other moneyness categories and expirations reviewed were notably wider. Accordingly, the Exchange believes the proposed MBTX fee remains appropriately calibrated relative to prevailing spreads in the product, and does not believe the proposed fee is disproportionate to, or likely to exceed, the bid-ask spread of MBTX options.[15]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule changes related to standard transaction fees for CBTX or MBTX will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the fee amounts for each separate type of market participants will be assessed equally to all such market participants. While different fees are assessed to different market participants in some circumstances, the obligations and circumstances between these market participants differ, as discussed above.

The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed fees assessed apply to Exchange proprietary products, which are traded exclusively on the Exchange. As stated above, the Exchange notes that market participants retain the ability to migrate activity to economically similar products available at other venues.

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[16] and paragraph (f) of Rule 19b–4[17] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. 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–CBOE–2026–064 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–CBOE–2026–064. 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 filing 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–CBOE–2026–064 and should be submitted on or before August 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–15829 Filed 8–4–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106018; File No. SR–OCC–2026–007]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change by The Options Clearing Corporation Concerning the Payment of Interest on Margin Cash

July 31, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'' or ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on July 24, 2026, 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 (1) revise the Rules of The Options Clearing Corporation (''OCC'') to provide for the payment of interest by OCC to Clearing Members on margin cash (other than cash held in accounts that are cross-margined (''X–M'') between OCC and CME) and Clearing Fund cash; (2) enact changes to OCC's Cash and Investment Management Policy to accommodate interest payments to Clearing Members; (3) enact changes to OCC's Schedule of Fees that reflect a 10-basis-point cash management fee charged on interest paid by OCC to Clearing Members on applicable margin cash and Clearing Fund cash; and (4) make certain conforming changes to OCC's Rules and Capital Management Policy to effect the aforementioned changes, including changes to provide OCC with the ability to safekeep margin cash deposited with respect to securities customer positions

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[15] The Exchange monitors market quality metrics for options listed for trading on the Exchange (including MBTX options) on an ongoing basis and may consider adjustments to its transaction fees as appropriate in light of then-prevailing market conditions.

[16] 15 U.S.C. 78s(b)(3)(A).

[17] 17 CFR 240.19b–4(f).

[18] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

in a Federal Reserve Bank master account.

The proposed revisions to OCC's Rules, Cash and Investment Management Policy, Schedule of Fees, and Capital Management Policy are included [sic] as Exhibits 5A–5D, respectively. Material proposed to be added to OCC's Rules, Cash and Investment Management Policy, Schedule of Fees, and Capital Management Policy as currently in effect is marked by underlining and material proposed to be deleted is marked by strikethrough text.

All terms with initial capitalization not defined here have the same meaning set forth in OCC's 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

OCC is the sole clearing agency for standardized equity options listed on national securities exchanges registered with the Securities and Exchange Commission (''SEC'' or ''Commission''). In this capacity, OCC is exposed to certain risks, including credit risk arising from its relationships with the Clearing Members. In order to manage counterparty credit risk, OCC requires Clearing Members to contribute assets as margin. Clearing Members are permitted, but not required, to contribute cash to satisfy their margin obligations. OCC further requires Clearing Members to contribute cash to a Clearing Fund that is available to be utilized under certain conditions, such as in the event that Clearing Members default and do not satisfy their end-of-day trades. Presently, OCC passes through the interest (less a 5-basis-point cash management fee) it receives on the subset of Clearing Fund cash held in OCC's Federal Reserve Bank account, but OCC does not pay or pass through interest on cash held as margin. OCC proposes to pay interest to Clearing Members who deposit margin cash at a rate based on the Federal Reserve's Interest on Reserve Balances (''IORB'') less a 10-basis-point cash management fee, which would replace the current cash management fee.

