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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act [12] and Rule 19b–4(f)(6) [13] thereunder. Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; or (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act [14] and Rule 19b–4(f)(6) [15] thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) [16] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[17] the Commission may designate a shorter time if such action is consistent with protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal seeks to amend the Exchange's CAT Compliance Rule to reflect the expiration date for exemptive relief relating to timestamp granularity approved by the Commission on May 2, 2025, and the proposal does not introduce any novel regulatory issues. Accordingly, the Commission designates the proposed rule change to be operative upon filing.[18]

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. If the Commission takes such action, the Commission will institute proceedings 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.* Please include file number SR–MEMX–2025–18 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–MEMX–2025–18. 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–MEMX–2025–18 and should be submitted on or before July 18, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–11886 Filed 6–26–25; 8:45 am]

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[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f)(6).

[14] 15 U.S.C. 78s(b)(3)(A).

[15] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[16] 17 CFR 240.19b–4(f)(6).

[17] 17 CFR 240.19b–4(f)(6)(iii).

[18] For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[19] 17 CFR 200.30–3(a)(12) and (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103308; File No. SR–OCC–2025–009]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change by The Options Clearing Corporation Concerning Amendments to OCC's Comprehensive Stress Testing & Clearing Fund Methodology, and Liquidity Risk Management Description ("Methodology Description") and Clearing Fund Methodology Policy (Together With the Methodology Description, the "Risk Policies") To Enhance Its Stress Testing Methodology

June 24, 2025.

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 June 11, 2025, The Options Clearing Corporation ("OCC") 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. 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 amend OCC's Comprehensive Stress Testing & Clearing Fund Methodology, and Liquidity Risk Management Description ("Methodology

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

[2] 17 CFR 240.19b–4.

Description'') and Clearing Fund Methodology Policy (together with the Methodology Description, the ''Risk Policies'') to enhance its stress testing methodology. OCC filed proposed changes to the text of the Methodology Description and Clearing Fund Methodology Policy in Exhibits 5A and 5B [sic], respectively, to File No. SR–OCC–2025–009. Material proposed to be added 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.[3]

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

As the sole clearing agency for standardized equity options listed on a national securities exchange registered with the Commission, and for the other products it clears, OCC is exposed to certain risks, including credit risk and liquidity risk, arising from its Clearing Members' cleared contracts, for which OCC becomes the buyer to every seller and the seller to every buyer. The management of credit and liquidity risks are essential elements of OCC's risk management framework. Given the critical role OCC plays within the U.S. financial markets, it is vital that OCC maintains sufficient financial resources to cover its exposures under normal and stressed conditions and adequate resources to satisfy liquidity needs arising from its settlement obligations. OCC manages its credit risk related to Clearing Members by collecting margin and Clearing Fund resources based on a Clearing Member's risk profile. OCC manages its liquidity risk by maintaining a reliable and diverse set of committed resources and liquidity providers, establishing a contingent funding plan for additional resources, and performing stress testing that covers a wide range of scenarios.

OCC performs daily stress testing of its financial resources using a wide range of scenarios. OCC's stress testing inventory contains scenarios designed to: (1) assess whether the resources collected are adequate to cover OCC's risk tolerance of a 1–in–50 year statistical market event over a two-year lookback period (''Adequacy Scenarios''); (2) inform the size of OCC's financial resources (''Sizing Scenarios''); (3) measure the potential exposures that Clearing Member Group portfolios present relative to OCC's credit and liquidity resources and determine potential calls for additional collateral, either as margin or as Clearing Fund collateral, or adjust the forms of collateral on deposit (''Sufficiency Scenarios''); and (4) monitor and assess the size of OCC's prefunded financial resources against a wide range of stress scenarios for informational and risk monitoring purposes (''Informational Scenarios''). OCC's stress tests are used for evaluating both credit and liquidity risk, and the output of these scenarios is also used for liquidity resource evaluation. Informational Scenarios are used for risk monitoring and informational purposes, distinct from OCC's Adequacy, Sizing, and Sufficiency Scenarios that inform the size and composition of OCC's mutualized financial resources. Informational Scenarios may be re-categorized as Adequacy, Sufficiency, or Sizing Scenarios upon the approval of OCC's Risk Committee pursuant to the Clearing Fund Methodology Policy.[4]

