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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106912; File No. SR-OCC-2026-012]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by The Options Clearing Corporation Concerning the implementation of a fee holiday for the period beginning December 1, 2026, and ending December 31, 2026.

November 16, 2026.

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 November 4, 2026, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("SEC" or "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)[3] of the Act and paragraph (f) or Rule 19b-4[4] thereunder, such that the proposed rule change was immediately 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

This proposed rule change would implement a fee holiday for the period beginning December 1, 2026, and ending December 31, 2026. Pursuant to OCC's Capital Management Policy, which the Commission has approved as an OCC rule, when OCC's liquid net assets funded by equity ("LNAFBE") exceed 110% of OCC's Target

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

2 17 CFR 240.19b-4.

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

4 17 CFR 240.19b-4(f).

Capital Requirement and other approved capital needs, OCC may use tools it deems appropriate to lower costs for clearing members including by implementing a fee holiday. OCC has filed proposed changes to its schedule of fees as Exhibit 5 to File Number SR-OCC-2026-012. 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.

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

Founded in 1973, OCC operates as a central counterparty ("CCP") under the jurisdiction of both the SEC and the Commodity Futures Trading Commission ("CFTC"). As a registered clearing agency under the SEC's jurisdiction, OCC is the sole clearing agency for equity options listed on national securities exchanges. As a registered Subpart C DCO under the CFTC's jurisdiction, OCC clears and settles transactions in futures and options on futures. OCC also provides central counterparty clearing and settlement services for securities lending transactions. In its role as a CCP, OCC guarantees the performance of its Clearing Members for all transactions cleared by OCC by becoming the buyer to every seller and the seller to every buyer. Given OCC's critical role, OCC has been designated by the Financial Stability Oversight Council as a systemically

important financial market utility ("SIFMU") under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act").[5]

Beginning in January 2025, OCC increased its clearing fee to $0.025 per contract in part to cover increased capital expenditures and decreasing interest income. Over the past several years, OCC has incurred significant expenses due to investments in a modernized technology infrastructure tied to the development and future launch of OCC's new clearing system, Ovation. This new system will improve efficiency both for the industry and OCC. This has come with increased costs, however, with expense growth in cloud technology, hardware, software, data centers, and disaster recovery; headcount increases and wage inflation; and increased costs related to regulatory obligations. However, given the high clearing volumes over the first half of 2025, OCC implemented a fee holiday for December 2025 effectively returning excess capital to market participants. Clearing volume during the first half of 2026 has been similarly strong and OCC's LNAFBE exceeds 110% of its Target Capital Requirement and appears likely to remain above that mark for the remainder of 2026 and 2027. OCC is therefore using the tools outlined in its Capital Management Policy and returning capital to market participants by implementing a fee holiday for December 2026.

1. Purpose

Background

As the sole clearing agency for standardized equity options listed on national securities exchanges registered with the Commission, and with respect to OCC's clearance and settlement of futures and stock loan transactions, OCC maintains policies and procedures to manage the risks borne by OCC as a central counterparty. One such

[5] 12 U.S.C. 5463.

risk that OCC manages is general business risk, that is, the risk of potential impairment to OCC's financial position resulting from a decline in revenues or an increase in expenses. To manage this risk and help to ensure that OCC can continue operations and services as a going concern if general business losses materialize, OCC has adopted its Capital Management Policy,[6] which provides the framework by which OCC manages its capital. Amending OCC's schedule of fees is one action used by OCC to manage its capital.

Pursuant to OCC's rule-filed Capital Management Policy, and as required by Exchange Act rules applicable to OCC,[7] OCC must maintain LNAFBE[8] sufficient to cover at least six months of operating expenses, among other measures ("Target Capital Requirement"). Because OCC is required to maintain such funds, the LNAFBE used to meet the Target Capital Requirement cannot be used to cover operational expenses and any increase in expenses must be covered by current revenue or cash held in excess of the Target Capital Requirement. The Capital Management Plan further sets 110% of the Target Capital Requirement as an early warning threshold. If LNAFBE falls below the early warning threshold, OCC management and Board must discuss whether a fee increase is necessary.