OCC proposes to pay interest on cash margin in order to incentivize Clearing Members to hold margin in the form of cash, thereby reinforcing OCC's liquidity through increased cash deposits. Over the past year, Clearing Members have deposited, on average, about $2.5 billion in margin cash. This amount is small compared to the total amount of margined assets, of which valued securities and government securities make up by far the largest categories. OCC has observed that since it began paying interest on Clearing Fund cash, some Clearing Members deposit more Clearing Fund cash than is required under OCC's Rules. OCC anticipates that paying interest on margin cash will incentivize Clearing Members to increase their cash margin deposits, given that Clearing Members already voluntarily contribute substantially more cash (in excess of minimum requirements) for the Clearing Fund, where interest is paid, but they do not do so for margin, where no interest is currently paid. The expected increase in cash deposits is also supported by OCC's experience receiving substantially more Clearing Fund cash after beginning to pay interest and by OCC's discussions with Clearing Members regarding this proposal. Clearing Member responses to this proposed change are expected to vary, with some increasing cash balances immediately and others adjusting more gradually, if at all. Any increase in aggregate cash balances is expected to occur over time, rather than immediately, and will continue to be monitored as part of OCC's ongoing liquidity management processes.

OCC also seeks to make this change in order to align its practices with those of other central counterparties (''CCPs''), including CME Group (''CME''),[4] National Securities Clearing Corporation,[5] Fixed Income Clearing Corporation,[6] and ICE Clearing,[7] that compensate members for cash balances held as margin. These CCPs typically pass through a portion of investment earnings based on a policy rate (*e.g.,* IORB minus a spread) or their own net investment yield minus a spread. Paying interest on margin cash recognizes the opportunity cost Clearing Members incur when posting cash and promotes equitable treatment across collateral types.

To facilitate this payment of interest, OCC further proposes to amend its rules to allow it to safekeep margin cash, including margin cash deposited in respect of securities customer accounts, in a Federal Reserve Bank account, where it will earn interest at the IORB rate. Currently, OCC's use of the Federal Reserve Bank account is limited to the safekeeping of Clearing Members' Clearing Fund deposits and non-customer margin, pursuant to current Rule 604B. Over the past year OCC has held, on average, about $700 million in non-customer margin cash in the Federal Reserve Bank account. OCC has held the remainder of margin cash deposits at commercial banks (about $800 million) and in reverse repo investments (about $1 billion). This proposed rule change would expand the use of the Federal Reserve Bank account to include the safekeeping of securities customer margin cash, which would allow OCC to pay interest on such funds.[8] If the change is approved, OCC

[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] *See* CME Clearing Advisory Notice: Cash Interest Pass-Through & Collateral Fees, Jan. 2, 2015 (''CME will also begin passing through interest on US dollar cash posted as collateral''), *available at https://www.cmegroup.com/tools-information/lookups/advisories/clearing/Chadv14-393.html;* Cash Interest Rates and Non-Cash Collateral Fees (describing interest rates on cash), *available at https://www.cmegroup.com/solutions/clearing/financial-and-collateral-management/cash-interest-rates-and-non-cash-collateral-fees.html.*

[5] National Securities Clearing Corporation Rule 4 Sec. 2 (''Each Member shall be entitled to any interest earned or paid on Clearing Fund cash deposits.''), *available at https://www.dtcc.com/~/media/Files/Downloads/legal/rules/nscc_rules.pdf;* Addendum A Sec. V.F (describing the Clearing Fund Maintenance Fee).

[6] Fixed Income Clearing Corporation Rule 4 Sec. 3a (''Each Netting Member shall be entitled to any interest earned or paid on Clearing Fund cash deposits. Any interest earned on Segregated Customer Margin or Cross-Margining Customer Margin consisting of cash shall be paid to the Netting Member for the benefit of, and as agent for, its Segregated Indirect Participants or Cross-Margining Customers, respectively.''), *available at https://www.dtcc.com/~/media/Files/Downloads/legal/rules/ficc_gov_rules.pdf;* FICC Fee Schedule (describing Clearing Fund Maintenance Fee), *available at https://www.dtcc.com/-/media/Files/Downloads/Clearing-Services/FICC/GOV/FICC-GOVfeeschedule.pdf.*