OCC proposes enhancements to its stress testing methodology in the Risk Policies. OCC proposes three groups of changes as part of the proposed rule change. First, OCC proposes to recategorize certain stress scenarios, including recategorizing certain Informational Scenarios as Sufficiency Scenarios and recategorizing other Sufficiency Scenarios as Informational Scenarios. As a result, six scenarios recategorized from Informational Scenarios to Sufficiency Scenarios would be used to determine potential calls for additional collateral. Eight Sufficiency Scenarios would be recategorized as Informational Scenarios and, therefore, would no longer be used to determine potential calls for additional collateral. Second, OCC proposes to modify the sample list of stress scenarios in the Methodology Description[5] to streamline and more clearly present the sample of scenarios codified in the document. Third, OCC proposes to amend language related to scenario calibration to more clearly describe cadence and implementation. The basis for the changes is further described below in detail.

1. Purpose

OCC proposes to amend the Risk Policies to enhance its stress testing methodology. Such changes include the (1) recategorization of certain stress scenarios, (2) modifications to the sample list of stress scenarios in the Methodology Description, and (3) enhanced language related to scenario calibration.

Recategorization of Stress Scenarios

OCC proposes to recategorize certain stress scenarios to enhance its ability to manage risks. As described above, OCC's stress testing inventory is divided into different categories of scenarios, including Sufficiency and Informational Scenarios. Sufficiency Scenarios are designed to measure the potential exposures that Clearing Member Group portfolios present relative to OCC's credit and liquidity resources so that OCC can determine whether to call for additional collateral or adjust the forms of collateral on deposit. OCC's current Sufficiency Scenarios are variations of historical scenarios that attempt to replicate historical events under current market conditions. For example, OCC's current Sufficiency Scenarios include historical scenarios that attempt to replicate the most extreme market rally

[3] 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.*

[4] OCC's Clearing Fund Methodology Policy summarizes the manner in which OCC determines the level of financial resources necessary to satisfy regulatory requirements and the Board's direction with respect to the additional financial resources necessary to withstand a wide range of foreseeable stress scenarios. See Exchange Act Release Nos. 96566 (Dec. 22, 2022), 87 FR 80207 (Dec. 29, 2022) (SR–OCC–2022–010); 94950 (May 19, 2022), 87 FR 31916 (May 25, 2022) (SR–OCC–2022–004); 93436 (Oct. 27, 2021), 86 FR 60499 (Nov. 2, 2021) (SR–OCC–2021–010); 92038 (May 27, 2021), 86 FR 29861 (June 3, 2021) (SROCC–2021–003); 89037 (June 10, 2020), 85 FR 36442 (June 16, 2020) (SR–OCC–2020–006); 89014 (June 4, 2020), 85 FR 35446 (June 10, 2020) (SR–OCC–2020–003); 87718 (Dec. 11, 2019), 84 FR 68992 (Dec. 17, 2019) (SR–OCC–2019–010); 86436 (July 23, 2019), 84 FR 36632 (July 29, 2019) (SR–OCC–2019–006); 83735 (July 27, 2018), 83 FR 37855 (Aug. 2, 2018) (SR–OCC–2018–008).

[5] The Methodology Description describes the Comprehensive Stress Testing & Clearing Fund Methodology, and Liquidity Risk Management that OCC uses to analyze the adequacy of its financial resources and to challenge its risk management framework. See Exchange Act Release Nos. 102203 (Jan. 15, 2025), 90 FR 7720 (Jan. 22, 2025) (SR–OCC–2024–016); 100455 (Jul. 2, 2024), 89 FR 56452 (Jul. 9, 2024) (SR–OCC–2024–006); 90827 (Dec. 30, 2020), 86 FR 659 (Jan. 6, 2021) (SR–OCC–2020–015); 89014 (June 4, 2020), 85 FR 35446 (June 10, 2020) (SR–OCC–2020–003); 87718 (Dec. 11, 2019), 84 FR 68992 (Dec. 17, 2019) (SR–OCC–2019–010); 87717 (Dec. 11, 2019), 84 FR 68985 (Dec. 17, 2019) (SROCC–2019–009); 83735 (July 27, 2018), 83 FR 37855 (Aug. 2, 2018) (SR–OCC–2018–008).

and decline moves (''Largest Rally/Decline'') during certain historically observed stressed market events. 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. Informational Scenarios are not used to determine the size of OCC's mutualized financial resources.

