

equity and ETF options trades.<sup>20</sup> Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in April 2024, the Exchange had 13.71% market share of executed volume of multiply-listed equity and ETF options trades.<sup>21</sup>

The Exchange believes that the proposed rule change reflects this competitive environment because it modifies the Exchange's fees in a manner designed to incent OTP Holders to direct trading to the Exchange, to provide liquidity and to attract order flow. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market quality and increased opportunities for price improvement.

The Exchange believes that the proposed change could promote competition between the Exchange and other execution venues, including options exchanges that offer comparable rates for Customer liquidity removing interest,<sup>22</sup> by encouraging additional orders to be sent to the Exchange for execution.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>23</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>24</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)<sup>25</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

### 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NYSEARCA-2024-57 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-NYSEARCA-2024-57. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. 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-NYSEARCA-2024-57 and should be submitted on or before July 30, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>26</sup>

Sherry R. Haywood,  
Assistant Secretary.

[FR Doc. 2024-14972 Filed 7-8-24; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100455; File No. SR-OCC-2024-006]

### Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change by The Options Clearing Corporation Concerning Amendments to Its Rules and Comprehensive Stress Testing & Clearing Fund Methodology, and Liquidity Risk Management Description

July 2, 2024.

#### I. Introduction

On May 2, 2024, 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 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (the "Proposed Rule Change") to amend its Comprehensive Stress Testing & Clearing Fund Methodology, and Liquidity Risk Management Description ("Methodology Description") to incorporate additional stress scenarios into OCC's financial resource sufficiency monitoring and its Rules to clarify OCC's practice of collecting additional collateral from its members based on such monitoring. The Proposed Rule Change was published for comment in the **Federal Register** on May 21, 2024.<sup>3</sup> The Commission has not received any comments on the Proposed Rule Change. For the reasons discussed below, the Commission is approving the Proposed Rule Change.

#### II. Description of the Proposed Rule Change

As a clearing agency, OCC faces a number of risks including credit and

<sup>20</sup> The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

<sup>21</sup> Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, see id., the Exchanges market share in equity-based options increased from 12.54% for the month of April 2023 to 13.71% for the month of April 2024.

<sup>22</sup> See notes 16-17, *supra*.

<sup>23</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>24</sup> 17 CFR 240.19b-4(f)(2).

<sup>25</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>26</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 100147 (May 15, 2024), 89 FR 44752 (May 21, 2024) (File No. SR-OCC-2024-006) ("Notice").

liquidity risk.<sup>4</sup> OCC manages its credit and liquidity risk, in part, by performing daily stress testing<sup>5</sup> that covers a wide range of scenarios.<sup>6</sup>

OCC groups its stress testing scenarios into different categories, including Sufficiency Scenarios and Informational Scenarios.<sup>7</sup> Sufficiency Scenarios are designed to measure the potential exposures that a Clearing Member Group's portfolios present relative to OCC's credit and liquidity resources so that OCC can determine the potential need to call for additional collateral, either as margin or as Clearing Fund collateral, or adjust the forms of collateral on deposit.<sup>8</sup> Specifically, depending on Sufficiency Scenario results, OCC Rules 609 or 1001 may allow or require OCC to call for additional margin or Clearing Fund resources from a Clearing Member.<sup>9</sup> Moreover, under OCC Rules 601 and 609, OCC could require that a Clearing Member provide additional resources in the form of cash.<sup>10</sup> In contrast, OCC uses Informational Scenarios to monitor and assess the size of OCC's prefunded financial resources against a wide range of stress scenarios for informational and risk monitoring purposes.<sup>11</sup> These scenarios are not used to determine the size of OCC's financial resources; however, OCC's Risk Committee may approve adjustments with respect to how OCC categorizes these scenarios.<sup>12</sup> For example, OCC's Risk Committee could approve the recategorization of an Informational Scenario as a Sufficiency Scenario.<sup>13</sup>

The Proposed Rule Change would make three groups of changes related to OCC's Sufficiency Scenarios. First, it

would recategorize two Informational Scenarios as Sufficiency Scenarios by making changes to the Methodology Description.<sup>14</sup> As a result, the two recategorized scenarios would be used to determine potential calls for additional collateral. Second, the Proposed Rule Change would add detail to OCC's Rules outlining circumstances under which OCC could require Clearing Members to contribute additional collateral due to the results of Sufficiency Scenarios. Third, the Proposed Rule Change would make minor formatting and grammatical changes to the Methodology Description and the Rules.