[7] ICE Clear Credit Rule 401(g)(''ICE Clear Credit shall . . . pay or charge interest on any cash Margin (other than Mark-to-Market Margin) in such Participant's Margin Accounts''), *available at https://www.ice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf;* ICE Clear Credit Fee Schedule (describing portion of interest retained by ICE Clear Credit) at 5, *available at https://www.ice.com/publicdocs/clear_credit/ICE_Clear_Credit_Collateral_Management.pdf.*

[8] OCC would establish a subaccount at the Federal Reserve Bank under the master account to separately account for customer margin. OCC already uses a similar subaccount for non-customer margin at the Federal Reserve Bank. And at the commercial banks where OCC deposits margin cash, OCC utilizes separate subaccounts within the same primary account to hold customer and non-customer margin cash.

anticipates that it would be able to deposit much of the remaining $1.8 billion in margin cash to the Federal Reserve Bank account, and that over time Clearing Members would choose to post more cash as margin, in lieu of government securities and/or valued securities. As such, OCC's proposal is designed to improve capital efficiency of its Clearing Members while enhancing OCC's custody and liquidity risk management through the use of Federal Reserve Bank services.

1. Purpose

OCC proposes to (1) pay Clearing Members interest on cash held as margin (other than cash held in X–M accounts) for the first time; (2) pay Clearing Members interest on all cash deposited to the Clearing Fund; and (3) adjust the cash management fee to 10 basis points on applicable margin cash and Clearing Fund cash. Interest would be paid at a rate equal to the IORB less the cash management fee, with interest payments to be made on a monthly basis. OCC further proposes to amend its rules to allow it to safekeep securities customer margin in a Federal Reserve Bank master account.

Proposed Change

a. Changes to OCC Rules To Permit Payment of Interest on Clearing Member Margin Cash and Clearing Fund Cash

OCC permits Clearing Members to deposit certain assets, including cash, to satisfy Clearing Fund contribution requirements and margin requirements. Under existing Rule 604(a), any interest received on Clearing Member margin cash belongs to OCC and is not passed through to Clearing Members. On the other hand, Clearing Members do currently receive interest on their cash contributions to the Clearing Fund. Under Rule 1002(c), the interest earned on the portion of Clearing Fund cash deposits OCC holds at the Federal Reserve Bank, less a 5-basis-point cash management fee to cover OCC's administrative costs, accrues to the benefit of Clearing Members based on each Clearing Member's pro rata share of Clearing Fund cash deposits. OCC does not currently pay or pass through any interest earned on the portion of the Clearing Fund cash deposits held outside of the Federal Reserve Bank.

OCC proposes to pay Clearing Members interest at the IORB rate, less a 10-basis-point cash management fee described below, on all cash, other than cash held in OCC/CME X–M accounts,[9] contributed by Clearing Members either as margin or to the Clearing Fund, calculated daily.[10] To implement this change, OCC proposes to add a new subpart to the Rules, Rule 604B(g), to permit it to pay interest on margin cash.[11] OCC also proposes to revise Rule 1002(c) to delete the prior practice of passing through interest on Clearing Fund cash held on deposit at the Federal Reserve Bank, and to create new Rule 1002(d) to permit it to pay interest at the IORB rate, less a cash management fee, on Clearing Fund cash. Both revisions apply only when Clearing Members have provided OCC with all tax documentation that OCC may from time to time require in order to effectuate such payment.

b. Changes to the Cash and Investment Management Policy To Accommodate Interest Payments to Clearing Members

In order to accommodate the payment of interest income, OCC would also amend its Cash and Investment Management Policy to state that OCC shall pay interest, less a cash management fee, to Clearing Members on all margin and Clearing Fund cash deposits other than cash held in OCC/CME X–M accounts. The Cash and Investment Management Policy would also be amended to make clear that interest earned from outside parties, *e.g.,* the Federal Reserve Bank, on margin and Clearing Fund cash investments belongs to OCC. OCC intends to utilize these funds to pay interest to Clearing Members, but OCC would pay Clearing Members interest on their margin and Clearing Fund cash at the IORB rate less the 10-basis-point cash management fee even if OCC were to earn less in interest from outside parties.