OCC proposes to elevate certain Informational Scenarios to Sufficiency Scenarios, including four sector-specific scenarios and two variations of existing Largest Rally/Decline scenarios. OCC proposes to elevate the four sector-specific Informational Scenarios to Sufficiency Scenarios to ensure that it can account for sector-specific exposure when determining the size of its financial resources. The proposed sector-specific scenarios are hypothetical scenarios [6] that are designed to measure the risk arising out of sector-specific exposures. To measure sector-specific exposures, these scenarios apply price shocks to sector constituents based on a corresponding sector exchange-traded fund's (''ETF'') return during selected time periods. The selected time periods were identified from an analysis of large sector ETF moves. OCC does not currently maintain any sector-specific Sufficiency Scenarios. As Informational Scenarios, these sector-specific scenarios are not used to directly determine the size of OCC's financial resources. Upon elevation to Sufficiency Scenarios, these scenarios would enhance the existing suite of Sufficiency Scenarios by considering sector-specific exposures. Moreover, OCC found that the proposed sector-specific scenarios yielded exposures that were generally in line with its current, most impactful Sufficiency Scenarios.[7]

OCC also proposes to elevate two other Informational Scenarios to Sufficiency Scenarios. OCC recently implemented Sufficiency Scenarios representing the most extreme market rally and decline moves in 2008, which differed from its existing scenarios in terms of how individual risk factor price shocks are determined.[8] In particular, to determine which price shocks to apply to risk factors,[9] these scenarios directly apply the risk driver beta-derived price shock instead of using a waterfall approach.[10] OCC proposes to implement complementary scenarios that represent the most extreme market rally and decline moves in 2020 that would directly apply the risk driver beta-derived price shock instead of using the waterfall approach, even where actual and sector returns are available. As part of the regular review of the output of its stress scenarios, OCC found that the proposed scenarios yielded exposures that were consistently higher than those generated by the corresponding Sufficiency Scenarios and were comparable to overall peak Sufficiency Scenario exposures.[11] In order to enhance its ability to manage risks, OCC proposes recategorizing such scenarios from Informational Scenarios to Sufficiency Scenarios.

The proposed rule change would enable OCC to test the sufficiency of its financial resources under a wider range of relevant stress scenarios and respond quickly when OCC believes additional financial resources are necessary. In particular, elevating the sector-specific Informational Scenarios to Sufficiency Scenarios will enhance the existing suite of Sufficiency Scenarios by considering sector-specific exposures. Elevating the 2020 Largest Rally/Decline scenarios with risk driver beta-derived price shocks will also enhance the existing suite of Sufficiency Scenarios by considering a different approach to the determination of price shocks to evaluate how such an event could occur under current market conditions. In their current state as Informational Scenarios, these scenarios do not drive the size of the Clearing Fund or calls for additional resources. However, as Sufficiency Scenarios, they would be used to measure the exposure of OCC's Clearing Fund to the portfolios of individual Clearing Member Groups and determine whether any such exposure is sufficiently large enough to necessitate OCC calling for additional resources in the form of margin collateral or an intra-month resizing of the Clearing Fund. The proposed rule change would thereby improve OCC's ability to measure, monitor, and manage its exposures to its participants and enhance OCC's ability to manage risks in its role as a systemically important financial market utility. OCC's analysis indicates that the proposed Sufficiency Scenarios generate stress test exposures that are generally in line with its current, most impactful Sufficiency Scenarios.[12]

