

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-64697; File No. SR-OCC-2011-07)

June 17, 2011

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Provide an Interpretation to Rule 401 to Allow Clearing Members to Use OCC Systems to Update Certain Non-critical Trade Data With Respect to Exchange Transactions Involving Securities Options

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on June 7, 2011, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared primarily by OCC. OCC filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act² and Rule 19b-4(f)(4)³ thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change will provide an interpretation to Rule 401 to allow clearing members to use OCC systems to update certain non-critical trade data with respect to exchange transactions involving securities options provided such updates do not contravene any rule of the exchange on which such transactions were effected.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(iii).

³ 17 CFR 240.19b-4(f)(4).

II. Self-Regulatory Organization'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.⁴

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of this proposed rule change is to provide an interpretation to Rule 401 to allow clearing members to use OCC systems to update certain non-critical trade data with respect to exchange transactions involving securities options provided such updates do not contravene any rule of the exchange on which such transactions were effected. Examples of non-critical option trade data that would be eligible for updating by clearing members include: open/close indicators, account type, account numbers, Clearing Member Trade Assignment clearing member numbers, and optional data field remarks.

Rule 401 concerns the reporting of matching trade information by exchanges to OCC. An interpretation to Rule 401 allows clearing members to use OCC systems to update certain non-critical trade data with respect to exchange transactions involving futures provided such updates do not contravene any rule of the exchange on which such transaction was effected. Clearing members recently have asked that OCC expand this to cover options transactions. The request was processed through the OCC Roundtable, an advisory group comprised of clearing

⁴ The Commission has modified the text of the summaries prepared by OCC.

members, options exchanges, and service bureaus, which assesses operational improvements that may be implemented at OCC to increase efficiencies and lower costs to industry participants.

As in exchange transactions involving futures, OCC's systems would be configured to "bust" the submitted trade and to add a new trade that includes the change. This provides an audit trail for OCC and the affected exchange. OCC also would provide functionality to allow an exchange to prevent such updates from happening at OCC for trades executed on its market.

To accommodate this request, a minor change will be made to Interpretation and Policy .02 to Rule 401. The change will allow clearing members to use OCC's systems to update non-critical trade information with respect to all exchange transactions involving securities options with the restriction that such updates may not be in contravention of any rule of the exchange on which the transaction was effected. The proposed rule change is not inconsistent with the By-Laws and Rules of OCC.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments relating to the proposed rule change have not been solicited or received. OCC will notify the Commission of any written comments received by OCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has become effective upon filing pursuant to Section

19(b)(3)(A)(iii) of the Act⁵ and Rule 19b-4(f)(4)⁶ thereunder because the proposed rule change affects a change in an existing service of OCC that: (i) does not adversely affect the safeguarding of securities or funds within the custody or control of OCC or for which OCC is responsible; and (ii) does not significantly affect the respective rights or obligations of clearing members which would use the service or of OCC. 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.

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-OCC-2011-07 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 17 CFR 240.19b-4(f)(4).

All submissions should refer to File Number SR-OCC-2011-07. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings also will be available for inspection and copying at the principal office of OCC and on OCC's website at http://www.optionsclearing.com/components/docs/legal/rules_and_bylaws/sr_occ_11_07.pdf.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2011-07 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁷

Cathy H. Ahn
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).