#### A. Recategorization of Scenarios

OCC's Methodology Description lists a subset of the Sufficiency Scenarios that have been implemented in OCC's stress testing system. The Sufficiency Scenarios on this list are historical scenarios that replicate historical events under current market conditions. For example, among the listed Sufficiency Scenarios are scenarios that replicate the largest rally/decline in 2008.

To replicate historical events in its current Sufficiency Scenarios, OCC applies one of three price shocks to risk factors in a predetermined order, also referred to as a waterfall.<sup>15</sup> As its first choice for a price shock, OCC uses the returns of the risk factor observed during the historical event. If such returns do not exist, or are otherwise unavailable, OCC uses the market return from the risk factor's corresponding sector as the price shock. If neither the risk factor return nor the market sector return is available, OCC uses a beta approach to set the price shock.<sup>16</sup> Currently, OCC applies this waterfall to determine price shocks for the 2008 largest rally/decline Sufficiency Scenarios.

Some of OCC's Informational Scenarios use a different approach to

determine the price shock applied to risk factors than the existing Sufficiency Scenarios use, which yields different outcomes. For example, some existing Informational Scenarios are variations of the 2008 largest rally/decline Sufficiency Scenarios that directly apply the risk driver beta-derived price shock as the price shock instead of using the waterfall approach. As part of the regular review of the output of its stress scenarios, OCC found that the variations of the 2008 largest rally/decline Informational Scenarios described above yielded exposures that were consistently higher than those generated by the corresponding Sufficiency Scenarios.<sup>17</sup> To enhance its ability to manage risks, OCC proposes recategorizing such variations of the 2008 largest rally/decline scenarios from Informational Scenarios to Sufficiency Scenarios by adding them to the Sufficiency Scenarios listed in OCC's Methodology Description.<sup>18</sup> This would allow the newly-recategorized Sufficiency Scenarios to be used to drive the size of the Clearing Fund and calls for additional margin, which is not the case while they remain categorized as Informational Scenarios.<sup>19</sup>

#### B. Changes to the Rules Related to Intra-Day Margin and the Clearing Fund

OCC also proposes changes to its Rules to clarify OCC's practice of collecting additional collateral from its members based on stress scenario monitoring. Specifically, OCC proposes changes to Rule 609, which governs intra-day margin, and Rule 1001(c), which governs intra-month clearing fund sizing adjustments. OCC proposes these changes to align the Rules with OCC's current practices and procedures.<sup>20</sup>

Some of the proposed changes to Rule 609 clarify OCC's approach to situations where a Clearing Member Group is subject to an intra-day margin call under more than one Sufficiency Stress Test. Rule 609(a)(5) currently provides that OCC may require the Clearing Member Group responsible for a stress test exposure to deposit intra-day margin if a Sufficiency Stress Test identifies an exposure that exceeds 75% of the current Clearing Fund requirement less deficits.<sup>21</sup> In the event of such a margin call, OCC's current practice is to compare the margin call amount to existing intra-day margin call amounts for the monthly period under OCC Rule

<sup>4</sup> Credit Risk is the risk that a counterparty will be unable to meet fully its financial obligations when due, or at any time in the future. Liquidity Risk is the risk that a counterparty will have insufficient funds to meet its financial obligations as and when expected, although it may be able to do so in the future. Bank for International Settlements & International Organization of Securities Commissions, *Principles for Financial Market Infrastructures*, <https://www.bis.org/cpmi/publ/d101a.pdf>.

<sup>5</sup> Stress testing is the estimation of credit or liquidity exposures that would result from the realization of potential stress scenarios, such as extreme price changes, multiple defaults, or changes in other valuation inputs and assumptions. 17 CFR 240.17Ad-22(a).

<sup>6</sup> Notice, 89 FR at 44753; see OCC Rule 609, OCC Rule 1001.

<sup>7</sup> 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>.

<sup>8</sup> Notice, 89 FR at 44753.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 44754 n.20.