OCC also proposes to recategorize certain Sufficiency Scenarios as Informational Scenarios due to their lack of impact on OCC's Sufficiency Scenario stress testing. Specifically, OCC proposes to recategorize eight historical Sufficiency Scenarios as Informational Scenarios. These historical scenarios attempt to replicate historical events (*e.g.,* global events, political actions, and investor sentiments) spanning 1974 to 2008 in current market conditions. A review initiated by the OCC Risk team determined that these scenarios had an immaterial impact on OCC's Sufficiency Scenario stress testing.[13] Namely, OCC compared the output of the subject scenarios with other Sufficiency Scenarios over a one-year period and determined that the subject eight scenarios consistently ranked the lowest in terms of the peak shortfalls generated as well as the percentage of occurrences that generated peak daily exposure for any Clearing Member Group. As a result, the eight scenarios had no impact on the amount of financial resources OCC collected from its members. The proposed changes would avoid unnecessary complexity in OCC's stress testing methodology by removing superfluous Sufficiency Scenarios.

Stress Scenario List Modifications

In connection with the proposed changes, OCC proposes to modify the sample list of stress scenarios in the Methodology Description to streamline and more clearly present the sample of scenarios codified in the document. The current embedded list represents a subset of Adequacy, Sizing, and

[6] Hypothetical scenarios represent events in which market conditions change in ways that have not yet been observed. In contrast, historical scenarios attempt to replicate historical events in current market conditions.

[7] OCC has provided data and analysis concerning the proposed rule change in Confidential Exhibit 3A to SR–OCC–2025–009, including the performance of the proposed scenarios relative to existing scenarios.

[8] *See* Exchange Act Release No. 100455 (Jul. 2, 2024), 89 FR 56452 (Jul. 9, 2024) (SR–OCC–2024–006) (implementing the Largest Rally/Decline from 2008 Sufficiency Scenarios with risk driver beta-derived price shocks).

[9] A ''risk factor'' is a product or attribute whose historical data is used to estimate and simulate the risk for an associated product. Risk factors include the returns on individual equity securities, returns on equity indexes, and returns on implied volatility, among others.

[10] For the waterfall approach, the actual return of the risk factor during the historical event is utilized as the price shock, if available. If unavailable, a proxy market return from a corresponding sector is utilized as the price shock. An actual return may be unavailable as not all current risk factors existed during a given historical period. Finally, if data is unavailable for both actual and sector returns, the price shock is determined by the ''beta'' of the risk factor to its assigned risk driver multiplied by the corresponding risk driver shock (the ''risk driver beta-derived price shock''). The ''beta'' is the sensitivity of a security with respect to its corresponding risk driver (*i.e.,* the sensitivity of the price of the security relative to the price of the risk driver). *See supra* notes 7 and 8.

[11] OCC currently maintains historical Sufficiency Scenarios representing the most extreme market rally and decline moves in 2020 using the waterfall approach (''corresponding Sufficiency Scenarios'').

[12] *See supra* note 7.

[13] *Id.*

Sufficiency Scenarios that have been implemented in OCC's stress testing system. OCC proposes to transition the list to narrative format in the ''Clearing Fund Sizing and Stress Testing'' section and make conforming changes to the ''Liquidity Stress Testing'' section. Changes would include the removal of certain Informational and Sufficiency Scenarios from the list, as described above, and modifications to allow for the addition of certain new scenarios as approved by OCC's Risk Committee pursuant to the Clearing Fund Methodology Policy.[14] Under the new narrative format, OCC would maintain certain key Adequacy, Sizing, and Sufficiency Scenarios in list form and would remove text made redundant by such changes. OCC also proposes changes that would highlight the ability to size the Clearing Fund using a scenario that exceeds a 1-in-80 year event (*e.g.,* a 1-in-90 year event) if the Stress Testing Working Group (''STWG''), Management Committee, and Risk Committee determine that using the larger scenario is necessary.[15] A conforming change would be made to the Clearing Fund Methodology Policy. Additionally, OCC proposes to remove references to specific Informational Scenarios, as these scenarios are subject to review and change by the STWG.[16] OCC would continue to maintain a description of its Informational Scenarios. Informational Scenarios are used for risk monitoring and informational purposes, distinct from OCC's Adequacy, Sizing, and Sufficiency Scenarios that inform the size and composition of OCC's mutualized financial resources. As these scenarios are used for informational purposes and have no impact on the amount of financial resources collected from members, OCC believes they represent information that is not inherent to its stress testing model design and has no impact on model results. To the extent these specific scenarios are not needed to understand how the model currently works, do not impact model results, and are subject to change from time to time based on market conditions, OCC does not believe they need to be maintained in its rules.

