

as an officer of the Commission to represent the interests of the general public in this proceeding (Public Representative).

3. Comments are due no later than August 18, 2025.

4. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

**Erica A. Barker,**  
Secretary.

[FR Doc. 2025–15463 Filed 8–13–25; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103677; File No. SR–OCC–2025–007]

### Self-Regulatory Organizations; the Options Clearing Corporation; Order Granting Approval of Proposed Rule Change by the Options Clearing Corporation Concerning Updates to Its Portfolio Revaluation Process for Purposes of Determining Intraday Margin Calls in Order To Better Manage OCC's Intraday Risk Exposure to Its Clearing Members

August 11, 2025.

#### I. Introduction

On May 15, 2025, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR–OCC–2025–007, pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b–4<sup>2</sup> thereunder, to make updates to its portfolio revaluation process for purposes of determining intraday margin calls.<sup>3</sup> The proposed rule change was published for public comment in the **Federal Register** on June 2, 2025.<sup>4</sup> The Commission has received public comment supporting the proposed rule change.<sup>5</sup> On July 17, 2025, pursuant to Section 19(b)(2) of the Exchange Act,<sup>6</sup> the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change,

until August 5, 2025.<sup>7</sup> 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 certain financial transactions. As the CCP for the listed options markets in the United States,<sup>8</sup> as well as for certain futures and stock loans, OCC is exposed to certain risks arising from providing clearing and settlement services to its Clearing Members.<sup>9</sup> Because OCC is obligated to perform on the contracts it clears, even where one of its Clearing Members defaults, one such risk to which OCC is exposed is credit risk in the form of exposure to a Clearing Member's trading activities. OCC manages such credit risk, in part, by collecting collateral from its Clearing Members in the form of margin. OCC sets margin requirements and collects margin daily; however, it may also collect margin intraday under certain circumstances.

At the start of each business day, OCC collects the required margin for each marginable account calculated by OCC's proprietary System for Theoretical Analysis and Numerical Simulation (“STANS”), based on the account's end-of-day positions<sup>10</sup> from the previous business day. OCC is also authorized to make intraday margin calls in certain defined circumstances, such as to reflect changes in the market price of options held in a short position, size of a Clearing Member's positions, value of securities deposited as margin, or otherwise to protect OCC, other Clearing Members or the general public, among other circumstances.<sup>11</sup>

OCC monitors the impact of intraday price movements on Clearing Member

positions as a potential basis for collecting additional margin.<sup>12</sup> Specifically, OCC uses price movements throughout the day to calculate updated profit and loss (“P&L”) for each account based on a Clearing Member's start-of-day positions in that account.<sup>13</sup> OCC may call for additional margin intraday if it observes losses in an account beyond a threshold;<sup>14</sup> specifically, when OCC observes unrealized losses greater than 50 percent of an account's total risk charges.<sup>15</sup> While this process addresses price movements, it does not take intraday position changes into account for purposes of monitoring P&L changes and issuing related margin calls. OCC believes that incorporating intraday position changes into its portfolio revaluation process will help mitigate intraday risk exposures to its Clearing Members driven by position changes in the Clearing Members' portfolios.<sup>16</sup> Accordingly, OCC proposes to change its portfolio revaluation process to incorporate current positions.<sup>17</sup>

Under the current revaluation process, to calculate updated account P&L throughout the day, OCC revalues start-of-day positions with current prices at set intervals (“revaluation runs,” or “runs”) during standard equity trading hours between 8:30 a.m. CT and 3:15 p.m. CT. Under the Proposed Rule Change, OCC proposes to revalue current positions, rather than start-of-day positions, at the time of each intraday revaluation run. Among other things, this would account for potentially risk-reducing or risk-increasing position changes in a Clearing Member's portfolio over the course of the trading day. For instance,

<sup>12</sup> OCC refers to this process as portfolio revaluation. See Notice of Filing, 90 FR at 23404.

