, based on its experience and analysis, if Clearing Members received interest on cash margin, they would be more likely to deposit cash as margin in lieu of securities, which would in turn improve OCC's capital efficiency and liquidity.⁹ OCC proposes, as described below, to amend its rules to permit OCC to deposit cash margin deposited in respect of securities customer accounts into its FRB account and require OCC to pay a defined interest rate to its Clearing Members, minus an administrative fee.

OCC initially stated that it would establish a subaccount at the FRB under the master account to separately account for customer margin.¹⁰ In Partial Amendment No. 1, OCC stated that will request a subaccount for securities customer margin. OCC stated further that until such time that OCC could secure a separate subaccount for its Clearing

⁷ See Notice, 91 FR at 50580. OCC states that it held, on average, about \$700 million in non-customer margin cash in the FRB account over the past year with the remainder held in cash deposits at commercial banks (about \$800 million) and reverse repo investments (about \$1 billion). See *id.*

⁸ *Id.* OCC filed confidential data with File No. SR-OCC-2026-007 that showed an increase of excess cash deposits in the Clearing Fund, as a percentage of cash required in the Clearing Fund, from less than 17 percent to over 38 percent (at times rising above 40 percent).

⁹ *Id.*

¹⁰ See Notice, 91 FR at 50580 n.8. OCC explained that it uses a similar subaccount for non-customer margin at the FRB.

Member's Clearing Fund deposits, OCC would include transaction activity for Clearing Fund deposits in the existing subaccount for non-customer margin cash.

II. DESCRIPTION OF PROPOSED RULE CHANGES

A. Changes to Interest Treatment

OCC proposes to amend Rule 604B to require that it pay interest to Clearing Members on all margin cash, with the exception of cash held in cross margin, or X-M, accounts.¹¹ Specifically, OCC proposes to adopt new Rule 604B(g),¹² Interest on Margin Cash, to require OCC to set a fixed interest rate on deposited margin cash equal to the Federal Reserve's Interest on Reserve Balance ("IORB"). OCC intends to calculate interest daily at IORB less an administrative fee and to pay interest to Clearing Members monthly.

Under the Proposed Rule Change, OCC would also change its approach to paying interest on Clearing Fund cash deposits. OCC Rule 1002(c)(1) currently states that Clearing Fund deposits at an FRB accrue to the benefit of Clearing Members. OCC proposes to replace this provision of Rule 1002(c)(1) with new Rule 1002(c)(2) requiring OCC to pay the IORB, less the administrative fee, on all Clearing Fund cash deposits without reference to where such Clearing Fund cash is deposited.

OCC also proposes to make conforming changes to its Cash and Investment Management Policy ("CIMP"). Specifically, OCC proposes to replace language indicating that interest earned on Clearing Fund cash deposits at an FRB would accrue to

¹¹ As defined in the OCC By-Laws, X-M accounts are Clearing Member accounts in which positions subject to cross-margining treatment are maintained. *See* OCC By-Laws Art. I, § O. Margin cash held in X-M accounts must be deposited in joint accounts at a depository in accordance with OCC's Cross Margin Agreement with CME. Accordingly, such funds are not available to be deposited in OCC's FRB account at which they would earn interest at the IORB rate.

¹² Current Rule 604B(g), Investment of Margin Cash, would be renumbered as Rule 604B(h).

the benefit of Clearing Members with language requiring OCC to pay interest to Clearing Members on all and margin cash deposits other than cash in X-M accounts.

B. Changes to Customer Margin Custody Arrangements

OCC proposes to amend its rules to all the depositing of securities customer cash margin in its FRB account. Specifically, OCC proposes to broaden Rule 604B(b)(2)(B)(iii), which current allows OCC to deposit non-customer margin assets at an FRB account, to allow OCC to deposit margin assets generally at an FRB account. OCC also proposes amending Interpretation & Policy (I&P) .04 associated with Rule 1002 in much the same way, by eliminating the requirement that margin assets held at the FRB belong only to non-customers.¹³ OCC proposes adding language to its Cash and Investment Management Policy (“CIMP”), however, to make it clear that OCC would not comingle its own cash with Clearing Member cash deposits.