Scenario Calibration Amendments

In connection with the proposed changes, OCC also proposes to better align language related to scenario calibration with OCC's current practices. While OCC meets the requirements set out in the Methodology Description regarding scenario calibration, which are to implement a calibration at least annually and review the calibration quarterly, its current practices with respect to scenario calibration cadence and implementation differ slightly from the language used in the document as each quarterly calibration is implemented. The proposed changes use more specific language to memorialize staff responsibilities in the document to ensure they are appropriately carried out. Currently, OCC engages in a quarterly review of stress scenario calibrations and recommends updates to the STWG. Scenario calibration components that are reviewed include risk driver shocks, idiosyncratic scenario volatility shocks, and historical scenario sector shocks, among others. The proposed changes are intended to revise OCC's rules to match its current practices regarding when such scenario calibrations would be implemented, as described below.

The ''Stress Testing Model'' section sets out the responsibilities of various groups in relation to the scenario calibration process. OCC's current practice is to recalibrate scenario shocks at least quarterly, although the Methodology Description only requires that scenario shocks be implemented at least annually. The amended Methodology Description would align with OCC's current practice and state that scenario shocks are recalibrated and updated at least quarterly. Additionally, the Methodology Description currently states that, on a quarterly basis, or more frequently if OCC's Quantitative Risk Management team (''QRM'') or STWG determines that updates are necessary, QRM recalibrates risk driver shocks and reports its results to the STWG. Currently, the STWG is the group that determines whether more frequent updates are necessary. The amended Methodology Description would align with OCC's current practice to codify that the STWG and not the QRM determines whether more frequent updates are necessary. OCC also proposes to specify that the STWG will review and approve any updates to risk driver shocks prior to implementation, consistent with current practice. Furthermore, under the ''Stress Testing Scenario Construction'' section, OCC recalibrates scenario shocks at least annually and produces an analysis of the impact of these updates quarterly. As amended, OCC would recalibrate scenario shocks quarterly and produce an analysis of the impact of these updates at least quarterly. Such revisions would conform with the cadence noted above.

In addition, OCC proposes to update the Comprehensive Stress Testing (''CST'') Methodology document to include missing entries from the list of key tenors used for computing volatility beta, which were inadvertently excluded from the document as part of the changes envisaged by OCC's recently approved proposed rule change in connection with enhancements to the modeling approach for implied volatility components within OCC's margin methodology, the System for Theoretical Analysis and Numerical Simulations (''STANS'') and OCC's CST methodology, to better capture the risks associated with short-dated options (''SDO Enhancements''), File No. SR–OCC–2024–016.[17] The SDO Enhancements filing had proposed the extension of the volatility beta approach to cover constant maturity tenors expiring in less than one-month, by adding tenors at the 1-week (''1W'') and 2-week (''2W'') key points of the term structure to the CST Methodology. These missing tenors will be inserted along with other minor non-substantive updates and corrections.

Finally, OCC proposes making corrections to errors found in the document. Specifically, OCC is correcting the Liquidity Stress Testing section to accurately state that OCC adheres to a Cover 1 standard for liquidity stress testing and not a Cover 2 standard. Additionally, OCC is making non-substantive typographical edits throughout the document, including replacing a parenthetical with commas and changing the tense of a word in the ''Stress Testing Model'' section, correcting a spelling error in the ''Liquidity Risk Management'' section, and updating the list of references.

Implementation Timeframe

OCC expects to implement the proposed changes no later than sixty days from the date that OCC receives all necessary regulatory approvals for the filing in light of the technical system changes that are required to implement the additional stress scenarios. OCC will announce the implementation date of the proposed changes by an Information

[14] The Clearing Fund Methodology Policy allows the Stress Test Working Group to recommend for approval the creation or retirement of Adequacy, Sizing, or Sufficiency Stress Tests, subject to applicable governance requirements.