<sup>13</sup> The term “start-of-day positions” refers to Clearing Member end-of-day positions from the prior trading day adjusted for corporate actions, but does not include any positions generated from overnight extended trading hours. See Notice of Filing, 90 FR at 23404 n.9.

<sup>14</sup> See OCC Rule 609(a)(3) (stating that OCC may require the deposit of intra-day margin to reflect changes in the value of securities deposited by the Clearing Member as margin).

<sup>15</sup> Total risk charges consist of expected shortfall (“ES”), stress test charges, and add-on charges. See Notice of Filing, 90 FR at 23407. ES is the estimated average of potential losses higher than the 99 percent value at risk (VaR) threshold. See Notice of Filing, 90 FR at 23407 n.28. VaR refers to a statistical technique that is used in risk management to measure the potential risk of loss for a given set of assets over a particular time horizon. See *id.*

<sup>16</sup> See Notice of Filing, 90 FR at 23408.

<sup>17</sup> The term “current positions” refers to Clearing Member positions at a certain point in time during the regular trading hours (“RTH”), which includes positions from the start-of-day and those generated during extended trading hours and RTH. See Notice of Filing, 90 FR at 23405 n.11.

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See Notice of Filing *infra* note 4, at 90 FR 23403.

<sup>4</sup> See Securities Exchange Act Release No. 103123 (May 27, 2025), 90 FR 23403 (June 2, 2025) (File No. SR–OCC–2025–007) (“Notice of Filing”).

<sup>5</sup> Comments on the proposed rule change are available at <https://www.sec.gov/comments/sr-occ-2025-007/srocc2025007.htm>.

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

<sup>7</sup> Securities Exchange Act Release No. 103493 (July 17, 2025), 90 FR 34564 (July 22, 2025) (File No. SR–OCC–2025–007).

<sup>8</sup> OCC describes itself as “the sole clearing agency for standardized equity options listed on a national securities exchange registered with the Commission (‘listed options’).” See Securities Exchange Act Release No. 96533 (Dec. 19, 2022), 87 FR 79015 (Dec. 23, 2022) (File No. SR–OCC–2022–012).

<sup>9</sup> Capitalized terms not defined herein have the same meaning as provided in OCC's By-Laws and Rules, which can be found on OCC's public website: <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

<sup>10</sup> The term “end-of-day positions” refers to the positions held by Clearing Members after the markets have closed each business day. See Notice of Filing, 90 FR at 23404 n.4.

<sup>11</sup> See OCC Rule 609(a).

under the current process, a Clearing Member's start-of-day positions may present unrealized losses that exceed the threshold, which could lead to a margin call. If the Clearing Member's current positions at the time of an intraday revaluation run lead to a higher P&L compared to the start-of-day positions, the current process would not account for that risk-reducing change; however, under the Proposed Rule Change, the Clearing Member's margin call could be reduced in that situation.

OCC also proposes to change the frequency with which it conducts the revaluation process. Currently, OCC completes a revaluation run once every 40 minutes. Under the Proposed Rule Change, OCC would complete a run once every five minutes.<sup>18</sup> Where OCC's internal system determines there has been an account P&L breach,<sup>19</sup> it automatically sends an email alert to OCC's Market Risk and Default Management team ("MRDM"). Currently, such determinations and alerts occur once every 40-minutes. OCC proposes to keep the alert interval at 40 minutes, but to make it configurable such that it could change in the future.