c. Changes to the Schedule of Fees To Reflect the New Cash Management Fee

OCC also proposes to amend the Schedule of Fees to reflect the 10-basis-point cash management fee charged on Clearing Members' cash balance held as margin or in the Clearing Fund. The amended Schedule of Fees reflects a 10-basis-point fee on each Clearing Member's average daily cash balance held in the Clearing Fund or held as margin (other than cash held in OCC/CME X–M accounts). This fee change reflects the proposal that OCC pay interest on all Clearing Member margin and Clearing Fund cash, rather than only the portion of the cash held in the Federal Reserve Bank account.

d. Changes to OCC Rules To Allow OCC To Safekeep Cash Margin at a Federal Reserve Bank

In order to pay interest on margin cash deposits, other than cash held in an OCC/CME X–M account, at the IORB rate less a cash management fee, OCC would need to be able to deposit cash margin in a Federal Reserve Bank account. The only Federal Reserve Bank account for which OCC is approved to deposit margin funds, other than futures customer margin funds required to be segregated under CFTC regulations, is currently limited by OCC Rule 604B to holding non-customer margin and Clearing Fund deposits. OCC proposes to amend Rule 604B and Interpretation & Policy .04 to Rule 1002 so OCC may also safekeep securities customer margin funds in this Federal Reserve Bank account.

Specifically, OCC proposes to amend Rule 604B(b)(2), which provides requirements with respect to OCC's approval of accounts at commercial banks for the holding and the titling of such accounts, to exclude all margin assets held at a Federal Reserve Bank, as opposed to only non-customer margin assets as Rule 604B(b)(2)(B)(iii) currently provides. Federal Reserve Bank accounts are exempt from titling requirements under OCC's Rules because OCC's Federal Reserve Bank account is not specifically titled as a margin account, like OCC's accounts at commercial banks are. The exemption of Federal Reserve Bank accounts is also consistent with exemptions granted by the CFTC to certain requirements of Regulation 1.20 with respect to Federal Reserve Bank accounts that hold futures customer funds.[12] While Federal Reserve Bank accounts are exempt from OCC's account title requirements, OCC has communicated to the Federal Reserve Bank that the accounts hold

[9] As defined in the OCC By-Laws, X–M accounts are Clearing Member accounts in which positions subject to cross-margining treatment are maintained. Margin cash held in X–M accounts must be deposited in joint accounts at a depository in accordance with OCC's Cross Margin Agreement with CME. Accordingly, such funds are not available to be deposited in a Federal Reserve Bank account at which they would earn interest at the IORB rate.

[10] Under proposed Rule 1002(c)(2), OCC would reserve the right to charge the Clearing Fund to cover any unpaid Federal Reserve Bank service charges in the event that the administrative fee is insufficient to cover service charges imposed on the Federal Reserve Bank account. As discussed below, the only fee owed to the Federal Reserve Bank is a monthly service charge, which is approximately $3,000 per month. For further details, see the discussion in subsection 1.e of Item II.(A), below.

[11] Current Rule 604B(g), Investment of Margin Cash, would hereafter be reclassified as 604B(h).

[12] 17 CFR 1.20(g)(4)(i) (derivatives clearing organizations need not obtain a written acknowledgement from the Federal Reserve Bank specifying that the account will hold customer funds); 81 FR 53266 (Aug. 12, 2016) (final rule exempting accounts at the Federal Reserve Bank from providing written acknowledgement).

margin funds. That margin funds may be and are held in the account is reflected in the account authorization from the Federal Reserve Board of Governors, which authorizes OCC to maintain margin funds in such accounts, as well as in the titling of the existing subaccount that OCC has established to hold non-customer margin.