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6 See Notice of Filing and Immediate Effectiveness of Proposed Rule Change Concerning Updates to OCC's Capital Management Policy, Exchange Act Release No. 101151 (Sep. 24, 2024), 89 FR 79668 (Sep. 30, 2024) (File No. SR-OCC-2024-012); Order Approving Proposed Rule Change to Establish OCC's Persistent Minimum Skin-In-The-Game, Exchange Act Release No. 92038 (May 27, 2021), 86 FR 29861 (June 3, 2021) (File No. SR-OCC-2021-003); Order Approving Proposed Rule Change, as Modified by Partial Amendment No. 1, Concerning a Proposed Capital Management Policy That Would Support the Option Clearing Corporation's Function as a Systemically Important Financial Market Utility, Exchange Act Release No. 88029 (Jan. 24, 2020), 85 FR 5500 (Jan. 30, 2020) (File No. SR-OCC-2019-007); see also Notice of Filing of Partial Amendment No. 1 and Notice of No Objection to Advance Notice, as Modified by Partial Amendment No. 1, Concerning a Proposed Capital Management Policy That Would Support the Options Clearing Corporation's Function as a Systemically Important Financial Market Utility, Exchange Act Release No. 87257 (Oct. 8, 2019), 84 FR 55194 (Oct. 15, 2019) (File No. SR-OCC-2019-805).

7 See 17 C.F.R. 240.17ad-22(e)(15)(ii).

8 While the relevant rules under the Exchange Act do not define the term, the Commission-approved Capital Management Policy defines LNAFBE as the level of cash and cash equivalents, no greater than shareholders' equity, less any approved adjustments. These approved adjustments exclude cash that would not be available to cover general business expenses, including (1) cash collected by OCC in an agency-related capacity, including the SEC Section 31 fees that OCC collects monthly and transmits to the Commission semi-annually on behalf of the options exchanges, and (2) OCC's Minimum Corporate Contribution, which is the minimum level of OCC funds (often referred to as "skin-in-the-game") maintained exclusively to cover credit losses or liquidity shortfalls arising from a Clearing Member default.

In the filing to implement the 2025 fee increase ("2025 Fee Filing"),[9] OCC projected that its LNAFBE would fall below OCC's Target Capital Requirement by the end of Q1 2025 and took action prior to hitting the early warning threshold. At the time, OCC stated it did not believe it would be prudent, given its designation as a SIFMU, to allow its LNAFBE to decline past the early warning threshold prior to taking action to ensure that OCC maintains sufficient LNAFBE to satisfy its regulatory requirements and so that it may continue to operate as a going concern if it were to experience general business losses.[10] However, in the 2025 Fee Filing, OCC emphasized its commitment to aligning its revenues with its costs and capital needs and stated that, consistent with its past practice, if revenues exceed costs and OCC's LNAFBE is above the early warning threshold, OCC would consider utilizing tools to lower the cost of clearing for market participants, as provided under its Capital Management Policy.[11] Later in 2025, OCC followed through and implemented a fee holiday for December 2025 to help lower clearing costs for market participants.[12] Today, OCC is continuing this practice and instituting a fee holiday for December 2026.

Proposed Fee Holiday

OCC proposes to implement a fee holiday for the month of December 2026. OCC has in place policies and procedures, including the Capital Management Policy, to control costs and regularly review fees and operating expenses, including during its annual budgeting process. Consistent with the Capital Management Policy, OCC set its clearing fees based on factors including OCC's annual budgeted or forecasted operating expenses and projected revenue. However, clearing volume, and therefore revenue, have

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9 Exchange Act Release No.102437 (Feb. 18, 2025) (File No. SR-OCC-2025-002), 19b-4 Information, at 8, available at https://www.sec.gov/files/rules/sro/occ/2025/34-102437-19b-4.pdf.

10 See 19b-4 Information, at 8 (File No. SR-OCC-2025-002), available at https://www.sec.gov/files/rules/sro/occ/2025/34-102437-19b-4.pdf.

11 Id. at 20-21.

12 See Exchange Act Release No. 34-104274 (Nov. 28, 2025), 90 FR 55768 (Dec. 3, 2025), (File No. SR-OCC-2025-019).

outpaced projections and OCC currently has LNAFBE in excess of its early warning threshold. In addition to clearing fees, OCC receives revenue from the interest paid on the cash margin collateral it holds with the Federal Reserve System and elsewhere. In October 2026, OCC began paying Clearing Members interest on their margin cash at a rate based on the interest rate OCC receives from the Federal Reserve, less a cash management fee. For budgeting purposes, OCC assumed it would begin paying interest on margin cash in July 2026. Therefore, OCC had three fewer months of interest expenses than anticipated, further contributing to the amount of LNAFBE OCC has in excess of the early warning threshold. The fee holiday will allow OCC to return excess capital to market participants and clearing members while still maintaining sufficient capital to maintain compliance with the Capital Management Policy and regulatory requirements.