<sup>11</sup> *Id.* at 44753.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> The Methodology Description describes the Comprehensive Stress Testing and Clearing Fund Methodology, and Liquidity Risk Management Description that OCC uses to analyze the adequacy of its financial resources and to challenge its risk management framework. *Id.* at 44573 n.5.

<sup>15</sup> Risk factors are products or attributes whose historical data are used to estimate and simulate the risk for an associated product. *Id.* at 44574 n.12.

<sup>16</sup> Beta is the sensitivity of a security with respect to its corresponding risk driver. *Id.* at 44754 n.14. Examples of risk drivers include price and volatility with respect to equity securities. Different categories of products—for example, collateral positions in U.S. Government Securities versus Canadian Government Securities—have different risk drivers. *Id.* at 44754 n.15. The risk driver shock is the return of a risk driver from a historical event. *Id.* at 44754. The beta approach is the application of the shock of a risk driver to the beta of the related risk factor, which generates a “risk driver beta derived price shock.”

<sup>17</sup> *Id.* at 44753.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* at 44754–55.

<sup>21</sup> *Id.* at 44754; OCC Rule 609(a)(5).

609(a)(5). A new margin call is issued when the margin call amount is greater than existing intra-day margin call amounts under Rule 609(a)(5). The updated margin call amount would remain in effect until either the next monthly resizing of the Clearing Fund, or the amount is superseded by a larger margin call amount.<sup>22</sup> To reflect this current practice,<sup>23</sup> and consistent with the Clearing Fund Methodology Policy,<sup>24</sup> OCC proposes adding language to Rule 609(a)(5) noting that if a Clearing Member Group is subject to intra-day margin calls under more than one Sufficiency Stress Test, the largest call will be applied and remain in effect until the next monthly resizing.<sup>25</sup>

Separately, OCC proposes to conform Rule 609(a)(5) to OCC's existing policies.<sup>26</sup> As noted above, current Rule 609(a)(5) requires the Clearing Member Group responsible for a stress test exposure to deposit margin intra-day if a Sufficiency Stress Test identifies an exposure that exceeds 75% of the current Clearing Fund requirement less deficits. OCC's Clearing Fund Methodology Policy contains similar language with a notable difference. Specifically, the Clearing Fund Methodology Policy does not include the "less deficits" language, while such language is in OCC Rule 609(a)(5).<sup>27</sup> This language was removed from the Clearing Fund Methodology Policy in an effort to conform the Clearing Fund Methodology Policy to changes to OCC's Rules, shortening the number of days a Clearing Member has to meet funding obligations related to the Clearing Fund.<sup>28</sup> Given the previous change to its rules, OCC considers the "less deficits" language in each document unnecessary.<sup>29</sup> As such, OCC proposes removing the "less deficits" language from Rule 609(a)(5) to promote consistency within its rules.<sup>30</sup>

<sup>22</sup> Notice, 89 FR at 44754.

<sup>23</sup> *Id.*

<sup>24</sup> Securities Exchange Act Release No. 83406 (June 11, 2018), 83 FR 28018, 28025 (June 15, 2018) (File No. SR-OCC-2018-008).

<sup>25</sup> While a margin call imposed as the result of a Sufficiency Stress Test will remain in effect until the next monthly Clearing Fund resizing, the imposition of such a margin call would not preclude OCC from making additional margin calls driven by subsequent Sufficiency Stress Tests prior to the monthly resizing.

<sup>26</sup> Notice, 89 FR at 44755.

<sup>27</sup> *Id.*

<sup>28</sup> Securities Exchange Act Release No. 94950 (May 19, 2022), 87 FR 31916, 31918 (May 25, 2022) (File No. SR-OCC-2022-004). Prior to approval of SR-OCC-2022-004, Clearing Members had two days to deposit additional required Clearing Fund assets. In SR-OCC-2022-004, OCC proposed to shorten this period. *Id.*; Notice, 89 FR at 44755.

<sup>29</sup> Notice, 89 FR at 44755.

