market participant's investment objective.

The Exchange's Strike Interval Proposal does not impose an undue burden on inter-market competition as this Strike Interval Proposal does not impact the listings available at another self-regulatory organization. In fact, ISE is proposing to list a smaller amount of weekly equity options in an effort to curtail the increasing number of strikes that are required to be quoted by market makers in the options industry. Other options markets may choose to replicate the Exchange's Strike Interval Proposal and, thereby, further decrease the overall number of strikes within the options industry.

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

No written comments were either solicited or received.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) [36] of the Act and Rule 19b–4(f)(6) thereunder.[37] Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act and subparagraph (f)(6) of Rule 19b–4 thereunder.[38]

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

[36] 15 U.S.C. 78s(b)(3)(A)(iii).

[37] 17 CFR 240.19b–4(f)(6).

[38] In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 email to *rule-comments@sec.gov.* Please include File Number SR–ISE–2021–09 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–ISE–2021–09. This file number should be included on the subject line if email 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 the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2021–09, and should be submitted on or before June 14, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[39]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–10844 Filed 5–21–21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–91920; File No. SR–OCC–2021–006]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Revise The Options Clearing Corporation's Schedule of Fees

May 18, 2021.

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 May 5, 2021, The Options Clearing Corporation (''OCC'') filed with the Securities and Exchange Commission (''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)(ii) [3] of the Act and Rule 19b–4(f)(2) [4] thereunder so that the proposal was 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 proposed rule change by OCC would revise OCC's schedule of fees effective June 1, 2021, to implement a decrease in clearing fees. Proposed changes to OCC's schedule of fees are attached as Exhibit 5 to File Number SR–OCC–2021–006. 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]

[39] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[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.*

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

(1) Purpose

The purpose of this proposed rule change is to revise OCC's schedule of fees effective June 1, 2021, to implement a decrease in clearing fees. OCC's Capital Management Policy (''Policy'') provides that OCC reviews its fee schedule on a periodic basis in consideration of factors including, but not limited to, projected operating expenses, projected volumes, anticipated cash flows, and capital needs.[6] Provided that OCC's shareholders' equity (''Equity'') exceeds 110% of the Target Capital Requirement [7] (''Early Warning'') [8] plus the amount approved for capital expenditures, OCC's Board, or a Committee the Board has delegated, may use tools as it considers appropriate to lower costs for Clearing Members. Such tools for reducing the cost of clearing include lowering fees, declaring a fee holiday, or issuing refunds.[9]

OCC experienced record volumes in 2020 while maintaining expenses at or around the budgeted amount. These strong financial results put OCC in a position to continue to invest resources in OCC's initiative to update and upgrade its technology infrastructure for critical clearing and settlement services, risk systems and data management,[10] while at the same time lowering the cost of clearing for the users of the markets OCC serves. Accordingly, in August 2020, OCC announced several measures approved by OCC's Board and Compensation and Performance Committee (''CPC'') to lower the cost of clearing, including lowering its clearing fee from $0.055 per contract to $0.045 per contract, an anticipated clearing fee refund to be announced at year-end, and the establishment of a persistent minimum level of OCC's own capital that OCC would contribute to cover default losses or liquidity shortfalls (commonly referred to as ''skin-in-the-game'')—which will serve as a floor to OCC's current, variable amount of skin-in-the-game funded by capital in excess of OCC's Early Warning.[11]

OCC implemented the announced clearing fee decrease on September 1, 2020,[12] and in December, OCC announced that its Board had approved a clearing fee refund of $156 million,[13] which OCC paid on April 19, 2021. The Commission issued a notice of no objection to the advance notice for OCC's skin-in-the-game proposal on April 7, 2021.[14] Implementation of that proposal is currently pending approval of a proposed rule change pending with the Commission.[15]

As of December 31, 2020, OCC maintained Equity of approximately $557.6 million, or approximately $282.6 million more than the Early Warning.[16] OCC continues to experience record volume in 2021 while maintaining expenses at or around the budgeted amount. Based on projections of contract volume and expenses, OCC believes that it can lower fees by 2.5 cents while maintaining sufficient revenue to support OCC's operations and capital needs, including 2021 cash needs related to OCC's technology infrastructure transformation.[17] Accordingly, OCC proposes to modify its fee schedule to: (i) Decrease its per contract clearing fee from $0.045 to $0.02 per contract; and (ii) adjust the quantity of contracts at which the fixed, per trade clearing fee begins from trades with more than 1,222 contracts per trade to trades with more than 2,750 contracts per trade, as set forth in the schedule of fees depicted below.[18]

Current fee schedule		Proposed fee schedule	
Clearing fees		Clearing fees	
Trades with contracts of 0–1222	$0.045/contract.	Trades with contracts of 0–2750	$0.02/contract.
Trades with contracts of more than 1222.	$55/trade.	Trades with contracts of more than 2750.	$55/trade.

OCC proposes to make the fee change effective June 1, 2021, because OCC believes that this date is the first date that the industry could be prepared to process the new fee without disruption based on consultations with market participants.[19]

[6] *See* Exchange Act Release No. 88029 (Jan. 24, 2020), 85 FR 5500, 5502 (Jan. 30, 2020) (File No. SR–OCC–2019–007) (''Order Approving Policy''); Exchange Act Release No. 87257 (Oct. 8, 2019), 84 FR 55194, 55196 (Oct. 15, 2019) (File No. SR–OCC–2019–805) (''Notice of No-Objection to Policy'').

