

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed definition change is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities. The change is intended to capture changes in the evolving landscape of market structure and trading technology, and to ensure that the term “Trading Platform” is applied consistently and comprehensively to functionally equivalent execution systems, regardless of the underlying technology or business model. As noted above, the amended definition is intended to reach any system, facility, or platform through which orders of persons other than the operator are systematically executed by electronic means, whether by matching or by principal execution by the operator or its affiliate—including, for example, a single-dealer platform that internalizes order flow, as well as decentralized or tokenized execution venues. A definition that excluded single-dealer platforms on the basis of their bilateral structure would draw an arbitrary line between venues that use market data in the same way. Applying the definition on a consistent, function-based basis to all functionally analogous venues, legacy and emerging alike, ensures equal treatment and avoids selective application. By ensuring that similar venues are treated alike, the proposed definition supports the equitable allocation of fees and avoids disparate treatment of functionally equivalent venues that do not meet an existing definition. The intent of this revised definition is not to introduce a new or novel concept; it is instead intended to provide further clarity on the platforms that should be covered under the definition, with new and emerging trading technologies in mind.

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 proposed rule change is grounded in the Exchange’s efforts to compete more effectively (e.g., by updating its definition of Trading Platform to conform with changes in the

industry).¹⁰ As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

Further, the Exchange believes that these changes will not cause any unnecessary or inappropriate burden on intramarket competition, as the revised definition applies uniformly to all market participants that meet the definition of Trading Platform, regardless of their specific business model or the technology employed by the execution venue.

Further, the proposed change to update the Trading Platform definition does not create an unnecessary or inappropriate inter-market burden on competition because it merely updates the Exchange’s definitions to ensure consistency with the evolving technological landscape. Indeed, this proposal ensures that the Exchange’s Fee Schedule accurately reflects the current scope of execution venues. The Exchange believes that the proposed rule change will relieve any burden on, or otherwise promote, competition.

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 Act¹¹ and paragraph (f) of Rule 19b-4¹² 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.

¹⁰ See *supra* note 4.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

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-CboeEDGX-2026-072 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-CboeEDGX-2026-072. 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-CboeEDGX-2026-072 and should be submitted on or before November 16, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106706; File No. SR-OCC-2026-009]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change by The Options Clearing Corporation Concerning Amendments to Clearing Member Standards

October 21, 2026.

I. Introduction

On August 19, 2026, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange

¹³ 17 CFR 200.30-3(a)(12).

⁹ 15 U.S.C. 78f(b)(5).

Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b–4 thereunder,² a proposed rule change to amend OCC’s requirements and procedures for membership as well as protective measures and sanctions including, but not limited to, the suspension of members (hereinafter “Proposed Rule Change”). The Proposed Rule Change was published for comment in the **Federal Register** on September 8, 2026.³ The Commission received comments from interested persons.⁴ For the reasons discussed below, the Commission is approving the 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 financial transactions. As the CCP for the listed options markets in the United States,⁵ as well as for certain futures and stock loans, OCC is exposed to various risks arising from providing clearance and settlement services to its Clearing Members because OCC is obligated to perform on the contracts it clears.⁶ OCC mitigates such risks, in part, by setting requirements for its members (and applicants to become members), the protective measures OCC may impose to manage specific risks, and the sanctions OCC may impose where members do not comply with the requirements of membership.

Generally, the proposed changes affect OCC’s requirements and procedures for membership as well as protective measures and sanctions including, but not limited to, the suspension of members. The proposed changes related to membership include conditions for admission of clearing member applicants as well as standards for existing Clearing Members. The proposed changes also include the

adoption of several new definitions, technical, clarifying changes, amendments to OCC’s governance standards, and, generally, the adoption of new rules relating to risk mitigation practices.

A. Clearing Membership

As noted above, OCC proposes changes to its membership rules. The proposed changes would address the conditions for admission of clearing member applicants as well as the who are authorized to approve or deny such applications. The proposed changes also would address the ongoing requirements for Clearing Members.

1. Confidentiality Standards

OCC’s proposed confidentiality standards apply generally to its membership rules. Proposed Rule 207(d) sets forth the standards Clearing Members must observe when maintaining or exchanging “OCC Confidential Information”⁷—the proposed rule demands that members exercise a standard of care that it would employ to protect its own confidential information, but not less than a reasonable standard of care. The proposed rule further acknowledges that breach of confidentiality may result in OCC seeking injunction or other equitable relief against the breaching party and states that the rule does not preclude or otherwise prohibit OCC from providing confidential information to the government or other regulatory authority.