[15] The Clearing Fund Methodology Policy allows the STWG to recommend that a 1-in-90 year event be used in OCC's Sizing Scenarios, subject to applicable governance requirements.

[16] The Clearing Fund Methodology Policy states that the STWG may approve the creation or retirement of Informational Scenarios.

[17] *See* Exchange Act Release No. 102203, *supra* note 5.

Memorandum posted to its public website at least seven calendar days prior to implementation.[18]

2. Statutory Basis

OCC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, OCC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act[19] and Rule 17ad–22(e)(4)[20] and Rule 17ad–22(e)(7)[21] thereunder, for the reasons described below.

Section 17A(b)(3)(F) of the Exchange Act[22] requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities and derivatives transactions and, in general, protect investors and the public interest. OCC proposes to amend the Risk Policies to enhance its stress testing methodology, which OCC believes would promote the prompt and accurate clearance and settlement of securities and derivatives transactions. The proposed changes include the (1) recategorization of certain stress scenarios, (2) modifications to the sample list of stress scenarios in the Methodology Description, and (3) enhanced language related to scenario calibration. The proposed rule change would enhance OCC's framework for measuring, monitoring, and managing its credit and liquidity risks. Implementation of the additional Sufficiency Scenarios would enable OCC to test the sufficiency of its prefunded financial resources under a wider range of stress scenarios and respond quickly when OCC believes the collection of additional financial resources is necessary. The ability to appropriately size and test the sufficiency of prefunded financial resources is critical to ensuring that OCC can continue to provide prompt and accurate clearance and settlement of securities and derivatives transactions in the event of a Clearing Member default and manage the risks associated with its role as a systemically important financial market utility. Additional proposed changes would ensure that OCC's documentation and risk management practices remain clear and effective. For example, recategorizing certain Sufficiency Scenarios as Informational Scenarios would avoid unnecessary complexity in OCC's stress testing methodology by removing superfluous scenarios. Streamlining the sample list of scenarios in the Methodology Description would help ensure that OCC's stress testing practices remains clear, transparent, and effective. Amending language related to scenario calibration would more clearly set out the cadence of scenario calibration and the associated implementation process.

OCC believes that by ensuring that its documentation and risk management practices remain clear and effective, the proposed changes would protect investors and the public interest by providing that the requirements under the Risk Policies continue to be carried out properly such that OCC continues to maintain sufficient financial resources to cover its exposures under normal and stressed conditions and adequate resources to satisfy liquidity needs arising from its settlement obligations. Accordingly, OCC believes the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.[23]

Rule 17ad–22(e)(4)(iii)[24] requires, in part, that a covered clearing agency 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, including by maintaining additional financial resources (beyond those used to maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence) at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the participant family that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions. Rule 17ad–22(e)(4)(vi)(A)[25] further requires, in part, that such policies and procedures are reasonably designed to test the sufficiency of the covered clearing agency's total financial resources available to meet the minimum financial resource requirements under Rule 17ad–22(e)(4)(iii)[26] by conducting stress testing of its total financial resources once each day using standard predetermined parameters and assumptions. As described above, the proposed changes would enable OCC to test the sufficiency of its prefunded financial resources under a wider range of stress scenarios, respond quickly when OCC believes additional financial resources are necessary, and promote clarity and transparency of its stress testing practices. Moreover, the proposed Sufficiency Scenarios were constructed in accordance with OCC's existing Methodology Description using standard predetermined parameters and assumptions. As a result, OCC believes the proposed rule change is designed to further OCC's compliance with the requirements of Rules 17ad–22(e)(4)(iii) and (vi)(A).[27]

Rule 17ad–22(e)(7)(vi)[28] requires, in part, that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum, determining the amount and regularly testing the sufficiency of the liquid resources held for purposes of meeting the minimum liquid resource requirement under Rule 17ad–22(e)(7)(i).[29] The proposed changes would allow OCC to measure, manage and monitor its liquidity risk and test the sufficiency of its liquid resources under a wider range of stress scenarios and respond quickly when OCC believes additional liquid resources from its Clearing Members are necessary. The inclusion of the proposed scenarios as Sufficiency Scenarios would increase the likelihood that OCC maintains sufficient liquid resources at all times. OCC thus believes the proposed rule change is consistent with the requirements of Rules 17ad–22(e)(7)(vi).[30]