OCC would also amend Interpretation & Policy .04 to OCC Rule 1002, which provides a similar exception to the general requirement that Clearing Fund cash contributions be deposited by OCC in separate accounts at an approved depository for Clearing Fund contributions. The current exception is limited to maintaining Clearing Fund cash requirements with non-customer margin. That exception would be expanded to allow OCC to deposit Clearing Fund cash in an account at the Federal Reserve Bank along with margin assets other than cash derived from margin deposited in respect of segregated futures accounts, which must be segregated in accordance with CFTC Regulation 1.20.[13]

e. Changes to OCC Rules and Capital Management Policy To Ensure Payment of Federal Reserve Bank Access Fees

OCC also proposes to amend its Rules and the Capital Management Policy to help ensure that margin funds deposited at the Federal Reserve Bank would never be subject to a Federal Reserve Bank lien. The account agreement for the Federal Reserve Bank account in which OCC would deposit margin assets provides the Federal Reserve Bank with a lien on OCC's ''right, title and interest in property'' [14] in the account to the extent of any unpaid fees. OCC understands that this provision is not unique to the account agreement with OCC, and is consistent with the Federal Reserve Bank's form account agreements used for commercial banks, its standard operating procedure,[15] and Regulation J of the Federal Reserve Board of Governors.[16] In OCC's case, the only fee owed to the Federal Reserve Bank is a monthly service charge, which is approximately $3,000 per month.[17]

OCC does not believe there is a plausible scenario in which access to or return of margin assets would be interrupted by an unpaid service charge. Pursuant to OCC's Capital Management Policy, approved by the Commission as an OCC rule,[18] OCC maintains liquid net assets funded by equity of $555.2 million (as of December 31, 2025), and retains the ability to charge its Clearing Members an Operational Loss Fee of up to $219 million if capital drops below OCC's Target Capital Requirement, currently $286 million. OCC also maintains funds exclusively to cover credit losses or liquidity shortfalls, called the Minimum Corporate Contribution. For 2026 the Minimum Corporate Contribution is $67 million, and OCC proposes that the definition of Minimum Corporate Contribution in its Rules be amended to make clear that these funds may be used to cover unpaid Federal Reserve Bank service charges. Further, even if OCC's working capital were effectively zero, the 10-basis-point cash management fee OCC proposes on cash held in the Federal Reserve Bank account would be more than sufficient to cover the service charge. Assuming OCC was operating at the $3 billion Clearing Fund Cash Requirement under OCC Rule 1002(a)(i), the 0.10% monthly cash management fee due to OCC on Clearing Fund cash alone in the Federal Reserve Bank account would be $250,000, more than 83 times the amount needed to cover the monthly service charge.

In order to further ensure that a lien would never attach to margin assets due to unpaid service charges, OCC proposes certain amendments to its rules to allow for the use of OCC's Minimum Corporate Contribution and Clearing Fund assets to cover unpaid fees in the extremely unlikely event that OCC did not have sufficient liquid net assets funded by equity to cover a $3,000 service charge. Specifically, OCC proposes to amend the definition of Minimum Corporate Contribution in Rule 101 to state that these funds may be used to cover unpaid Federal Reserve Bank service charges. OCC also proposes a similar amendment to the definition of Minimum Corporate Contribution contained in the Capital Management Policy.

f. Other Conforming Changes to OCC Rules

In addition, OCC would also make certain conforming changes to other provisions of Rule 604B and Rule 1006. First, OCC proposes to move paragraphs (i) and (j) of Rule 1006—which concern OCC's general lien on Clearing Fund contributions and OCC's maintenance of Government securities deposited to satisfy Clearing Fund requirements as a securities intermediary—to paragraphs (k) and (l) of Rule 1002. Rule 1006 is principally concerned with OCC's uses of the Clearing Fund. OCC believes that provisions related to OCC's interest in and the maintenance of the Clearing Fund contributions are better located in Rule 1002, which addresses the manner in which Clearing Fund contributions are deposited with OCC.

