

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-NYSE-2024-47 and should be submitted on or before October 1, 2024.

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

Vanessa A. Countryman,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-139, OMB Control No. 3235-0128]

Proposed Collection; Comment Request; Reinstatement With Change: Rule 12f-1

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 Rule 12f-1 (17 CFR 240.12f-1), under the Securities Exchange Act of 1934 ("Act") (15 U.S.C.

78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for reinstatement and approval.

Rule 12f-1 ("Rule"), originally adopted in 1979 pursuant to Sections 12(f) and 23(a) of the Act, and as further modified in 1995 and 2005, sets forth the requirements for filing an exchange application to reinstate unlisted trading privileges ("UTP") in a security in which UTP has been suspended by the Commission pursuant to Section 12(f)(2)(A) of the Act. Under Rule 12f-1, an exchange must submit one copy of an application for reinstatement of UTP to the Commission that contains specified information, as set forth in the Rule. The application for reinstatement, pursuant to the Rule, must provide the name of the issuer, the title of the security, the name of each national securities exchange, if any, on which the security is listed or admitted to unlisted trading privileges, whether transaction information concerning the security is reported pursuant to an effective transaction reporting plan contemplated by Rule 601 of Regulation NMS, the date of the Commission's suspension of unlisted trading privileges in the security on the exchange, and any other pertinent information related to whether the reinstatement of UTP in the subject security is consistent with the maintenance of fair and orderly markets and the protection of investors. Rule 12f-1 further requires a national securities exchange seeking to reinstate its ability to extend unlisted trading privileges in a security to indicate that it has provided a copy of such application to the issuer of the security, as well as to any other national securities exchange on which the security is listed or admitted to unlisted trading privileges.

The information required by Rule 12f-1 enables the Commission to make the necessary findings under the Act prior to granting applications to reinstate unlisted trading privileges. This information is also made available to members of the public who may wish to comment upon the applications. Without the Rule, the Commission would be unable to fulfill these statutory responsibilities.

This information collection requirement was previously approved by OMB, but the approval expired on May 31, 2024. Accordingly, the Commission will request a reinstatement of OMB's approval.

There are currently 25 national securities exchanges subject to Rule 12f-1. The burden of complying with

Rule 12f-1 arises when a potential respondent seeks to reinstate its ability to extend unlisted trading privileges to any security for which unlisted trading privileges have been suspended by the Commission, pursuant to Section 12(f)(2)(A) of the Act. The staff estimates that each application would require approximately one hour to complete. Thus, each potential respondent would incur on average one burden hour in complying with the Rule.

The Commission staff estimates that there could be as many as 25 responses annually for an aggregate annual hour burden for all respondents of approximately 25 hours (25 responses × 1 hour per response). Each respondent's related internal cost of compliance for Rule 12f-1 would be approximately \$242.00 (the cost of one hour of professional work of a paralegal needed to complete the application). The total annual cost of compliance for all potential respondents, therefore, is approximately \$6,050 (25 responses × \$242.00 per response).

Compliance with Rule 12f-1 is mandatory. Rule 12f-1 does not have a record retention requirement *per se*. However, responses made pursuant to Rule 12f-1 are subject to the recordkeeping requirements of Rules 17a-3 and 17a-4 of the Act. Information received in response to Rule 12f-1 shall not be kept confidential; the information collected is public information.

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 November 12, 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_Maailbox@sec.gov.

⁷ 17 CFR 200.30-3(a)(12).

Dated: September 5, 2024.

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100930; File No. SR-OCC-2024-011]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change, as Modified by Partial Amendment No. 1, by The Options Clearing Corporation Concerning Its Stock Loan Programs

September 4, 2024.

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 August 22, 2024, The Options Clearing Corporation (“OCC” or “Corporation”) 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. On September 3, 2024, OCC filed a partial amendment (“Partial Amendment No. 1”) to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Partial Amendment No. 1 (hereafter “the proposed rule change”), from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

This proposed rule change would address limitations in the structure of OCC’s Stock Loan/Hedge (“Hedge”) Program and Market Loan Program (together, the “Stock Loan Programs”) by creating the framework for a single, enhanced program designed to support current and future needs. The proposed enhancements would, among other things, (i) combine into the Market Loan Program favorable aspects of both Stock Loan Programs, including the submission of bilaterally negotiated transactions; (ii) conform the terms of stock loans submitted under the Market Loan Program (“Market Loans”) more

closely to the provisions most commonly included in stock loan transactions executed under standard loan market documents; (iii) provide a uniform guaranty of terms across Market Loans, regardless of how those Market Loans are initiated under the enhanced program; (iv) support transactions under both Stock Loan Programs through OCC’s new clearance and settlement system; and (v) reorganize, restate, and consolidate provisions of OCC’s By-Laws and Rules governing the Stock Loan Programs.