In evaluating its current LNAFBE and projections for 2027, OCC determined that a fee holiday is warranted for December 2026. Based on recent volumes, OCC estimates that the fee holiday for the month of December will lead to approximately $77 million in lost revenue. Despite this, OCC believes it will remain above the 2026 early warning threshold ($355.3 million) as well as its projected early warning threshold for 2027 ($390.8 million). To make this determination, OCC evaluated revenue and LNAFBE under a wide range of volume scenarios including current average daily volume ("ADV"), 60 million ADV, and -4% ADV growth. In all scenarios except the negative growth scenario, OCC remained above its early warning threshold through the end of 2027 even with the fee holiday. OCC, however, does not believe the negative growth scenario is realistic, and it would result in ADV decreasing by 50% to 35.5 million contracts a day by the end of 2027. The scenario was selected to illustrate the level of volume decrease that would cause OCC to drop below its early warning threshold. Nonetheless, under this extreme scenario, OCC remained above its early warning

threshold through October 2027, meaning OCC would have time to react if the negative ADV growth scenario becomes more realistic.[13]

To enact the proposed changes, OCC would update its schedule of fees as set out below.

Current Fee Schedule		Proposed Fee Schedule
Clearing Fees		**Fee Holiday December 2026**
ansactions	0.025/contract	All transactions $0.00/contract
um Monthly Clearing Fee	$200	$0.00

OCC proposes to make the removal of the $.025 fee per contract effective December 1, 2026. The removal of the minimum monthly fee of $200 will be made once OCC receives all necessary regulatory approvals. Effective the first trading day of 2027, clearing fees will revert to the fee schedule in effect before December 1, 2026 and OCC will remove the fee holiday from its schedule of fees.

2. Statutory Basis

OCC believes the proposed rule change is consistent with the Act[14] and the rules and regulations thereunder.

Compliance with Section 17A(b)(3)(D) of the Act

In particular, OCC believes that the proposed fee change is consistent with Section 17A(b)(3)(D) of the Act,[15] which 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 holiday is reasonable because it is

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13 OCC has filed a chart showing projected cash outflows and LNAFBE compared to OCC's Target Capital Requirement as Exhibit 3 to File No. SR-OCC-2026-012.

14 15 U.S.C. 78a, et seq.

15 15 U.S.C. 78q-1(b)(3)(D).

designed to decrease the cost of clearing while maintaining sufficient LNAFBE to cover OCC's operating expenses and address potential business or operational losses so that OCC can continue to meet its obligations as a SIFMU. The reasonableness of the proposal is supported by oversight, transparency, and OCC's past practice, wherever circumstances allow, to utilize tools to lower the cost of clearing for participants.

First, OCC's funding and operations are subject to oversight by OCC's Board and the Commission. OCC's annual budget, compensation for senior management, and capital initiatives are reviewed and approved by its Board-level CPC. OCC's Board is made up of a broad cross-section of options market participants, including public representatives, Clearing Member representatives from Clearing Members of various sizes, and options exchange representatives. At least a majority of the CPC is composed of independent directors, consistent with Commission Rule 17ad-25(e)[16] and the judgment of the Board.

OCC is also supervised by the Commission throughout the year. Pursuant to Section 807(a) of the Clearing Supervision Act, the Commission's Division of Examinations conducts annual examinations of OCC to determine, among other things, (1) the nature of the operations of, and the risks borne, by OCC; (2) the financial and operational risks presented by OCC to financial institutions, critical markets, or the broader financial system; and (3) the resources and capabilities of OCC to monitor and control such risks.[17] In addition, changes to OCC's rules, procedures and operations that could materially affect the nature or level of risk presented by OCC are also subject to review by the Commission, in consultation with the Federal Reserve, under Section

16 17 CFR 17ad-25(e).
17 12 U.S.C. 5466.

806(e) of the Clearing Supervision Act.[18] Furthermore, the SEC publishes such proposed changes for public comment.