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

Section 17A(b)(3)(I) of the Exchange Act[31] requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. While the proposed change to implement additional Sufficiency Scenarios could have an impact on certain Clearing Members, OCC does not believe that the

[18] Implementation of this rule change will be delayed until this change is deemed certified under CFTC Regulation 40.6.

[19] 15 U.S.C. 78q–1(b)(3)(F).

[20] 17 CFR 240.17ad–22(e)(4).

[21] 17 CFR 240.17ad–22(e)(7).

[22] 15 U.S.C. 78q–1(b)(3)(F).

[23] *Id.*

[24] 17 CFR 240.17ad–22(e)(4)(iii).

[25] 17 CFR 240.17ad–22(e)(4)(vi)(A).

[26] 17 CFR 240. 17ad–22(e)(4)(iii).

[27] 17 CFR 240.17ad–22(e)(4)(iii) and (vi)(A).

[28] 17 CFR 240.17ad–22(e)(7)(vi).

[29] 17 CFR 240.17ad–22(e)(7)(i).

[30] 17 CFR 240.17ad–22(e)(7)(vi).

[31] 15 U.S.C. 78q–1(b)(3)(I).

proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. OCC's analysis indicates that the proposed Sufficiency Scenarios generate stress test exposures that are generally in line with its current, most impactful Sufficiency Scenarios.[32] OCC notes, however, that the results of these proposed scenarios may vary depending on the composition of each individual Clearing Member's portfolio at a given point in time. As a result, the proposed scenarios could from time-to-time result in more frequent or larger calls for additional resources.

The implementation of the new Sufficiency Scenarios would enable OCC to test the sufficiency of its financial resources under a wider range of relevant stress scenarios and respond quickly when OCC believes additional financial resources are required. The proposed changes are designed to improve OCC's ability to measure, monitor and manage its credit exposures to its participants consistent with its regulatory requirements under Rule 17ad–22(e)(4),[33] to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by OCC under Rule 17ad–22(e)(7),[34] and to enhance OCC's ability to manage risks in its role as a systemically important financial market utility.[35] Moreover, the proposed Sufficiency Scenarios were constructed in accordance with OCC's approved stress testing methodology using standard predetermined parameters and assumptions. These scenarios would help capture risks that OCC's current inventory of Sufficiency Scenarios may not capture. Accordingly, OCC believes that any impact on competition or OCC's Clearing Members would be necessary and appropriate in furtherance of the protection of investors and the public interest under the Act.

Additional proposed changes would ensure that OCC's documentation and risk management practices remain clear and effective. All Clearing Members would be equally subject to the changes. For the foregoing reasons, OCC believes that the proposed rule change is in the public interest, would be consistent with the requirements of the Exchange Act applicable to clearing agencies, and would not impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.[36]

(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 rule change, and none have been received.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the selfregulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

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.* Please include file number SR–OCC–2025–009 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–2025–009. 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 such filing also 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–2025–009 and should be submitted on or before July 18, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[37]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–11877 Filed 6–26–25; 8:45 am]

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[32] OCC has provided data and analysis concerning the proposed rule change in Confidential Exhibit 3A to SR–OCC–2025–009.

[33] 17 CFR 240.17ad–22(e)(4).

[34] 17 CFR 240.17ad–22(e)(7).

[35] OCC has been designated by the Financial Stability Oversight Council as a systemically important financial market utility under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

[36] 15 U.S.C. 78s(b)(1).

[37] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103316; File No. SR–MIAX–2025–26]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 1706, Consolidated Audit Trail Compliance Rule—Time Stamps, To Update the Expiration Date of the Exemption in Rule 1706(a)(2) From April 8, 2025 to April 8, 2030

June 24, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2]

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

[2] 17 CFR 240.19b–4.