

(a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION:

For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Authority: 5 U.S.C. 552b.

Dated: June 22, 2023.

Vanessa A. Countryman,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-97770; File No. SR-CboeEDGX-2023-030]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Withdrawal of a Proposed Rule Change To Amend Its Fee Schedule

June 20, 2023.

On April 17, 2023, Cboe EDGX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend its fee schedule. The proposed rule change was published for comment in the **Federal Register** on May 3, 2023.³ The Commission did not receive any comment letters. On June 1, 2023, the Exchange withdrew the proposed rule change (CboeEDGX-2023-030).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2023-13456 Filed 6-23-23; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-97763; File No. SR-OCC-2023-004]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval of Proposed Rule Change by The Options Clearing Corporation To Amend and Enhance the Options Clearing Corporation’s Model Risk Management Policy

June 20, 2023.

I. Introduction

On April 27, 2023, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-OCC-2023-004 pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4² thereunder. The proposed rule change would amend OCC’s Model Risk Management Policy (the “MRM Policy” or “Policy”) to, in part, broaden the scope of OCC’s processes for managing model risk. The proposed rule change was published for public comment in the **Federal Register** on May 17, 2023.³ The Commission has received no comments regarding the proposed rule change.

II. Background⁴

OCC is a central counterparty (“CCP”), which means it interposes itself as the buyer to every seller and seller to every buyer for financial transactions. As the CCP for the listed options markets in the U.S., as well as for certain futures, OCC is exposed to certain risks arising from its relationships with its members. To manage such risks, OCC uses quantitative methods to make estimates, forecasts, and projections in the context of its credit risk models, margin system

and related models, and liquidity risk models (each a “Risk Model”).⁵

OCC’s use of models inherently exposes OCC to model risk, such as the risk of losses arising out of decisions based on incorrect or misused model outputs. For example, a model that is not managed properly could potentially cause OCC to under-collect the collateral used to cover credit risk posed by a Clearing Member. OCC’s MRM Policy outlines OCC’s framework for managing model risk and defines the roles and responsibilities throughout the risk model and methodology lifecycle.

Currently, the Policy applies to the Risk Models that OCC uses to determine, quantify, or measure actual or potential risk exposures or risk mitigating actions.⁶ The Policy also describes and outlines the roles and responsibilities of various groups at OCC with regard to model risk management.⁷ Further, changes to the Policy are subject to annual review and approval by the Risk Committee of OCC’s Board of Directors.⁸ As described in more detail below, OCC proposes to expand the application of the Policy to contemplate methodologies comprising Risk Models and their related inputs and outputs, rather than only individual Risk Models. To accommodate the expansion of the Policy’s scope beyond individual Risk Models, OCC proposes to revise the roles and responsibilities described in the MRM Policy. To further broaden the Policy, OCC proposes adding a new section regarding the use of tools with quantitative or mathematical techniques not focused on credit risk models, margin system and related models, and liquidity risk models (such tools and techniques referred to as “Risk Applications”).⁹

A. Expanding From Risk Models to Risk Methodologies

As noted above, OCC proposes to expand the scope of its MRM Policy to encompass not only individual Risk Models, but also the methodologies such models comprise. Such “Risk Methodologies” include the related inputs and outputs of OCC’s Risk Models, which OCC uses to estimate or

⁵ See Securities Exchange Act Release No. 82785 (Feb. 27, 2018), 83 FR 9345 (Mar. 5, 2018) (File No. SR-OCC-2017-011) (approving the formalization of the MRM Policy).

⁶ See *id.*

⁷ See *id.*

⁸ See Notice of Filing, 88 FR at 31552, n. 22.

⁹ OCC also proposes non-material verbiage changes, such as updating references to internal policies and removing duplicative definitions. For example, OCC would remove standalone definitions at the end of the Policy where either the term is defined in the body of the Policy or is not used in the Policy.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 97393 (April 27, 2023), 88 FR 27940.

⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 97484 (May 11, 2023), 88 FR 31549 (May 17, 2023) (File No. SR-OCC-2023-004) (“Notice of Filing”).

⁴ Capitalized terms used but not defined herein have the meanings specified in OCC’s Rules and By-Laws, available at <https://www.theocc.com/about/publications/bylaws.jsp>.