<sup>30</sup> *Id.*

OCC also proposes changes to Rule 1001(c) to reflect its current practices.<sup>31</sup> Rule 1001(c) currently indicates that, if at any time between regular monthly calculations of the size of the Clearing Fund a Sufficiency Stress Test identifies a breach that exceeds 90% of the size of the Clearing Fund requirement (less any margin collected as a result of a Sufficiency Stress Test breach pursuant to Rule 609), the calculated size of the Clearing Fund shall be increased. As is reflected in OCC's Clearing Fund Methodology Policy, OCC's current practice is to include margin called, rather than only margin collected, in the amount subtracted in the calculation from Rule 1001(c).<sup>32</sup> To align the descriptions in OCC's Rules with OCC's current practices, OCC proposes adding "or to be collected" to the text of Rule 1001(c).<sup>33</sup>

### C. Minor Formatting and Grammatical Changes

OCC also proposes several minor formatting and grammatical changes to its rules. In the Methodology Description, OCC proposes minor edits to correct the formatting of footnotes. Additionally, in the Rules, OCC proposes replacing the words "such that" with "from" and adding the word "that" to Rule 609(a)(5) so that it reads "stress test exposures from a Sufficiency Stress Test (as defined in Rule 1001(a)) that identifies an exposure" instead of "stress test exposures such that a Sufficiency Stress Test (as defined in Rule 1001(a)) identifies an exposure."

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the 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 Act and the rules and regulations thereunder applicable to the organization.<sup>34</sup> 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."<sup>35</sup> 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

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 44755 n.27.

<sup>33</sup> *Id.* at 44755.

<sup>34</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>35</sup> Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

support an affirmative Commission finding,<sup>36</sup> 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.<sup>37</sup> 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.<sup>38</sup>

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 Act<sup>39</sup> and Rule 17Ad-22(e)(4) thereunder.<sup>40</sup>

#### A. Consistency With Section 17A(b)(3)(F) of the Act

Under Section 17A(b)(3)(F) of the Act, OCC's rules, among other things, must be "designed to promote the prompt and accurate clearance and settlement of securities transactions . . . derivative agreements, contracts, and transactions . . . and to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible."<sup>41</sup> Based on its review of the record, and for the reasons discussed below, OCC's changes are consistent with Section 17A(b)(3)(F) of the Act<sup>42</sup> because they decrease the likelihood of loss mutualization, may increase, and cannot decrease, the amount of financial resources that OCC collects to address credit losses that could arise from the default of a Clearing Member, and support OCC's robust default management system.

OCC's proposal to elevate Informational Scenarios to Sufficiency Scenarios may decrease the likelihood of loss mutualization. As noted above, OCC proposes to expand the scope of stress scenarios against which OCC monitors its financial resources by elevating, from Informational Scenarios to Sufficiency Scenarios, variations on their 2008 largest rally/decline scenarios, which first apply the risk driver beta-derived price shock as the

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Susquehanna Int'l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017) ("Susquehanna").

<sup>39</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>40</sup> 17 CFR 240.17Ad-22(e)(4).

<sup>41</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>42</sup> *Id.*

price shock as opposed to using the waterfall approach. Once these scenarios are elevated to Sufficiency Scenarios, they would be used to determine whether it is necessary to call for additional margin intra-day or an increase to the size of the Clearing Fund intra-month.<sup>43</sup> By elevating the Informational Scenarios to Sufficiency Scenarios, OCC creates a wider range of stress scenarios. Having a wider range of stress scenarios may, in turn, increase the likelihood that OCC will have sufficient collateral on hand to address a default without resorting to loss mutualization through the use of non-defaulting Clearing Members' contributions to the Clearing Fund. Because it avoids loss mutualization, the Proposed Rule Change is consistent with the safeguarding of securities and funds which are in OCC's custody or control.

OCC's proposed changes to its Sufficiency Stress Tests also may increase, and cannot decrease, the amount of financial resources that OCC collects to address credit losses that could arise from the default of a Clearing Member. Based on the impact analyses filed with this Proposed Rule Change, the proposed change could result in OCC calling for additional resources available for resolving a member default. The data provided demonstrates that the proposed scenarios could produce more conservative results relative to the current 2008 largest rally/decline scenarios. Because OCC does not propose removing any of its existing Sufficiency Scenarios, the proposed changes could not reduce the resources OCC would collect. By maintaining, and potentially increasing, the financial resources OCC collects to address credit losses that could arise from the default of a Clearing Member, the proposed change to OCC's stress tests would potentially help OCC recover from the default of a Clearing Member and could make OCC's default waterfall more robust. As such, it would increase the likelihood that OCC would be able to provide clearing services during and after a Clearing Member default, which is consistent with OCC's ability to promptly and accurately clear and settle securities transactions for participants in the options markets during periods of market stress.