2. Conditions for Admission

OCC proposes several changes to its Clearing Membership eligibility and admission standards, which are generally set forth in Chapter II of its rules. First, proposed rule 201(b) requires Clearing Members or applicants to maintain an operating history of at least one year in the same or substantially same business activities the member or applicant applies for. Alternatively, the member or applicant can maintain senior personnel with sufficient background or experience in such business activities.

Rule 204 sets forth OCC’s Conditions to Admission. OCC proposes to amend its rules with regard to who is authorized to approve or deny applications for Clearing Membership.

In 2016, OCC vested authority to approve or disapprove new membership applications in the risk committee of its board of directors (the “Risk Committee”) and delegated authority to approve certain applications to specific members of OCC management.⁸ Now, OCC proposes to allow the Risk Committee to delegate, to its designated delegates or agents, the ability to approve or deny new applications or reapplications. Specifically, OCC proposes amending Rules 203(b) through (e), Rule 204(a), (c) through (e), and (l) to include the phrase “or its designated delegates or agents,” which would vest in OCC’s management the Risk Committee’s authority to approve or deny certain applications and reapplications for Clearing Membership and requests for business expansion. OCC states that the purpose of permitting such delegation is streamline and accelerate the decision-making process and approval, while continuing to utilize a risk-based decision-making approach.⁹ OCC states further that the change would eliminate the need to wait until scheduled quarterly Risk Committee meetings to determine whether it will approve such applications or business expansion requests.¹⁰

The proposed changes would also amend an applicant’s obligations to notify OCC regarding Statutory Disqualification. Specifically, OCC proposes to require that such notifications be provided not only where an applicant or Key Person¹¹ is subject to a Statutory Disqualification, but also where the applicant or person is subject to formal investigation by a regulatory organization. OCC proposes to require that such notice be provided within two business days.

OCC next proposes amending Chapter II to include new Rules 204(e), (f) and (g). Rule 204(e) would set forth the standards by which OCC may disapprove an application or reapplication for membership or otherwise restrict denied applicants from reapplying upon becoming aware of any facts or circumstances about said applicant or reapplicant that poses

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 106264 (Sept. 2, 2026), 91 FR 57183 (Sept. 8, 2026) (File No. SR–OCC–2026–009) (“Notice”).

⁴ Comments on the Proposed Rule Change are available at <https://www.sec.gov/rules-regulations/public-comments/sr-occ-2026-009>.

⁵ OCC describes itself as “the sole clearing agency for standardized equity options listed on national securities exchanges registered with the commission.” See Securities Exchange Act Release No. 105208 (Apr. 10, 2026), 91 FR 20192, 20193 (Apr. 15, 2026) (File No. SR–OCC–2026–003).

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/company-information/documents-and-archives/by-laws-and-rules>.

⁷ OCC proposes to define the term OCC Confidential Information as all non-public information provided by OCC that is marked or, under the circumstance surrounding disclosure, otherwise identified in writing prior to disclosure to the recipient as “confidential” or “business sensitive” and is designated by OCC as confidential or the recipient knows or ought to reasonably know is confidential.

⁸ See Securities Exchange Act Release No. 78277 (July 11, 2016), 81 FR 16718 (July 15, 2016) (File No. SR–OCC–2016–007).

⁹ See Notice, 91 FR at 57187.

¹⁰ See *id.* at 57204.

¹¹ OCC proposes to define the term Key Person to include any person associated with a Clearing Member or applicant that OCC deems is critical to the Clearing Member or applicant’s operations or risk management, including, but not limited to, the Clearing Member’s President, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, and Chief Compliance Officer, or equivalent positions, or a major shareholder or partner.

elevated risk to OCC or otherwise impacts the suitability of the applicant as a Clearing Member. Such revisions would include allowing denial of an application where a Key Person becomes an elevated risk to OCC or impacts the suitability of the applicant as a Clearing Member.¹² Rule 204(f) would require a denied applicant to address the specific grounds for denial prior to reapplying for membership. Rule 204(g) would require an applicant to maintain physical office space unless OCC determines that the applicant's use of a remote office remote model does not present a heightened risk to OCC. Lastly, proposed Rule 204(g) would make an applicant subject to OCC's procedure for conducting on-site visits to an applicant's facility as part of OCC's onboarding process. OCC believes the use of a fully remote, non-hybrid, office model may introduce challenges for OCC to communicate with the applicant and perform an onsite examination of the applicant, therefore posing heightened risk to OCC.¹³

