

office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NASDAQ–2022–015, and should be submitted on or before June 14, 2022. Rebuttal comments should be submitted by June 28, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2022–11066 Filed 5–23–22; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–94938; File No. SR–OCC–2022–005]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval of Proposed Rule Change by the Options Clearing Corporation Concerning Revisions to OCC’s Partial Tear-Up Rules

May 18, 2022.

I. Introduction

On March 22, 2022, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR–OCC–2022–005 (“Proposed Rule Change”) pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b–4 ² thereunder to amend OCC’s rules regarding OCC’s payment obligations and the allocation of losses related to the use of Partial Tear-Up (defined below) as a recovery tool.³ The Proposed Rule Change was published for public comment in the **Federal Register** on April 7, 2022.⁴ The Commission received one comment regarding the Proposed Rule Change.⁵ This order approves the Proposed Rule Change.

II. Background ⁶

As a covered clearing agency, OCC is required to establish policies and procedures reasonably designed to manage its credit exposures and liquidity risk.⁷ However, a Clearing Member default may result in losses or shortfalls that exceed OCC’s routine risk management tools. To address such credit losses or liquidity shortfalls, OCC has established tools to re-establish a matched book and to allocate uncovered losses following the default of a Clearing Member.⁸ One such tool, “Partial Tear-Up,” is a process designed to return OCC to a matched book by extinguishing positions that remain open after OCC has attempted one or more auctions.⁹ OCC Rule 1111(e) sets forth the process for determining and terminating Partial Tear-Up positions.

When it initially proposed Rule 1111(e) in 2018, OCC noted that the Partial Tear-Up process would be initiated only if OCC determined that potential losses from remaining positions of the defaulting member would exceed OCC’s financial resources.¹⁰ OCC further stated that, in order for OCC to maintain its ability to meet obligations to non-defaulting members, the process was designed to be initiated in advance of exhausting OCC’s financial resources.¹¹ OCC also acknowledged that the process may be used to allocate losses if OCC’s resources are insufficient to pay the Partial Tear-Up Price.¹² Rule 1111(e)(iii) currently provides that when the Partial Tear-Up process is used to allocate losses, each Clearing Member will receive a pro rata payment based on OCC’s remaining resources and an unsecured claim against OCC for the difference between the pro rata amount received and the Partial Tear-Up Price.

An unsecured claim issued pursuant to Rule 1111(e) provides a mechanism for OCC to compensate Clearing Members that receive a pro rata payment, when warranted by particular circumstances (e.g., when funds are subsequently recovered from a defaulted Clearing Member or the estate of the defaulted Clearing Member). However,

OCC Rules do not currently describe a specific payment obligation for these claims. OCC states that the Proposed Rule Change is intended to provide clarity regarding the nature of the claim issued following a Partial Tear-Up. More specifically, the revisions to Rule 1111(e) would add the following details about the claim: (i) A Clearing Member receiving a pro rata payment following a Partial Tear-Up will have a claim for the value of the difference between the pro rata amount received and the Partial Tear-Up Price; and (ii) such a claim shall be an unsecured claim on any recovery from a suspended or defaulted Clearing Member (or from the estate of a suspended or defaulted Clearing Member). OCC believes that clarifying the nature of the claim arising out of Rule 1111(e) would, in turn, clarify that such claims would not provide a basis for Clearing Members to trigger the close-out netting process under Article VI, Section 27 of OCC’s By-Laws.¹³

In proposing to adopt Partial Tear-Up as a recovery tool, OCC proposed a mechanism for re-allocating losses for non-defaulting Clearing Members arising out of Partial Tear-Up.¹⁴ OCC Rule 1111(g) currently provides OCC’s Board of Directors (the “Board”) with discretionary authority to levy a special charge against remaining non-defaulting Clearing Members for the purpose of re-allocating the losses, costs, and fees imposed on holders of torn-up positions. Currently, Rule 1111 does not impose any *ex ante* limit on the amount of any discretionary special charge that could be levied by the Board. Following the adoption of OCC Rule 1111, OCC received a letter from the Futures Industry Association (“FIA”) requesting that OCC limit the amount of the Rule 1111(g) Board-levied special charge to the amount of a Clearing Member’s required contribution to the Clearing Fund.¹⁵ Upon consideration of this request, OCC proposes to amend Rule 1111(g) to cap the amount of the special charge levied under the rule to the amount of the Clearing Member’s required contribution to the Clearing Fund at the time of the special charge.