Second, OCC proposes to delete Rule 604B(c)(2), which currently provides OCC with authority to commingle non-customer margin funds with cash Clearing Fund contributions. This provision is duplicative of Interpretation & Policy .04 to OCC Rule 1002, as described above. In addition, with respect to the general requirement that margin funds must be held in accounts designated as margin accounts, Rule 604B(c)(2) is unnecessary because Rule 604B(b)(2)(B)(iii) already exempts margin funds held at a Federal Reserve Bank from that requirement. Accordingly, OCC proposes to delete Rule 604B(c)(2) and the cross references to that provision in OCC Rule 604(b)(2)(iii) and Interpretation and Policy .04 to OCC Rule 1002. In conjunction with that change, OCC also proposes to amend Rule 604B(c)(1) to make clear that OCC will not commingle margin assets with or use margin assets as its working capital. This revised language maintains OCC's ability to safekeep margin cash in a Federal Reserve Bank account with proceeds from OCC's Commercial Paper Program, which is not OCC's working capital and is maintained exclusively to cover losses or liquidity shortfalls in the same manner as Clearing Fund contributions.

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[13] 17 CFR 1.20(a).

[14] OCC maintains a lien, not an ownership interest, in the property that would be deposited in the Federal Reserve Bank account. *See* OCC By-Law Article VI, Section 3 (granting OCC a general lien on margin held in firm accounts and restricted lien on margin held in certain other accounts, including a customers' account). Accordingly, OCC does not believe this provision would give the Federal Reserve any greater right in the property than OCC's right, which is a lien to secure obligations under OCC's By-Laws and Rules, not for use to cover general business obligations of OCC.

[15] *See* Operating Circular 1 (Account Relationships), Section 5.3 (effective Sept. 1, 2023), *available at https://www.frbservices.org/binaries/content/assets/crsocms/resources/rules-regulations/090123-operating-circular-1.pdf.*

[16] *See* 12 CFR 210.28(b)(3) (''To secure any overdraft, as well as any other obligation due or to become due to its Federal Reserve Bank, each sender, by sending a payment order to a Federal Reserve Bank that is accepted by the Federal Reserve Bank, grants to the Federal Reserve Bank a security interest in all of the sender's assets in the possession or control of, or held for the account of, the Federal Reserve Bank. The security interest attaches when an overdraft, or any other obligation to the Federal Reserve Bank, becomes due and payable.'').

[17] OCC cannot incur overdraft fees on the account because it does not have borrowing privileges at the Federal Reserve and OCC's Treasury unit maintains controls to ensure that OCC does not overdraft the account.

[18] *See* Securities Exchange Act Release No. 92038 (May 27, 2021); 86 FR 29861 (June 3, 2021) (SR–OCC–2021–003) (order approving changes to the Capital Management Policy); 88029 (Jan. 24, 2020), 85 FR 5500 (Jan. 30, 2020) (SR–OCC–2019–007) (order approving the Capital Management Policy).

2. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A of the Exchange Act [19] and Rule 17ad–22(e)(7) [20] thereunder. Section 17A(b)(3)(F) of the Exchange Act [21] requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, in general, to protect investors and the public interest. The proposed rule change is designed to improve the resiliency of OCC's liquidity resources by incentivizing Clearing Members to deposit cash to satisfy their margin requirements. The proposed rule change is also designed to improve the position of OCC's Clearing Members by allowing them to earn interest on the cash that they deposit as margin. The proposed rule change also adjusts the amount of interest Clearing Members will receive on cash contributed to the Clearing Fund. This change is designed to provide certainty to Clearing Members that they will earn interest on the full amount of cash they contribute to the Clearing Fund, and to fully align the treatment of margin cash and Clearing Fund cash in the interests of consistency and operational efficiency. In this regard, OCC believes the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions and to protect investors and the public interest, in accordance with the requirements of Section 17A(b)(3)(F) of the Act.[22]