The proposed amendments to OCC’s Rules and By-Laws can be found in Exhibit 5A and Exhibit 5B to File No. SR-OCC-2024-011, respectively. Proposed conforming changes to OCC’s internal Margin Policy and Recovery and Wind-Down (“RWD”) Plan, which can be found in confidential Exhibits 5C and 5D to File No. SR-OCC-2024-011, respectively. Material proposed to be added is marked by underlining and material proposed to be deleted is marked with strikethrough text. For ease of presentation and to distinguish between changes to rule text versus relocation of existing rule text, Exhibits 5A and 5B to File No. OCC-2024-011 contain bracketed text to indicate when existing text has been relocated from the By-Laws to the Rules with changes as marked. That bracketed text describes changes that would be performed upon implementation of File No. SR-OCC-2024-011, but it is not intended to be rule text. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the By-Laws and Rules.⁴

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

In its capacity as a central counterparty registered with the Commission, OCC currently operates two programs through which it clears

stock loan transactions: the Hedge Program and the Market Loan Program. Under both Stock Loan Programs, OCC becomes the lender to the borrower and the borrower to the lender, thereby guaranteeing the return of the full value of cash collateral to the Borrowing Clearing Member and the return of the Loaned Stock (or value of that Loaned Stock) to the Lending Clearing Member. Under the Market Loan Program, OCC also offers certain additional guarantees, discussed in more detail below, with respect to other payment obligations arising from the stock loan transactions (e.g., dividend equivalent payments and rebate payments). As a result of OCC’s novation of cleared stock loan transactions, the rights and obligations of the Borrowing and Lending Clearing Members are thereafter governed by OCC’s By-Laws and Rules.⁵ OCC’s By-Laws and Rules also provide for, among other things, how Clearing Members initiate Stock Loans at OCC, how those Stock Loans are recorded in OCC’s books and records, how returns and recalls are processed, and risk management procedures specific to Stock Loans in the event that OCC suspends one of the Clearing Member counterparties.

As announced in 2022, OCC intends to replace its current clearance and settlement system (ENCORE) with a streamlined operational framework for clearance and settlement (Ovation).⁶ The move to Ovation gives OCC the opportunity to address limitations in the structure of OCC’s Stock Loan Programs and enhance OCC’s stock loan services to support current and future needs.⁷ OCC proposes a number of amendments to its By-Laws and Rules designed to,

⁵ Terms provided under a Master Stock Lending Agreement (“MSLA”) between the parties to a Stock Loan may remain in effect as between the parties to the extent they are not inconsistent with the By-Laws and Rules, but do not impose any obligation on OCC. See OCC Rule 2202(b).

⁶ See OCC Announces New Platform Name and Launches Enhanced Transformation website (May 10, 2022), <https://www.theocc.com/newsroom/views/2022/05-10-occ-announces-new-platform-name-and-launches-enhanced-transformation-website>.

⁷ As discussed in more detail below, OCC’s current programs are limited by certain inefficient legacy practices including, for example: (1) position-based recordkeeping that does not align with the contract-level accounting that is common throughout the stock loan industry, which adds complexity to the process of ensuring that all parties are in alignment on the state of their stock loans; (2) workflows that involve settlement of delivery versus payment obligations at the Depository prior to clearance or settlement at OCC, which adds further complexity to the reconciliation process and can lead to position breaks; and (3) payment flows common to stock loans that are not guaranteed under OCC’s Hedge Loan program and must currently be settled as between the parties away from OCC.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Partial Amendment No. 1, OCC corrected an error in Exhibit 5A to SR-OCC-2024-011 without changing the substance of the proposed rule change. Partial Amendment No. 1 does not materially alter the substance of the proposed rule change or raise any novel regulatory issues.

⁴ 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>.