⁶ Capitalized terms used but not defined herein have the meanings specified in OCC’s Rules and By-Laws, available at <https://www.theocc.com/about/publications/bylaws.jsp>.

⁷ See generally, 17 CFR 240.17Ad–22(e)(4) and (e)(7).

⁸ Securities Exchange Act Release No. 83916 (Aug. 23, 2018), 83 FR 44076 (Aug. 29, 2018) (File No. SR–OCC–2017–020).

⁹ See *supra* note 8, 83 FR at 44079.

¹⁰ Securities Exchange Act Release No. 82351 (Dec. 19, 2017), 82 FR 61107, 61111 (Dec. 26, 2017) (File No. SR–OCC–2017–020).

¹¹ *Id.*

¹² *Id.*

¹³ OCC By-Laws Art. VI, Section 27(a)(i), regarding default or insolvency of OCC, requires OCC to notify various stakeholders if OCC fails to comply with an undisputed obligation to pay money or deliver property to a Clearing Member for a period of thirty days from the date that OCC receives notice from the Clearing Member of the past due obligation. See Notice of Filing *supra* note 4, 87 FR at 20495.

¹⁴ Securities Exchange Act Release No. 82351 (Dec. 19, 2017), 82 FR 61107, 61112 (Dec. 26, 2017) (File No. SR–OCC–2017–020).

¹⁵ The letter OCC received from the FIA has been provided as Exhibit 3A to File No. SR–OCC–2022–005.

²² 17 CFR 200.30–3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Notice of Filing *infra* note 4, 87 FR at 20495.

⁴ Securities Exchange Act Release No. 94583 (Apr. 1, 2022), 87 FR 20495 (Apr. 7, 2022) (File No. SR–OCC–2022–005) (“Notice of Filing”).

⁵ The comment on the Proposed Rule Change is available at <https://www.sec.gov/comments/sr-occ-2022-005/srocc2022005.htm>.

According to OCC, the purpose of this change is to provide Clearing Members with a firm *ex ante* limit that would improve their ability to measure, monitor and manage their potential exposure to OCC.¹⁶

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.¹⁷ After carefully considering the Proposed Rule Change, the Commission finds that the proposal 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 Section 17A(b)(3)(F) of the Exchange Act¹⁸ 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, in general, to protect investors and the public interest.¹⁹ Based on its review of the record, and for the reasons described below, the Commission believes that the proposed changes to Rule 1111(e) and (g) are consistent with being organized to protect investors and the public interest.

With the proposed revisions to Rule 1111(e), OCC codifies critical details about the nature of a Clearing Member's claim resulting from the Partial Tear-Up process, including the specific value of the claim (*e.g.*, the value of the difference between the pro rata amount received and the Partial Tear-Up Price) and the source of funds that the claim would draw upon (*e.g.*, an unsecured claim on any recovery from a suspended or defaulted Clearing Member, or from the estate of a suspended or defaulted Clearing Member). These details provide Clearing Members with material information regarding their potential claims, and provide greater visibility to Clearing Members on how open claims from the partial tear-up process would be honored. In particular, the revisions remove any ambiguity that could cause

Clearing Members to believe that OCC would default if it fails to pay an unsecured claim issued by a Clearing Member as a result of the Partial Tear-Up process, because revised Rule 1111(e) would place appropriate responsibility for the unsecured claim on the suspended or defaulted Clearing Member. As such, the Commission believes that these revisions to Rule 1111(e) are consistent with being organized to protect investors and the public interest.

With the proposed revisions to Rule 1111(g), OCC codifies a specific limit to the amount of special charge that the Board would potentially levy on each non-defaulting Clearing Member. This revision indicates to non-defaulting Clearing Members that such special charges are not unlimited in nature, and provides non-defaulting Clearing Members with the assurance to manage and monitor their potential exposures to OCC with fewer concerns on whether or not they could cover their exposures successfully. As such, the Commission believes that these revisions to Rule 1111(e) are also consistent with the protection of investors and the public interest.

