

to comments and suggestions submitted by March 24, 2025.

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 Tanya Ruttenberg, 100 F Street NE Washington, DC 20549 or send an email to: PRA_Mailbox@sec.gov.

Dated: January 15, 2025.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-01417 Filed 1-21-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: Publishing in the *Federal Register* of January 21, 2025.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: Thursday, January 23, 2025, at 2 p.m.

CHANGES IN THE MEETING: The Closed Meeting scheduled for Thursday, January 23, 2025, at 2 p.m., has been changed to Thursday, January 23, 2025, at 1 p.m.

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: January 17, 2025.

Stephanie J. Fouse,

Assistant Secretary.

[FR Doc. 2025-01596 Filed 1-17-25; 4:15 pm]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102203; File Nos. SR-OCC-2024-016]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval of Proposed Rule Change by The Options Clearing Corporation Concerning Enhancements to the System for Theoretical Analysis and Numerical Simulations (“STANS”) and OCC’s Comprehensive Stress Testing (“CST”) Methodology, To Better Capture the Risks Associated With Short-Dated Options

January 15, 2025.

I. Introduction

On November 22, 2024, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-OCC-2024-016, pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b-4 ² thereunder, to (i) align assumptions across models and (ii) generate implied volatility shocks for options with a tenor of less than one month that are consistent with observed market dynamics.³ The proposed rule change was published for public comment in the *Federal Register* on December 6, 2024.⁴ The Commission has received no comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change (hereinafter defined as “Proposed Rule Change”).

II. Background

OCC is a central counterparty (“CCP”), which means that as part of its function as a clearing agency, it interposes itself as the buyer to every seller and the seller to every buyer for financial transactions. As the CCP for the listed options markets and for certain futures in the United States, OCC is exposed to the risk that one or more of its Clearing Members may fail to make a payment or to deliver securities. OCC addresses such risk exposure, in part, by requiring its members to provide collateral, including both margin collateral and Clearing Fund collateral. Margin is the collateral that CCPs collect to cover potential changes in a member’s

positions over a set period of time during normal market conditions. OCC’s Clearing Fund is a mutualized pool of financial resources to which each Clearing Member is required to contribute to ensure that OCC maintains sufficient qualifying liquid resources to manage its liquidity risk, and to address the tail risk that the margin collateral OCC collects from each Clearing Member might be insufficient to cover OCC’s credit exposure to a defaulting member in extreme but plausible market conditions.

OCC’s methodology for calculating margin collateral requirements is called the System for Theoretical Analysis and Numerical Simulations (“STANS”).⁵ OCC’s methodology for sizing and monitoring its Clearing Fund is called the Comprehensive Stress Testing (“CST”) methodology. OCC relies on STANS and the CST methodology to set collateral requirements to cover the financial risk posed by the positions OCC clears for its members. OCC states that the proportion of such positions that comprise short-dated options (“SDOs”) ⁶ has increased over the past several years.⁷ In response to this observation, OCC examined the risks posed by the increase in SDO trading and identified opportunities to improve the performance of the models comprising STANS and the CST methodology in covering the financial risk posed by the increase in SDO trading observed by OCC.⁸ As described below, OCC proposes two changes to the models comprising STANS and the CST methodology: one set of changes related to the day count conventions ⁹ and one set of changes related to the application of volatility shocks to theoretical option prices.¹⁰

⁵ 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>.

⁶ SDOs are option contracts with a maturity of less than or equal to one month to expiration. See Notice of Filing, 89 FR at 97132.

⁷ See Notice of Filing, 89 FR 97132 (citing Cboe, *The Rise of SPX & ODTE Options* (July 27, 2023), available at <https://go.cboe.com/1/77532/2023-07-27/jfc83k>).

⁸ See Notice of Filing, 89 FR 97132 (stating that “opportunities exist to improve model performance for Clearing Member portfolios dominated by SDOs”).

⁹ OCC uses the term “day count convention” to refer to a standardized methodology for calculating the number of days between two dates. See Notice of Filing, 89 FR 97132, note 13. Both calendar and business day conventions are used by OCC in STANS and CST calculations. *Id.*

¹⁰ The implied volatility of an option is a measure of the expected future volatility of the option’s underlying security at expiration, which is reflected in the current option premium in the market. See Notice of Filing, 89 FR 97132, note 12.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Notice of Filing *infra* note 4, at 89 FR 97131.

⁴ See Securities Exchange Act Release No. 101780 (Dec. 2, 2024), 89 FR 97131 (Dec. 6, 2024) (File No. SR-OCC-2024-016) (“Notice of Filing”).