[7] The Target Capital Requirement is the amount of Equity recommended by Management and approved by the Board of Directors (''Board'') to ensure compliance with regulatory capital requirements and to keep such additional amount the Board may approve for capital expenditures. *See* OCC Rule 101.

[8] The Early Warning is one of the thresholds under OCC's plan for replenishing capital in the event OCC's Equity falls close to or below OCC's regulatory capital requirements, as required by SEC Rule 17Ad–22(e)(15)(iii). *See* 17 CFR 17Ad–22(e)(15)(iii).

[9] *See* Order Approving Policy, 85 FR at 5502; Notice of No-Objection to Policy, 84 FR at 55196.

[10] *See* OCC Technology Changes + Enhancements Reference Guide (Jan. 28, 2021), *available at https://www.theocc.com/getmedia/2926b09d-5da5-4f00-85f2-09111bb2fcf8/OCC-Tech-Changes-Enhancements-RefGuide-012821-FNL.pdf;?ext=.pdf.*

[11] *See* Letter to Clearing Member Firms—OCC To Lower Costs for Users of U.S. Equity Derivatives Markets (Aug. 3, 2020), *available at https://www.theocc.com/Newsroom/Views/2020/08-03-Letter-to-Clearing-Member-Firms.*

[12] *See* Exchange Act Release No. 89534 (Aug. 12, 2020), 85 FR 50858 (Aug. 18, 2020) (File No. SR–OCC–2020–009).

[13] *See* Press Release, OCC to Provide Year-End Refund to Clearing Members (Dec. 17, 2020), *available at https://www.theocc.com/Newsroom/Press-Releases/2020/12-17-OCC-to-Provide-Year-End-Refund-for-Clearing.*

[14] *See* Exchange Act Release No. 91491 (Apr. 7, 2021), 86 FR 19061 (Apr. 12, 2021) (File No. SR–OCC–2021–801).

[15] *See* Exchange Act Release No. 91483 (Apr. 6, 2021), 86 FR 19066 (Apr. 12, 2021) (File No. SR–OCC–2021–003); Exchange Act Release No. 91199 (Feb. 24, 2021), 86 FR 12237 (Mar. 2, 2021) (File No. SR–OCC–2021–003).

[16] *See* OCC 2020 Financials, *available at https://www.theocc.com/getattachment/9f5d22ff-d810-4690-948d-f9a207df083d/attachment.aspx.*

[17] OCC has provided confidential data and analysis to the Commission in Exhibit 3 to File No. SR–OCC–2021–006.

[18] These changes are also reflected in Exhibit 5 to File No. SR–OCC–2021–006.

[19] OCC notes that a mid-month change to clearing fees could introduce operational disruption to Clearing Members due to the impact on their billing processes.

(2) Statutory Basis

Section 17A(b)(3)(D) of the Act [20] 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 because it is designed to decrease the cost of clearing while maintaining sufficient reserves in the form of liquid net assets to cover OCC's operating expenses and address potential business or operational losses so that OCC can continue to meet its obligations as a systemically important financial market utility to Clearing Members and the general public if such losses were to materialize (including through a recovery or orderly wind-down of critical operations and services) and thereby facilitate compliance with certain requirements of Rule 17Ad–22(e)(15)(ii).[21]

In determining the appropriate level of the proposed fee decrease, the CPC considered a variety of factors, including projected average daily volume, operating income, and a scenario analysis modeling the sensitivity of operating income and margin, adjusting for different clearing fee levels.[22] The CPC also considered OCC's cash needs through 2021 to support its technology transformation initiative. OCC believes that the proposed decrease in clearing fees is reasonable and consistent with its existing By-Laws and Rules. OCC also believes that the proposed fee change would result in an equitable allocation of fees among its participants because it would be equally applicable to all market participants transacting at a given level of contract volume. As a result, OCC believes that the proposed fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.[23]

The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

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

Section 17A(b)(3)(I) of the Act [24] 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. Although this proposed rule change affects clearing members, their customers, and the markets that OCC serves, OCC believes that the proposed rule change would not disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed clearing fees apply equally to all users of OCC. 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 on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

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

Pursuant to Section 19(b)(3)(A)(ii) [25] of the Act, and Rule 19b–4(f)(2) thereunder,[26] the proposed rule change is filed for immediate effectiveness as it constitutes a change in fees charged to OCC clearing members. 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.[27]

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 email to *rule-comments@sec.gov.* Please include File Number SR–OCC–2021–006 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–2021–006. This file number should be included on the subject line if email 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 filing also 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.*

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR–OCC–2021–006 and should be submitted on or before June 14, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[28]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–10841 Filed 5–21–21; 8:45 am]

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[20] 15 U.S.C. 78q–1(b)(3)(D).

[21] 17 CFR 240.17Ad–22(e)(15)(ii).

[22] A summary of the scenario and sensitivity analyses is included in confidential Exhibit 3 to File No. SR–OCC–2021–006.

[23] 15 U.S.C. 78q–1(b)(3)(D).

[24] 15 U.S.C. 78q–1(b)(3)(I).

[25] 15 U.S.C. 78s(b)(3)(A)(ii).

[26] 17 CFR 240.19b–4(f)(2).

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

[28] 17 CFR 200.30–3(a)(12).