Second, OCC's commitment to reasonable funding is further supported by the transparency it provides on an ongoing basis regarding its financial performance. Each year, OCC publishes its Annual Report, inclusive of its audited financial statements prepared in accordance with generally accepted accounting principles. OCC maintains a dedicated website that consolidates its annual reports in a readily accessible place.[19] On a quarterly basis, OCC also provides unaudited information concerning its total revenues, average daily contract volume and LNAFBE on its "Schedule of Fees" website to aid Clearing Members in assessing the risk associated with a potential Operational Loss Fee in accordance with OCC's capital replenishment plan under its Capital Management Policy.[20]

Third, OCC is committed to aligning its revenues with its costs and capital needs. Consistent with OCC's past practice, if revenues exceed costs and OCC's LNAFBE is above the early warning threshold, OCC would consider utilizing tools to lower the cost of clearing for market participants, as provided under its Capital Management Policy. Such tools may include fee decreases like those OCC implemented in 2020 and 2021,[21] fee holidays like the one OCC implemented from November through December of 2021 and December 2025[22] and proposed to be implemented in December 2026, or fee refunds like the $156 million refund in 2020 and the $76.3 million refund in 2021.

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18 12 U.S.C. 5465(e).

19 OCC's audited financials are available at https://www.theocc.com/company-information/documents-and-archives/annual-reports.

20 Schedule of Fees, OCC Capital Management Report, available at https://www.theocc.com/company-information/schedule-of-fees.

21 See Exchange Act Release Nos. 89534 (Aug. 12, 2020), 85 FR 50858 (Aug. 18, 2020) (File No. SR-OCC-2020-009); 91920 (May 18, 2021), 86 FR 27916 (May 24, 2021) (File No. SR-OCC-2021-006).

22 See Exchange Act Release Nos. 93195 (Sept. 29, 2021), 86 FR 55039 (Oct. 5, 2021) (File No. SR-OCC-2021-009); 93612 (Nov. 18, 2021), 86 FR 67108 (Nov. 24, 2021) (File No. SR-OCC-2021-012); 104274 (Nov. 28, 2025), 90 FR 55768 (Dec. 3, 2025), (File No. SR-OCC-2025-019).

Finally, OCC believes that the fee holiday would be equitably allocated because it applies equally to all transaction types and clearing members.

Compliance with Rule 17ad-22(e)(15)

In addition, OCC believes that the proposed rule change is consistent with Rule 17ad-22(e)(15), which requires that OCC establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor, and manage OCC's general business risk and hold sufficient LNAFBE to cover potential general business losses so that OCC can continue operations and services as a going concern if those losses materialize.[23] The Rule also requires OCC to hold LNAFBE equal to at least six months of OCC's current operating expenses, among other measures.[24] As described above, OCC will be able to continue to meet its ongoing obligations and hold the required amount of LNAFBE following the fee holiday. OCC estimates that the fee holiday will result in approximately $77 million in missed revenue. Nonetheless, based on a wide range of trading volume projections, OCC expects to remain above its Target Capital Requirement and early warning threshold throughout 2026 following the fee holiday.[25]

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

Section 17A(b)(3)(I) of the Act[26] requires that the rules of a clearing agency not to 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. 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 fee holiday would apply equally to all Clearing

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23 17 CFR 240.17ad-22(e)(15).

24 17 CFR 240.17ad-22(e)(15)(ii).

25 OCC has filed Exhibit 3 to File No. SR-OCC-2026-012 showing projected cash outflows and LNAFBE compared to OCC's Target Capital Requirement

26 15 U.S.C. 78q-1(b)(3)(I).

Members. 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 were not and are not intended to be solicited with respect to the proposed change and none have been received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[27] and paragraph (f) of Rule 19b-4[28] thereunder. 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.[29]

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

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27 15 U.S.C. 78s(b)(3)(A).

28 17 CFR 240.19b-4(f).

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

- Send an e-mail to rule-comments@sec.gov. Please include file number SR-OCC-2026-012 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-2026-012. This file number should be included on the subject line if e-mail 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 such filing 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.

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-OCC-2026-012 and should be submitted on or before [INSERT DATE 21 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[30]

Vanessa A. Countryman,

Secretary.

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[30] 17 CFR 200.30-3(a)(12).

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