In response to the Notice of Filing,²⁰ the Commission received a comment opposing the proposal on the basis that it would increase investor risk by shifting the responsibility of covering default-related liability from OCC to individual investors.²¹ The Commission disagrees with this assertion, as the Proposed Rule Change provides further information to Clearing Members on the nature and amount of Partial Tear-Up claims. In particular, the Proposed Rule Change indicates that unsecured claims issued by a Clearing Member as a result of the Partial Tear-Up process are the responsibility of the defaulted or suspended Clearing Member, thus removing the risk of an unintended OCC wind-down due to Clearing Members initiating a close-out netting under Article XI, Section 27 of OCC's By-Laws. The Proposed Rule Change also provides further information to non-defaulting Clearing Members on the nature and amount of Board-levied special charges. As such, the revisions would in fact support the goals of the Partial Tear-Up process, which are to account for the exposures of non-defaulting Clearing Members and place responsibility on suspended or defaulted Clearing Members where

due—the opposite of what the comment is asserting.

The Commission believes, therefore, that the proposal to revise Rule 1111(e) and (g) is consistent with the requirements of Section 17A(b)(3)(F) of the Exchange Act.²²

B. Consistency With Rule 17Ad–22(e)(23) Under the Exchange Act

Rule 17Ad–22(e)(23)(ii) under the Exchange Act requires that a clearing agency must establish, implement, maintain and enforce written policies and procedures reasonably designed to provide sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs they incur by participating in the covered clearing agency.²³ Based on its review of the record, and for the reasons described below, the Commission believes that the proposed changes to Rule 1111(e) and (g) are consistent with the requirements of Rule 17Ad–22(e)(23)(ii).

By revising Rule 1111(e) to codify critical details on the nature of a Clearing Member's claim resulting from the Partial Tear-Up process, including the specific value of the claim (*e.g.*, the value of the difference between the pro rata amount received and the Partial Tear-Up Price) and the source of funds that the claim would be against (*e.g.*, an unsecured claim on any recovery from a suspended or defaulted Clearing Member, or from the estate of a suspended or defaulted Clearing Member), OCC provides critical information that Clearing Members may use to better evaluate the nature and amount of their claims resulting from the Partial Tear-Up process. Similarly, the 1111(g) revisions codify a specific limit to the amount of special charge that the Board would potentially levy on each non-defaulting Clearing Member. Non-defaulting Clearing Members may use this additional information to better evaluate the nature and amount of the special charges. As such, the Commission believes that the Rule 1111(e) and (g) revisions are consistent with providing sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs incurred with participation in the covered clearing agency.

The Commission believes, therefore, that the proposal to revise Rule 1111(e) and (g) is consistent with the requirements of Rule 17Ad–22(e)(23)(ii) under the Exchange Act.²⁴

¹⁶ See Notice of Filing *supra* note 4, 87 FR at 20495.

¹⁷ 15 U.S.C. 78s(b)(2)(C).

¹⁸ 15 U.S.C. 78q–1(b)(3)(F).

¹⁹ 15 U.S.C. 78q–1(b)(3)(F).

²⁰ See Notice of Filing *supra* note 4, 87 FR at 20495.

²¹ The comment on the Proposed Rule Change is available at <https://www.sec.gov/comments/sr-occ-2022-005/srocc2022005.htm>.

²² 15 U.S.C. 78q–1(b)(3)(F).

²³ 17 CFR 240.17Ad–22(e)(23)(ii).

²⁴ *Id.*

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 Act²⁵ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,²⁶ that the Proposed Rule Change (SR–OCC–2022–005) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2022–11061 Filed 5–23–22; 8:45 am]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments

ACTION: 60-Day notice and request for comments.

SUMMARY: The Small Business Administration (SBA) intends to request approval, from the Office of Management and Budget (OMB) for the collection of information described below. The Paperwork Reduction Act (PRA) federal agencies to publish a notice in the **Federal Register** concerning each proposed collection of information before submission to OMB, and to allow 60 days for public comment in response to the notice. This notice complies with that requirement.

DATES: Submit comments on or before July 25, 2022.

ADDRESSES: Send all comments to, Roman Ivey, Program Analyst, Office of Policy Planning and Liaison, Small Business Administration, at roman.ivey@sba.gov, (202) 401–1420.