Separately, the proposed changes to conform OCC's Rules 609 and 1001 to current practice would continue to support OCC's risk management systems. As described above, the proposed changes would make minor

changes, remove unnecessary language, and acknowledge that, when determining whether to call for additional collateral based on OCC's Sufficiency Stress Tests, if a Clearing Member Group is subject to intra-day margin calls under more than one Sufficiency Stress Test, only the largest margin call will be applied and remain in effect until the next monthly resizing. Further, OCC proposes that it account for margin called as a result of a Sufficiency Stress Test breach under Rule 609 when determining whether it must increase the size of the Clearing Fund. Such changes would not reduce the total resources called by OCC. Continuing to require that members contribute resources based on the exposures they pose (as measured by the Sufficiency Scenarios) would increase the likelihood that OCC would have sufficient resources to manage its exposure to such a member in the event of a default. This would increase the likelihood that OCC could promptly and accurately clear transactions in the event of a default. Additionally, requiring members to contribute resources based on the exposures they pose would increase OCC's ability to manage a default with the defaulter's resources and would reduce the risk that OCC would be required to use the resources of other members to manage a default, consistent with OCC's ability to safeguard the funds and securities of such non-defaulting members.

Further, OCC's rules require that members meet such calls in a timely manner.<sup>44</sup> As a result, OCC's rules do not preclude OCC from taking additional steps, such as suspending a member, if it does not receive the required resources promptly. Thus, OCC's rules, both current and as proposed, allow OCC to act quickly to mitigate potential losses and liquidity shortfalls. Such authority reduces the risk that OCC would be unable to continue providing clearance and settlement services, which is consistent with the promotion of the prompt and accurate settlement of securities for the markets OCC serves.

Based on the foregoing, the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>45</sup>

#### *B. Consistency With Rule 17Ad-22(e)(4) Under the Act*

Rule 17Ad-22(e)(4) requires covered clearing agencies to establish,

implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes by testing the sufficiency of its total financial resources available to meet the minimum financial resource requirements under Rules 17Ad-22(e)(4)(i) through (iii) under the Act.<sup>46</sup> Under Rule 17Ad-22(e)(4)(vi)(A), OCC's policies and procedures should provide that OCC conduct such stress testing of its total financial resources once each day using standard predetermined parameters and assumptions.<sup>47</sup>

The Proposed Rule Change is consistent with Rule 17Ad-22(e)(4)(vi) because it broadens the scope of stress scenarios that OCC conducts to test its financial resources. Expanding the scope of stress scenarios against which OCC monitors its financial resources would increase the likelihood that OCC maintains sufficient financial resources at all times.<sup>48</sup> This Proposed Rule Change would expand the scope of stress scenarios by elevating two Informational Scenarios to Sufficiency Scenarios. This expansion could result in the collection of additional resources available for resolving a member default, which, in turn, would increase the likelihood that OCC maintains sufficient financial resources at all times.<sup>49</sup>

Based on the foregoing, the Proposed Rule Change is consistent with the requirements of Rule 17Ad-22(e)(4) under the Act.<sup>50</sup>

#### **IV. Conclusion**

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act, and in particular, Section 17A(b)(3)(F) of the Act<sup>51</sup> and Rule 17Ad-22(e)(4).<sup>52</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Act that the

<sup>46</sup> 17 CFR 240.17Ad-22(e)(4)(vi).

<sup>47</sup> 17 CFR 240.17Ad-22(e)(4)(vi)(A).

<sup>48</sup> See Securities Exchange Act Release No. 90827 (Dec. 30, 2020), 86 FR 659, 661 (Jan. 6, 2021) (File No. SR-OCC-2020-015); Securities Exchange Act Release No. 83735 (July 27, 2018), 83 FR 37855, 37863 (Aug. 2, 2018) (File No. SR-OCC-2018-008).