OCC is also amending Rule 204(h) (which concerns conditional approval of an application) to explicitly state that approval of an application may be conditioned on Clearing Fund deposits and operational testing requirements. OCC's changes to Rule 204 also include an amendment to Rule 204(l), which states that any imposed conditions will remain in effect until OCC judges that the heightened risks presented by the member are sufficiently reduced. Other changes to the rules governing conditions to admission include (i) empowering OCC to deny an application for failure to respond to requests for information under proposed Rule 204(j); (ii) stating explicitly that OCC may share information provided by

an applicant with designated examining authorities under proposed Rule 204(k); and (iii) requiring that an applicant provide to OCC its business plan, supported by financial projections and assumptions under proposed Rule 204(m). Additional changes to Rule 204 would authorize OCC to impose risk-based limitations, restrictions and contingencies on applicants under proposed Rule 204(n)¹⁴ and to request that an applicant provide the annual audited financial statements from its parent or affiliate under proposed Rule 204(p).

3. Ongoing Membership Standards

In addition to the conditions and requirements for applicants, OCC proposes to amend the standards to which current Clearing Members must adhere. For example, OCC proposes amendments to Rule 301(b), which would permit OCC to establish discretionary, risk-based minimum capital levels higher than those specified in current Rule 301. The proposed change aims to strengthen financial responsibility obligations for existing Clearing Members.¹⁵ OCC's amendments to Rule 301(d) would require that every Clearing Member furnish copies of its contingency planning procedures upon OCC's request.

Likewise, OCC proposes substantive amendments and clarifying changes to Rules 302(b), 302(c), and 302(f). Consistent with the proposed changes to Rule 204(g) described above, proposed Rule 302(b) would require Clearing Members to maintain a physical office unless OCC deems the member's fully remote office model does not present a heightened risk to OCC. Moreover, Rule 302(b) would subject Clearing Members' physical offices to on-site visits from OCC with no more than 24-hours' notice. Similarly, OCC proposes amending Rule 302(c) to clarify that a member must make its books and records available for inspection by OCC upon request.

Next, OCC proposes to update Rule 303(a) to require Clearing Members to employ individuals with relevant industry experience in senior management roles or equivalent positions (e.g., President of Chief Executive Officer). In addition, OCC proposes amending Rule 305, which concerns Clearing Member Risk Management, to explicitly state that following periodic review(s) of a

Clearing Member's risk management framework, any of OCC's actions or subsequent imposition of protective measures will be based on its review of a Clearing Member's written risk management policies, practices, and procedures.

OCC proposes various changes to Rule 306A, which sets forth the standards for event-based reporting. Under the rule, Clearing Members must notify an officer of OCC prior to 3:00 p.m. Central Time on the next business day if certain, triggering events occur—OCC's proposed rule changes clarify under what circumstances a Clearing Member must report. To clarify Rule 306A's meaning, OCC proposes amending the entirety of the rule to reference Rule 101 definitions, where applicable. OCC also proposes changing Rule 306A(1)(a) clarify that OCC's reporting requirements do not supersede laws applicable to the member that might prevent disclosure of such notice to OCC; OCC adopted the same requirement for eligible bank Clearing Members in Rule 306A(a)(5)(D). In addition, OCC proposes changing Rule 306A(a)(2)(A)(i) to require that a Clearing Member report to OCC when its net capital is less than the greater of 20% above the applicable member's minimum capital requirement. Rule 306(a)(4)(B)(i) sets forth the same requirement for non-U.S. securities firms.

OCC's proposed change to Rule 306B(b) would require Clearing Members to provide OCC with a complete copy of the annual audited financial statements of the Clearing Member's parent or affiliate; if such statements are not available, the member must provide unaudited financial statements, or applicable financial information, upon OCC's request. In addition, OCC proposes adding Rule 306B(f), which would explicitly require Clearing Members to provide accurate, complete and timely responses to its annual and periodic due diligence information requests.

Lastly, OCC proposes amending Rule 2212 to require all clearing members that are participants of the Stock Loan/Hedge program to register their existing Master Securities Loan Agreement relationship within OCC's clearing system.¹⁶ OCC's proposed changes to

¹² Rule 204(e) describes circumstances that may pose elevated risks to OCC which may include concerns with the result of an independent assessment of an applicant's "AML" program of "OFAC" sanctions list and sanctions list data. Proposed Rule 101 would define the term "AML," when used in respect of an applicant of Clearing Member's AML controls, as meaning compliance with anti-money laundering requirements imposed under United States law or comparable requirements in the Clearing Member's jurisdiction. In addition, Proposed Rule 101 would define "OFAC" as meaning the U.S. Department of Treasury's Office of Foreign Asset Control.