OCC’s account agreement for its FRB account provides the FRB with a lien on deposits to the extent of any unpaid fees.¹⁴ To mitigate the possibility of such a lien attaching to Clearing Member cash deposited in OCC’s FRB account, OCC proposes changes ensure it can cover the required FRB service charges.

Specifically, OCC’s Proposed Rule Change authorizes it to charge a 10-basis point cash management fee that can be used to pay the monthly service fee.¹⁵ As a

¹³ I&P .04, however, would specifically exclude cash derived from cash margin deposited in respect of segregated futures accounts, which OCC has stated must be segregated as required by Commodity Futures Trading Commission (“CFTC”) Regulation 1.20. *See* Notice at 50581. *See also* 17 CFR 1.20(a). OCC has stated that it will not title its FRB account as a margin account, since it will hold additional assets, and that it can hold margin assets at the FRB under both its own Rules and under CFTC Regulation 1.20. *See id.*

¹⁴ In OCC’s case, the only fee owed to the FRB is a monthly service charge, which is approximately \$3,000 per month. *See* Notice, 91 FR at 50582.

¹⁵ OCC would amend its schedule of fees to reflect the 10-basis point service charge on each Clearing Member’s average daily cash balance other than cash held in X-M accounts. This

further safeguard, OCC proposes to amend Rule 101 to include unpaid FRB services charges as an authorized use of the Minimum Capital Contribution.¹⁶ Further, OCC proposes to add language to its Rule 1006 that would allow OCC to use the Clearing Fund to satisfy any unpaid FRB account service charges.

Finally, OCC proposes to make certain categorization changes, by moving paragraphs (i) and (j) from Rule 1006 to Rule 1002, which specifically deals with Clearing Fund contributions. The former paragraph concerns an acknowledgement by Clearing Members that OCC maintains a lien on all assets, including cash, contributed to the Clearing Fund, while the latter concerns OCC's role as a securities intermediary for securities deposited by Clearing Members in the Clearing Fund.

III. DISCUSSION AND COMMISSION FINDINGS

Section 19(b)(2)(C) of the Exchange Act requires the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to the organization.¹⁷ Under the Commission's Rules of Practice, the "burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization ['SRO'] that proposed the rule change."¹⁸

language would replace the current 5-basis point fee on Clearing Member cash held in OCC's FRB account.

¹⁶ OCC also proposes a conforming change to its Capital Management Policy related to the use of the Minimum Corporate Contribution.

¹⁷ 15 U.S.C. 78s(b)(2)(C).

¹⁸ Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements, must all be sufficiently detailed and specific to support an affirmative Commission finding,¹⁹ and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the applicable rules and regulations.²⁰ Moreover, “unquestioning reliance” on an SRO’s representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.²¹

After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to OCC. More specifically, for the reasons given below, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Exchange Act,²² and Rules 17ad-22(e)(7)(ii) and 17ad-22(e)(7)(iii) thereunder, as described in detail below.²³

A. Consistency with Section 17A(b)(3)(F) of the Exchange Act

Section 17A(b)(3)(F) of the Exchange Act requires, among other things, that the rules of OCC be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions and to assure the safeguarding of securities and funds which are in the

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Susquehanna Int’l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

²² 15 U.S.C. 78q-1(b)(3)(F).

²³ 17 CFR 240.17ad-22(e)(7)(ii) and (e)(7)(iii).

custody or control of OCC or for which it is responsible.²⁴ Based on a review of the record, and for the reasons discussed below, the proposed changes are consistent with the promotion of the prompt and accurate clearance and settlement of transactions at OCC and the safeguarding of securities and funds which it has custody or control over.

OCC is the sole registered clearing agency for the U.S. listed options markets. As described above, one purpose of the proposed changes is to incentivize Clearing Members to meet a larger portion of their collateral requirements in cash. An increase in the amount of collateral provided in cash, as opposed to other permissible forms, would increase the likelihood that OCC would be able to meet its payment obligations when due by removing the potential delays that come with other qualifying liquid resources, such as prearranged funding arrangements. Increasing the likelihood that OCC would be able to meet its payment obligations would increase the likelihood that OCC could promptly and accurately clear transactions in the event of a default.

