

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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of LCH SA and on LCH SA's website at <http://www.lch.com/asset-classes/cdsclear>.

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-LCH SA-2017-012 and should be submitted on or before January 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-27235 Filed 12-18-17; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** 2:00 p.m. on Thursday, December 21, 2017.

**PLACE:** Closed Commission Hearing Room 10800.

**STATUS:** This meeting will be closed to the public.

**MATTERS TO BE CONSIDERED:**

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Stein, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matters of the closed meeting will be:

*Institution and settlement of injunctive actions;*

*Institution and settlement of administrative proceedings;*

Resolution of litigation claims; and  
Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

**CONTACT PERSON FOR MORE INFORMATION:** For further information and to ascertain what, if any, matters have been added, deleted or postponed; please contact Brent J. Fields from the Office of the Secretary at (202) 551-5400.

Dated: December 14, 2017.

**Brent J. Fields,**  
Secretary.

[FR Doc. 2017-27359 Filed 12-15-17; 11:15 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82311; File No. SR-OCC-2017-008]

### Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change Related to The Options Clearing Corporation's Collateral Risk Management Policy

December 13, 2017.

#### I. Introduction

On October 27, 2017, the Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (SR-OCC-2017-008) to formalize and update OCC's Collateral Risk Management Policy. The proposed rule change was published for comment in the **Federal Register** on November 9, 2017.<sup>3</sup> The Commission received one comment letter regarding the proposed change.<sup>4</sup> For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change

This proposed rule change would formalize and update OCC's Collateral

Risk Management Policy ("CRM Policy"). The CRM Policy describes the categories of risk that are considered by OCC in determining which asset classes should be acceptable forms of collateral as margin assets and Clearing Fund contributions. OCC's assessment of an asset class generally includes an evaluation of credit risk, liquidity risk, and market risk.<sup>5</sup> With respect to credit risk, the CRM Policy requires OCC staff to evaluate the creditworthiness of counterparties, including custodial agents and settlement banks and to monitor the health of such counterparties on an ongoing basis.<sup>6</sup> Regarding liquidity risk, OCC gives no value to a participant for its own (or its affiliate's) debt or equity securities, and limits the amount of a particular asset type that a participant may pledge under the CRM Policy.<sup>7</sup> With respect to market risks, the CRM Policy provides that eligible asset classes are accepted after consideration of their liquidity, price transparency, price volatility, offset potential with contracts cleared by OCC, modeling implications and projected inventories.<sup>8</sup>

The CRM Policy describes OCC's approach to valuing collateral and setting and applying haircuts. OCC's pricing information, as described in the CRM Policy, feeds into OCC's processes for establishing haircuts, daily mark-to-market valuation of collateral, and intraday valuation of collateral. Given the importance of pricing data to inform these processes, OCC maintains redundant information feeds from multiple sources to help ensure accuracy and quality.<sup>9</sup>

The CRM Policy also summarizes OCC's two approaches for valuing collateral: Collateral in Margins ("CiM") and haircuts.<sup>10</sup> Under the CiM approach, the current market value of margin assets is included as a positive asset value in the calculation of a portfolio's net asset value within OCC's System for Theoretical Analysis and Numerical Simulations ("STANS"). OCC then offsets this positive asset value based on, among other things, the expected shortfall and stress test charges associated with an account, resulting in a net excess or net deficit.<sup>11</sup> For collateral that is not managed using the CiM process, the CRM Policy provides that OCC subjects such collateral to percentage haircuts established at the

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 82009 (Nov. 3, 2017), 82 FR 52079 (Nov. 9, 2017) (SR-OCC-2017-008) ("Notice").

<sup>4</sup> Letter from Michael Kitlas, dated November 3, 2017. See comments on the proposed rule change (SR-OCC-2017-008), <https://www.sec.gov/comments/sr-occ-2017-008/occ2017008.htm>.

<sup>5</sup> Notice, 82 FR at 52080.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Notice, 82 FR at 52080-81.

<sup>10</sup> Notice, 82 FR at 52081.

<sup>11</sup> Notice, 82 FR at 52081, note 23.

<sup>18</sup> 17 CFR 200.30-3(a)(12).