¹³ See Notice, 91 FR at 57192. OCC believes that an applicant's lack of maintaining any physical office facility presents risks that would not exist in a hybrid office model where an applicant may have some form of physical office to allow for in-person communication. OCC believes the risks posed by an applicant that is fully remote include, but are not limited to, challenges in communication between the applicant's staff and OCC, and the lack of visibility that OCC may have into the applicant's operational stability that could be mitigated during an on-site visit or in-person meeting. *Id.*

¹⁴ Additionally, an application approved with contingencies may subject a conditional member to a twelve-month probationary period pursuant to proposed Rule 204(o).

¹⁵ Notice, 91 FR at 57194.

¹⁶ OCC also proposes a technical update to Rule 302(f) to rescind the term "Stock Loan/Hedge" and replace it with the term "Market Loan," which accurately identifies the Market Loan Program described in the rule—such an update would clarify what members and applicants are subject to the aforementioned conditions to admission. This technical change comports with the OCC's proposed changes to Rule 2212, which concerns the

Rule 2212 also include removing the modifying term “Hedge” from Rule 2212’s text and removing the phrase “within the Stock Loan/Hedge Program” from Rule 2212(a).

B. Admission and Disciplinary Proceedings

1. Membership Applications

OCC proposes changes to its rules regarding the process provided both to applicants for membership as well as to members subject to disciplinary sanctions. OCC proposes adopting rules setting forth in expanded detail the processes and procedures for review of an application or reapplication by the Risk Committee or its delegates, which include: (i) the procedures to request a hearing following denial of an application or reapplication; (ii) procedure for submitting, precedent to a hearing, a concise statement setting for a member’s objection to the denial; and (iii) the specific procedures for conducting a hearing before the risk committee, including, but not limited to, procedures for proffering documents and presenting testimony.¹⁷

In addition, OCC proposes adopting a rule explicitly stating that any decision by the Risk Committee or its delegate to deny an application or reapplication must be written and noticed to the applicant—the proposed changes go on to state that a decision rendered by OCC is final upon the date an applicant receives notice of said decision. Lastly, OCC’s proposed changes to Rule 203 include clarifying that any final decision to deny a reapplication pursuant to OCC Rule 309 constitutes grounds for summary suspension under OCC Rule 1102.

OCC’s rules currently require a Clearing Member to notify OCC of material changes (e.g., merger, sale, name change).¹⁸ OCC proposes to amend its rules to empower OCC to require a Clearing Member to reapply for membership following notice of such a change. OCC proposes adopting Rule 309 in connection with Rule 306A(b)(1)—Rule 309 sets forth the processes and procedures for reapplying for membership. Rule 309(a) would authorize OCC to require a Clearing Member to reapply for membership if OCC determines, in its sole discretion, that the financial or operational condition of a Clearing Member has materially changed or materially

changes the business strategy of the member in a manner that might adversely affect OCC. As proposed, Rule 309(b) would permit a Clearing Member to conditionally maintain its membership during the application period, notwithstanding any protective measures implemented pursuant to Rules 307 through 307C. Lastly, proposed Rule 309(c) would require that the denial of Clearing Membership following reapplication is subject to the process provided under Rule 203, as described above. Other proposed changes include amending rules 306A(a)(5)(C) and (D) to clarify that reporting obligations are triggered by the receipt of notice of any violation delineated in Rule 306A, amending Rule 306A(b)(1) to require that members provide notice of any material changes in its form of organization or ownership structure, and updating Rule 306A(c) to reference the newly adopted term “Key Person.”

2. Disciplinary Proceedings

OCC also proposes changes to Chapter XII, including amendments and clarifying additions to Rule 1201, which concerns sanctions. OCC proposes including among the sanctions available under Rule 1201(a) fines. OCC also proposes amending Rule 1201 to explicitly state that a Clearing Member may be sanctioned for violating statutory rules of OCC (*i.e.*, in addition to violating the By-Law and Rules). To clarify what conduct might constitute a sanction under the rule, OCC proposes adding Rules 1201(a)(1)–(5), which set forth examples of conduct that may warrant sanctions, including: (i) failure by a member to provide adequate personnel or facilities; (ii) failure by a member to comply with a protective measure proscribed under Rules 307 or 307C; (iii) exhibiting a pattern of tardily providing financial information; (iv) providing false financial information, or (iv) exhibiting a pattern of regulatory or legal infractions.