Additionally, the Proposed Rule Change is consistent with assuring the safeguarding of funds, by allowing OCC to deposit customer cash margin in its FRB account. Access to an FRB account is a valuable tool, the use of which would reduce custody risk in a clearing agency.²⁵ Further, the Proposed Rule Change would not limit OCC's access to commercial banks, and would, therefore, provide OCC with an additional custodian at which to deposit customer cash margin.

²⁴ 15 U.S.C. 78q-1(b)(3)(F).

²⁵ *See* Securities Exchange Act Release 90100 (Oct. 6, 2020), 85 FR 64603, 64604 (Oct. 13, 2020) (File No. SR-OCC-2020-010). *See also* Securities Exchange Act Release 68080, 77 FR 66220, 66268 (Nov. 2, 2012) (File No. S7-08- 11).

For the reasons stated above, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Exchange Act.²⁶

B. Consistency with Rule 17ad-22(e)(7)(ii) under the Exchange Act

Rule 17ad-22(e)(7)(ii) under the Exchange Act requires, in part, each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum, holding qualifying liquid resources sufficient to meet its minimum liquidity resource requirements in each relevant currency for which the covered clearing agency has payment obligations owed to clearing members.²⁷ Cash, held either at the central bank of issuance or at a creditworthy commercial bank, is the first resource listed in the definition of qualifying liquid resources.²⁸

Since OCC began paying interest on Clearing Fund cash, Clearing Members have deposited more cash in the Clearing Fund than OCC requires. Based on the data provided by OCC, Clearing Member cash contributions to the Clearing Fund have exceeded requirements generally risen over time. In contrast, Clearing Members currently deposit only a small percentage of total margin assets as cash relative to valued securities. Based on the data provided and excess cash deposited in the Clearing Fund, the Proposed Rule Change is likely to increase the percentage of margin Clearing

²⁶ *Id.*

²⁷ 17 CFR 240.17ad-22(e)(7)(ii).

²⁸ 17 CFR 240.17ad-22(a).

Members post in cash over any minimum requirement imposed by OCC. Increasing the likelihood that members will provide cash to OCC above and beyond what OCC requires increases the likelihood that OCC will continue to hold sufficient qualifying liquid resources to meet its liquidity requirements, which would allow OCC to better manage its liquidity risk.

For the reasons stated above, allowing OCC to pay interest on cash deposited as margin is consistent with the requirements of Rule 17ad-22(e)(7)(ii) under the Exchange Act.²⁹

C. Consistency with Rule 17 ad-22(e)(7)(iii) under the Exchange Act

Rule 17ad-22(e)(7)(iii) requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum, using the access to accounts and services at a Federal Reserve Bank, pursuant to Section 806(a) of the Payment, Clearing, and Settlement Supervision Act of 2010 (12 U.S.C. 5465(a)),³⁰ or other relevant central bank, when available and where determined to be practical by the board of directors of the covered clearing agency, to enhance its management of liquidity risk.³¹

²⁹ 17 CFR 240.17ad-22(e)(7)(ii).

³⁰ 12 U.S.C. 5465(a). The Board of Governors of the Federal Reserve System may authorize a Federal Reserve Bank to establish and maintain an account for a designated financial market utility. *See also* Board of Governors of the Federal Reserve System, Designated Financial Market Utilities, Title VIII of the Dodd-Frank Act, *available at* <https://www.federalreserve.gov/paymentsystems/title-viii-dfa.htm>.

³¹ 17 CFR 240.17ad-22(e)(7)(iii).