FOR FURTHER INFORMATION CONTACT: Roman Ivey, Program Analyst, Office of Policy Planning and Liaison, Small Business Administration, at roman.ivey@sba.gov, (202) 401–1420.

SUPPLEMENTARY INFORMATION: Small business concerns (SBCs) that are awarded set-aside or sole source contracts are limited in their ability to subcontract to other than small business concerns by the limitation on

subcontracting (LOS) clauses set forth in their contracts. To help determine whether these SBCs are in compliance with any LOS clauses, Contracting Officers may require the SBCs to submit information evidencing their compliance.

OMB Control Number: 3245–0400.

Title: “Limitations on Subcontracting Reporting”.

Description of Respondents: Small business concerns.

Form Number: N/A.

Annual Responses: 18,500.

Annual Burden: 18,500.

Curtis Rich,

Agency Clearance Officer.

[FR Doc. 2022–11076 Filed 5–23–22; 8:45 am]

BILLING CODE 8026–09–P

SOCIAL SECURITY ADMINISTRATION

[Docket No SSA–2022–0022]

Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages requiring clearance by the Office of Management and Budget (OMB) in compliance with Public Law 104–13, the Paperwork Reduction Act of 1995, effective October 1, 1995. This notice includes one new collection and revisions of OMB-approved information collections.

SSA is soliciting comments on the accuracy of the agency’s burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility, and clarity; and ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology. Mail, email, or fax your comments and recommendations on the information collection(s) to the OMB Desk Officer and SSA Reports Clearance Officer at the following addresses or fax numbers.

(OMB) Office of Management and Budget, Attn: Desk Officer for SSA, Comments: <https://www.reginfo.gov/public/do/PRAMain>. Submit your comments online referencing Docket ID Number [SSA–2022–0022].

(SSA) Social Security Administration, OLCA, Attn: Reports Clearance Director, 3100 West High Rise, 6401 Security Blvd., Baltimore, MD 21235, Fax: 410–966–2830, Email address:

OR.Reports.Clearance@ssa.gov. Or you may submit your comments online through <https://www.reginfo.gov/public/do/PRAMain>, referencing Docket ID Number [SSA–2022–0022].

I. The information collection below is pending at SSA. SSA will submit it to OMB within 60 days from the date of this notice. To be sure we consider your comments, we must receive them no later than July 25, 2022. Individuals can obtain copies of the collection instrument by writing to the above email address.

Enterprise Scheduling System (ESS)—0960–NEW. The Enterprise Scheduling System (ESS) will provide a better respondent and employee experience. The first ESS release is specific to allowing self-scheduling for enumeration services. ESS subsequent releases will expand services for other appointment needs. Through ESS respondent self-scheduling and technician scheduling, SSA will collect specific information about respondents (e.g., respondent: Name, address, zip code, telephone number, and email address). In addition, we ask the respondent to consent to receive optional electronic messaging or opt out; electronic message preference (email/text), if respondents provide consent; language preferences (English/Spanish); respondent’s preferred office to receive service; and appointment (day and time preference) to schedule an in-office appointment to process a request for an original SSN or replacement Social Security card. In addition, we will ask respondents scheduling their initial appointment through a technician to create a one-time passcode to securely allow online updates to their appointment. The technician will document the one-time passcode with the respondent’s other appointment preferences. Respondents will use ESS to complete required screens and fields to select a date and time for an appointment at an SSA field office (FO) to provide the proofs necessary to obtain a replacement or original SSN card. Respondents can complete the online collection themselves. If respondents encounter issues with ESS, they may contact SSA by phone to complete scheduling the appointment through a technician. We will integrate ESS with VIPr Mobile check-in functions, so ESS respondents will have the option to check-in for their appointment using Mobile check-in on their personal device, instead of checking in at the kiosk. Using VIPr, SSA employees can request walk-in visitors and individuals with appointments to come into the office. The respondents are individuals looking to schedule their own SSA visit using ESS.

Type of Request: Request for a new information collection.

²⁵ In approving this Proposed Rule Change, the Commission has considered the proposed rules’ impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁶ 15 U.S.C. 78s(b)(2).

²⁷ 17 CFR 200.30–3(a)(12).