<sup>49</sup> The Proposed Rule Change does not alter OCC's daily implementation of its Sufficiency Stress Tests. Notice, 89 FR at 44753. Thus, the OCC's Sufficiency Stress Testing continues to be consistent with Rule 17Ad-22(e)(4)(vi)(A)'s daily testing requirements.

<sup>50</sup> 17 CFR 240.17Ad-22(e)(4).

<sup>51</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>52</sup> 17 CFR 240.17Ad-22(e)(4).

<sup>43</sup> OCC Rule 609(a)(5); OCC Rule 1001(c).

<sup>44</sup> See e.g., OCC Rule 609(a) (requiring that members meet intra-day margin calls within one hour of issuance).

<sup>45</sup> 15 U.S.C. 78q-1(b)(3)(F).

Proposed Rule Change (SR-OCC-2024-006) be, and hereby is, approved.<sup>53</sup>

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>54</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2024-14971 Filed 7-8-24; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-629, OMB Control No. 3235-0719]

### Proposed Collection; Comment Request; Extension: Rules 13n-1-13n-12; Form SDR

*Upon Written Request, Copies Available*

From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rules 13n-1 through 13n-12 (17 CFR 240.13n-1 through 240.13n-12) and Form SDR (“Rules”), under the Securities Exchange Act of 1934 (15 U.S.C. 78m(n)(3) *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Under the Rules, security-based swap data repositories (“SDRs”) are required to register with the Commission by filing a completed Form SDR (the filing of a completed Form SDR also constitutes an application for registration as a securities information processor (“SIP”). SDRs are also required to abide by certain minimum standards set out in the Rules, including a requirement to update Form SDR, abide by certain duties and core principles, maintain data in accordance with the rules, keep systems in accordance with the Rules, keep records, provide reports to the Commission, maintain the privacy of security-based swaps (“SBSs”) data, make certain disclosures, and designate a Chief Compliance Officer. In addition, there are a number of collections of information contained in the Rules. The information collected pursuant to the

<sup>53</sup> In approving the Proposed Rule Change, the Commission considered the proposal’s impacts on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>54</sup> 17 CFR 200.30-3(a)(12).

Rules is necessary to carry out the mandates of the Dodd-Frank Act and help ensure an orderly and transparent market for SBSs.

Assuming a maximum of three SDRs, the Commission estimates that the total burden for the Rules and Form SDR for all respondents is 127,505 hours annually and approximately 382,511 burden hours for all respondents over three years. In addition, the Commission estimates that the total cost of the Rules and Form SDR for all respondents is approximately \$29,905,416 annually and approximately \$89,716,248 for all respondents over three years.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission’s estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted by September 9, 2024.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Oluwaseun Ajayi, 100 F Street NE, Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: July 3, 2024.

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2024-15026 Filed 7-8-24; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100459; File No. SR-NYSE-2023-36]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Withdrawal of Proposed Rule Change Regarding Enhancements to Its DMM Program

July 3, 2024.

On October 23, 2023, New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its Designated Market Maker (“DMM”) program. The proposed rule change was published for comment in the **Federal Register** on November 13, 2023.<sup>3</sup> On December 13, 2023, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On February 9, 2024, the Commission instituted proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>6</sup> to determine whether to approve or disapprove the proposed rule change.<sup>7</sup> On May 8, 2024, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> the Commission designated a longer period within which to approve or disapprove the proposed rule change.<sup>9</sup> On June 28, 2024, NYSE withdrew the proposed rule change (SR-NYSE-2023-36).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2024-15036 Filed 7-8-24; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 98869 (Nov. 6, 2023), 88 FR 77625 (Nov. 13, 2023) (SR-NYSE-2023-36). Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nyse-2023-36/srnyse202336.htm>.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 99161 (Dec. 13, 2023), 88 FR 87829 (Dec. 19, 2023). The Commission designated February 11, 2024, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>7</sup> See Securities Exchange Act Release No. 99511 (Feb. 9, 2024), 89 FR 11893 (Feb. 15, 2024).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> See Securities Exchange Act Release No. 100080 (May 8, 2024), 89 FR 42007 (May 14, 2024). The Commission designated July 10, 2024, as the date by which the Commission shall approve or disapprove the proposed rule change.

<sup>10</sup> 17 CFR 200.30-3(a)(12).