Other than the basis for and frequency of portfolio revaluation, OCC does not propose to change its existing related monitoring, escalation, and margin call processes. Both currently and as proposed, MRDM would verify and escalate breaches to OCC's Financial Risk Management team ("FRM") to recommend an intraday margin call. The determination to approve or defer an intraday margin call would be made by an OCC employee at the Executive Director level or higher. Such calls would be made at or around noon CT if approved. Any intraday margin call to be made after 1:30 p.m. CT would continue to require approval by OCC senior management.<sup>20</sup>

OCC has stated that this process would have no impact on OCC's calculation of STANS margin requirements or other models.<sup>21</sup> Based on a review of the potential impact over a one-year period, however, the proposed change would have had an impact on the frequency and size of

intraday margin calls.<sup>22</sup> During the period reviewed, the total number of margin calls would have increased 34 percent from 93 to 125, but the average margin call amount would have decreased 19.3 percent from \$69.3 million to \$55.9 million.<sup>23</sup>

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Exchange Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to such organization.<sup>24</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>25</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 support an affirmative Commission finding,<sup>26</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>27</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>28</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, the Commission finds that the proposal is consistent with Sections 17A(b)(3)(F) of the

Exchange Act,<sup>29</sup> and Rule 17ad-22(e)(6)<sup>30</sup> thereunder, as described in detail below.

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

Section 17A(b)(3)(F) of the Exchange Act requires, among other things, that a clearing agency's rules are designed 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>31</sup> Based on the Commission's review of the record, and for the reasons described below, the Proposed Rule Change described above is consistent with assuring the safeguarding of securities and funds which are in OCC's custody or control or for which it is responsible.

As discussed above, OCC sets margin requirements using end-of-day account positions, but also has a system in place to call for additional margin intraday based on price changes that impact the positions of Clearing Members. OCC's current system applies intraday price changes to start-of-day positions, but does not account for a Clearing Member's trades made throughout the day. Where OCC observes losses in excess of a preset threshold, OCC may make intraday margin calls, which are generally requested at a central collection time during the business day.

OCC now proposes revaluing Clearing Member accounts based on change in both prices and positions throughout the day. Accounting for changes in positions as well as in prices will provide OCC with a more current view of its exposures. More current exposure information increases the likelihood that OCC will accurately determine when it needs to call for additional margin and how much additional margin is necessary. Increasing the accuracy of OCC's intraday margin call processes will increase the likelihood that OCC collects sufficient margin collateral to mitigate OCC's credit exposure to a Clearing Member default, which, in turn, helps assure the safeguarding of non-defaulting Clearing Members' collateral by reducing the likelihood that OCC would be forced to charge losses to the Clearing Fund, which is mutualized among Clearing Members.

Accordingly, the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>32</sup>

<sup>18</sup> As noted above, OCC completes revaluation runs between 8:30 a.m. CT and 3:15 p.m. CT.

<sup>19</sup> As noted above, the threshold for a breach is when an account experiences unrealized losses greater than 50 percent of that account's total risk charges. To avoid confusion with other terminology, OCC proposes to replace the phrase "total risk charge" with "total risk margin charge" in its documentation.

<sup>20</sup> The senior management positions authorized to approve a late intraday margin call are Chief Financial Risk Officer, Chief Executive Officer, Chief Operating Officer, or Chief Risk Officer.

<sup>21</sup> See Notice of Filing, 90 FR at 23405.

<sup>22</sup> See Notice of Filing, 90 FR at 23407.

<sup>23</sup> The minimum call amount would remain the same starting at \$500,000, but under the proposed methodology the largest call amount would have decreased 21.8 percent to \$682.7 million. The total margin collected from intraday calls over the period would have increased 7.8 percent from \$6.45 billion to \$6.99 billion.

<sup>24</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>25</sup> Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

<sup>26</sup> *Id.*

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

<sup>28</sup> *Susquehanna Int'l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

<sup>29</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>30</sup> 17 CFR 240.17ad-22(e)(6).

<sup>31</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>32</sup> 15 U.S.C. 78q-1(b)(3)(F).