The revisions to allow the payment of interest on margin cash are consistent with Rule 17ad–22(e)(7),[23] which requires OCC to establish and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage its liquidity risk by maintaining sufficient liquid resources to effect settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios that includes Clearing Member default. The payment of interest on margin cash is intended to incentivize Clearing Members to deposit more cash to satisfy their margin requirements. Increased margin cash deposits would improve OCC's ability to manage its liquidity risk in the event of a Clearing Member default because cash is the most liquid marginable asset. And OCC's use of the Federal Reserve Bank account to achieve this objective is particularly consistent with Rule 17ad–22(e)(7)(iii),[24] which requires OCC to use its access to accounts and services at the Federal Reserve Bank when available to enhance its management of liquidity risk.

The revisions to allow for customer margin cash to be deposited for safekeeping in a Federal Reserve Bank account with non-customer margin cash and Clearing Fund cash are also consistent with Rule 17ad–22(e)(16),[25] which requires OCC to establish and enforce written policies and procedures reasonably designed to safeguard its own and its participants' assets, minimize the risk of loss and delay in access to those assets, and invest the assets in instruments with minimal credit, market, and liquidity risks. An account at a Federal Reserve Bank is likely the safest possible place to hold customer margin cash. That the same account would also hold non-customer margin and Clearing Fund cash should have no impact on the safety and accessibility of customer margin cash. OCC would establish a subaccount at the Federal Reserve Bank under the master account to separately account for the customer margin. OCC already has a similar subaccount for non-customer margin, and at commercial banks—where the customer margin is currently held—OCC utilizes separate subaccounts within the same primary account to hold customer and non-customer margin cash. And OCC proposes changes to its Rules that would virtually eliminate any impact of a Federal Reserve Bank lien, as described above.

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

Section 17A(b)(3)(I) of the Act [26] requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. OCC does not believe the proposed rule change would have any impact or impose any burden on competition. The proposed rule change is designed to revise Rules 604B(g) and 1002(c) and (d) to enable OCC to pay interest on cash held as Clearing Member margin or in the Clearing Fund. The proposed rule change would apply equally to all Clearing Members and would not affect Clearing Members' access to OCC's services or disadvantage or favor any particular user in relationship to another user. As such, OCC believes that the proposed changes would not have any impact or impose any burden on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed change and none have been received. OCC will notify the Commission of any written comments received by OCC.

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 self-regulatory 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–2026–007 on the subject line.

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–OCC–2026–007. 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/*

[19] 15 U.S.C. 78q–1.

[20] 17 CFR 240.17ad–22(e)(7).

[21] 15 U.S.C. 78q–1(b)(3)(F).

[22] *Id.*

[23] 17 CFR 240.17ad–22(e)(7)(i).

[24] 17 CFR 240.17ad–22(e)(7)(iii).

[25] 17 CFR 240.17ad–22(e)(16).

[26] 15 U.S.C. 78q–1(b)(3)(I).

rules/sro.shtml). Copies of such filing will be available for inspection and copying at the principal office of OCC and on OCC's website at *https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.*

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to File Number SR–OCC–2026–007 and should be submitted on or before August 26, 2026.

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

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–15828 Filed 8–4–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106024; File No. SR–LCH SA–2026–006]

Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to the LCH SA CDS Clear Trade Registration Fund

July 31, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'' or ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on July 20, 2026, Banque Centrale de Compensation, which conducts business under the name LCH SA (''LCH SA''), 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 the clearing agency. 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

LCH SA is proposing to amend its: (i) CDS Clearing Rule Book (''Rule Book''), (ii) CDS Clearing Procedures (''Procedures'') (collectively the ''CDS Clearing Rules'') and (iii) LCH Counterparty Credit Risk Policy (the ''Policy'') in order to introduce a form of margin forbearance to facilitate the registration of trades submitted by Clearing Members or their Clients to LCH SA for clearing (the ''Proposed Rule Change'').[3]

The text of the Proposed Rule Change has been annexed [sic] as Exhibit 5 to File No. SR–LCH SA–2026–006.