OCC may use cash margin deposits, including customer cash margin deposits, to manage liquidity risk. OCC's Liquidity Risk Management Framework document ("LRMF") sets forth an overview of OCC's liquidity risk management practices and governs OCC's policies and procedures as they relate to liquidity risk management.³² The LRMF describes the primary liquidity risks OCC faces when managing a Clearing Member default, and describes the maintenance of liquidity resources designed to address a variety of stress scenarios through the sizing of such resources.³³ The LRMF defines such liquidity resources to include cash margin deposits where such deposits are required under OCC's Contingency Funding Plan.³⁴ OCC's Proposed Rule Change would permit OCC to deposit securities customer cash margin in its FRB account. Moreover, as described above, the collection of interest from the FRB for cash margin, and consequent delivery of that interest, minus a management fee, to Members would incentivize Members to contribute more cash as part of their margin responsibilities, in lieu of less liquid assets. The holding of a greater amount of cash as margin would help OCC better manage its liquidity risk.

For the reasons stated above, allowing OCC to deposit non-customer cash margin in its FRB account is consistent with the requirements Rule 17 ad-22(e)(7)(iii) under the Exchange Act.³⁵

IV. SOLICITATION OF COMMENTS ON PARTIAL AMENDMENT NO. 1 TO THE PROPOSED RULE CHANGE

³² See Securities Exchange Act Release 89014 (Jun. 4, 2020), 85 Fed. Reg. 35446 (Jun. 10, 2020) (File No. SR-OCC-2020-003) ("LRMF Approval Order").

³³ See LRMF Approval Order at 35447.

³⁴ *Id.*

³⁵ 17 CFR 240.17ad-22(e)(7)(iii).

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as modified by Partial Amendment No. 1, is consistent with the Exchange 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-2026-007 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-2026-007. 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-2026-007 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.³⁶

V. ACCELERATED APPROVAL OF PROPOSED RULE CHANGE, AS MODIFIED BY PARTIAL AMENDMENT NO. 1

The Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act,³⁷ to approve the proposed rule change prior to the 30th day after the date of publication of notice of the filing of Partial Amendment No. 1 in the *Federal Register*. As discussed above, Partial Amendment No. 1 modified the original Proposed Rule Change to correcting a statement made regarding subaccounts at the FRB, as part of File No. SR-OCC-2026-007 on September, 15, 2026. OCC initially stated that it would establish a subaccount at the FRB under the master account to separately account for customer margin.³⁸ In Partial Amendment No. 1, OCC stated that will request a subaccount for securities customer margin. OCC stated further that until such time that OCC could secure a separate subaccount for its Clearing Member's Clearing Fund deposits, OCC would include transaction activity for Clearing Fund deposits in the existing subaccount

³⁶ 17 CFR 200.30-3(a)(12).

³⁷ 15 U.S.C. 78s(b)(2).

³⁸ See Notice, 91 FR at 50580 n.8. OCC explained that it uses a similar subaccount for non-customer margin at the FRB.

for non-customer margin cash. Partial Amendment No. 1 does not change the purpose of or basis for the proposed changes.

For similar reasons as discussed above, the Commission finds that Partial Amendment No. 1 is consistent with the requirement that OCC's rules not be designed to permit unfair discrimination among participants in the use of the clearing agency, under Section 17A(b)(3)(F) of the Exchange Act.⁴⁷ Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act, to approve the proposed rule change, as modified by Partial Amendment No. 1, on an accelerated basis, pursuant to Section 19(b)(2) of the Exchange Act.³⁹

³⁹

15 U.S.C. 78s(b)(2).

VI. CONCLUSION

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act, and in particular, with the requirements of with Section 17A(b)(3)(F) of the Exchange Act,⁴⁰ and Rules 17ad-22(e)(7)(ii) and 17ad-22(e)(7)(iii) thereunder.⁴¹

IT IS THEREFORE ORDERED pursuant to Section 19(b)(2) of the Exchange Act⁴² that the proposed rule change (SR-OCC-2026-007) be, and hereby is, approved.⁴³

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁴

Sherry R. Haywood,

Assistant Secretary.

⁴⁰ 15 U.S.C. 78q-1(b)(3)(F).

⁴¹ 17 CFR 240.17ad-22(e)(7)(ii) and (e)(7)(iii).

⁴² 15 U.S.C. 78s(b)(2).

⁴³ In approving the Proposed Rule Change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁴⁴ 17 CFR 200.30-3(a)(12).