*B. Consistency With SEC Rule 17ad-22(e)(6)(ii) of the Exchange Act*

Rule 17ad-22(e)(6)(ii) under the Exchange Act requires, *inter alia*, that a covered clearing agency (“CCA”) establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover, if the CCA provides central counterparty services, its credit exposures to its participants by establishing a risk-based margin system that, at a minimum, among other things, (i) monitors intraday exposures on an ongoing basis<sup>33</sup> and (ii) includes the authority and operational capacity to make intraday margin calls, as frequently as circumstances warrant, including when risk thresholds specified by the CCA are breached.<sup>34</sup>

OCC’s Proposed Rule Change is designed to monitor Clearing Member account valuations to collect margin more closely aligned to OCC’s risk exposure. OCC assumes risk on every transaction it clears because it must guarantee those transactions in connection with its role as both buyer to every seller and seller to every buyer. One aspect of the OCC’s risk is credit exposure to its Clearing Members. As described above, OCC already maintains a process for monitoring exposures intraday, and now proposes to incorporate intraday position changes into that monitoring process, which will provide OCC a more accurate view of the positions to which it is exposed. OCC also proposes to increase the frequency of its intraday monitoring from once every 40 minutes to once every 5 minutes, which will provide OCC with more granular information to OCC regarding its intraday exposures. Although OCC does not propose to change the frequency with which OCC’s system provides alerts of intraday threshold breaches at this time, the proposal would make such frequency configurable, which would allow OCC to change the frequency in the event it determines that doing so would be more appropriate for the markets it serves.<sup>35</sup> The proposed changes are, therefore, reasonably designed to allow OCC to monitor its intraday exposures on an ongoing basis.<sup>36</sup>

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad-22(e)(6)(ii).<sup>37</sup>

#### IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act, and in particular, the requirements of Section 17A of the Exchange Act<sup>38</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Exchange Act,<sup>39</sup> that the Proposed Rule Change (SR-OCC-2025-007) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>40</sup>

**Vanessa A. Countryman,**

*Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103672; File No. SR-CboeBZX-2025-102]

#### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Provide a Temporary Discount for BZX Historical Depth Data

August 11, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 30, 2025, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

related monitoring, escalation, and margin call processes. As described above, OCC is not proposing to remove or change those processes such that it would continue to execute intraday margin calls as it has in the past based on its internal governance and operational processes.

<sup>37</sup> 17 CFR 240.17ad-22(e)(6)(ii).

<sup>38</sup> In approving the Proposed Rule Change, the Commission has considered the proposed rules’ impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>39</sup> 15 U.S.C. 78s(b)(2).

<sup>40</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.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to amend its Fee Schedule to provide a temporary discount on fees assessed to BZX Members and non-Members that purchase \$20,000 or more of ad hoc purchases of BZX Historical Depth Data. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/BZX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/)) and at the Exchange’s Office of the Secretary.

#### II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to update its Fee Schedule to provide a temporary discount on fees assessed to BZX Members (“Members”)<sup>3</sup> and non-Members that purchase \$20,000 or more of ad hoc purchases of BZX Historical Depth Data (“Historical Depth Reports”), effective July 30, 2025 through September 30, 2025.

By way of background, the Exchange currently makes available for purchase Depth Data, which is a daily archive of the Exchange’s depth of book real-time feed, which provides depth-of-book quotations and execution information based on equity orders entered into the System. The Exchange also offers

<sup>3</sup> See Rule 1.5(n) (“Member”). The term “Member” shall mean any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange.

<sup>33</sup> 17 CFR 240.17ad-22(e)(6)(ii)(B).

<sup>34</sup> 17 CFR 240.17ad-22(e)(6)(ii)(C)(1).

<sup>35</sup> The Commission declined to adopt a minimum monitoring frequency for intraday exposures and has stated that the requirement for ongoing monitoring is designed to allow a CCA to determine what monitoring frequency is appropriate for its particular market. Covered Clearing Agency Resilience and Recovery and Orderly Wind-Down Plans, Securities Exchange Act Release 101446, 89 FR 91000, 91001 (Nov. 18, 2024) (File No. S7-10-23).

<sup>36</sup> OCC’s rules already authorize it to make margin intraday margin calls. OCC has processes in place