The implementation of the Proposed Rule Change will be contingent on LCH SA's receipt of all necessary regulatory approvals.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, LCH SA included statements concerning the purpose of and basis for the Risk Policies and discussed any comments it received on the Risk Policies. The text of these statements may be examined at the places specified in Item IV below. LCH SA 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

LCH SA is proposing to amend its CDS Clearing Rules to introduce a form of margin forbearance to facilitate the registration of trades submitted by Clearing Members or their Clients to LCH SA for clearing by introducing the trade registration fund (''TRF'') facility and credit tolerance. Under the current CDS Clearing Rules,[4] the clearing of original trades is subject to passing the collateral checks performed by LCH SA; if there is insufficient collateral and/or, in respect of client trades, collateral buffer, registered in the account structure of the relevant Clearing Member for the purposes of covering any increase in the margin requirements incurred by the clearing of the original trade, such trade will be rejected by LCH SA. The implementation of the TRF facility and credit tolerance will permit the clearing of an original trade in the absence of sufficient collateral and as the case may be, collateral buffer, by relying on the TRF which is composed of all the Clearing Members' contributions to such TRF that is part of the CDS Default Fund and/or if the TRF allowance amount allocated to the relevant Clearing Member is insufficient, on the credit tolerance granted to the relevant Clearing Member by LCH SA. The relevant Margin Requirements covered by the usage of the TRF and, as the case may be, the credit tolerance, will be satisfied by the transfer of an amount of Collateral by the relevant Clearing Member at the next Collateral Call.

A. Proposed Revisions to the CDS Clearing Rules

1. Rule Book

LCH SA proposes to add additional defined terms and make amendments to existing defined terms contained within Title I, Chapter 1, Section 1.1.1 of the Rule Book.

The new defined terms in respect of the introduction of the TRF facility and the credit tolerance will be introduced:

—''TRF Allowance'' that will mean Margin (other than Variation Margin) forbearance that LCH SA may provide to a Clearing Member in its own discretion in accordance with new Article 4.2.2.5 of the Rule Book (as further explained below);

—''Available TRF Allowance'' which will refer, in respect of the House Margin Account of a Clearing Member, the portion of its TRF Allowance which, at the relevant time, is not allocated to its House Margin Account up to the maximum value as determined for its House Margin Account in accordance with Section 2 of the Procedures; or in respect of all the Client Margin Accounts of a Clearing Member, the portion of its TRF Allowance which, at the relevant time, is not allocated to any of its Client Margin Accounts up to the maximum value as determined for all of its Client Margin Accounts in accordance with Section 2 of the Procedures;

—''TRF Allowance Amount'' which will refer to the value of that portion of the CDS Default Fund Amount which relates to those default fund resources which LCH SA determines as being required in relation to the aggregate of the TRF Allowances across all Clearing Members;

—''TRF Contribution'' which will mean the amount calculated by LCH SA with respect to each Clearing Member in accordance with Section 6 of the Procedures;

—''TRF Utilisation'' which will mean the value of the TRF Allowance utilised by a Clearing Member at any particular time, as determined by LCH SA in its sole discretion;

—''Credit Tolerance'' which will be defined as Margin (other than Variation Margin) forbearance that LCH SA may provide to a Clearing Member in its own discretion, provided that such Clearing Member has insufficient Available TRF Allowance in accordance with Article 4.2.2.5;

—''Available Credit Tolerance'' which will refer to, in respect of a Clearing Member, the portion of its Credit Tolerance which,

[27] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] All capitalized terms not defined herein have the same meaning as in the Rule Book or Procedures, as applicable, in their version as available on LCH SA's website: *https://www.lseg.com/en/post-trade/clearing/clearing-resources/rulebooks/lch-sa*.

[4] In accordance with Article 3.1.4.4 of the CDS Clearing Rule Book.