3. Suspension of a Clearing Member

Further, OCC proposes to Chapter XI of its Rules modify the procedures for summary suspension of a Clearing Member. OCC proposes adding Rule 1101(b), which would require any non-U.S. Clearing Member subject to expulsion or suspension by a non-U.S. regulatory agency or securities exchange to immediately notify OCC of any such occurrence. OCC also proposes amending Rule 1102(b)(5) to include examples of when a member is in such financial or operating difficulty that OCC may exercise its discretion to suspend the member (e.g., the member

loses access to sufficient financial resources or the ability to participate in default management activities). Under the proposed changes to Chapter XI, a Clearing Member could also be subject to suspension if it is in default in the payment of funds or other obligations in respect of Rule 707 X–M accounts or if it does not meet OCC’s membership standards following reapplication under Rule 309. Lastly, OCC proposes an amendment clarifying that any event described in Rule 1102(a) constitutes a “default” and any default under any part of the rules must be noticed to OCC’s Board if the suspension determination is made by any agent of OCC other than the Board itself.

C. Clearing Member Risk Criteria

OCC proposes to expand Rule 307(a) to include in the universe of risks factors that may precipitate the imposition of protective measures “market risk” and “regulatory or compliance risks.” In addition, OCC proposes amending Rule 307 to state that new Clearing Members may be subject to enhanced monitoring and surveillance. OCC also proposes adding Rules 307(b) and (c), which empower OCC to impose protective measures on any Clearing Member or applicant at their discretion, on a case-by-case basis depending on factors which include, but are not limited to, the member or applicant’s financial or operational risk profile.

OCC proposes amending Rule 307B(b) to include new procedures relating the imposition of restrictions on certain transactions, positions and activities, which include: (i) requiring a Clearing Member to notice in writing its objections to any imposed restrictions and its intent to retain counsel; (ii) specifying OCC’s notice of hearing obligations and stating that any hearing will proceed pursuant to Rule 203(b)(6); and (iii) setting forth the procedure and requirements by which OCC will provide a member a notice of its final decision.

OCC also proposes amending Rule 307C, which delineates additional operational, personnel, financial, and risk management requirements, to empower OCC to require a financial guaranty from a Clearing Member’s parent company or affiliate, to impose limitations on a member’s financial leverage, to require a member to fill a key risk management or operational role created by the loss of a Key Person, or to require that members implement or enhance certain internal controls, procedures or systems.

procedures for closing out a Clearing Member’s Match-Book Positions following suspension.

¹⁷ See generally OCC Rule 203(b)(6).

¹⁸ See OCC Rule 306A(b). Proposed changes to OCC Rule 306A are described above in Section II.A.3.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Exchange Act requires the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to the organization.¹⁹ 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."²⁰

Based on a review of the Proposed Rule Change, the Proposed Rule Change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to OCC. The Proposed Rule Change is consistent with Sections 17A(b)(3)(F),²¹ 17A(b)(3)(H),²² 17A(b)(4)(B),²³ 17A(b)(5)²⁴ of the Exchange Act, and Rules 17ad–22(e)(18)²⁵ thereunder.

A. Consistency With Sections 17A(b)(3)(F) and 17A(b)(4)(B) of the Exchange Act

Section 17A(b)(3)(F) of the Exchange Act requires that the rules of a clearing agency are designed, in general, to protect investors and the public interest while not being designed to permit unfair discrimination in the admission of participants or among participants in the use of the clearing agency.²⁶ Relatedly, Section 17A(b)(4)(B) of the Exchange Act provides that a clearing agency may deny participation to, or condition the participation of, any person if such person does not meet such standards of financial responsibility, operational capability, experience, and competence as are prescribed by the rules of the clearing agency.²⁷ Section 17A(b)(4)(B) of the Exchange Act also provides that a registered clearing agency may examine and verify the qualifications of an applicant to be a participant in accordance with procedures established by the rules of the clearing agency.²⁸

As described in Section II.A.2, OCC proposes to authorize the Risk

Committee to continue to approve or deny applications and to delegate such authority to streamline the process. The proposed change would continue to rely on the current risk-based decision-making approach to reviewing applications without requiring an applicant to wait for a quarterly meeting of the Risk Committee for final determination. Although the initial decision could be made by a delegatee, an applicant would continue to have the right to challenge a denial before the Risk Committee, preserving Board-level oversight of the process.

Further, OCC proposes changes to the substantive requirements both for applicants and members addressing various concerns. As described above, OCC proposes changes related to financial responsibility, including the change to OCC Rule 301(a) that would authorize OCC to increase a Clearing Member's minimum capital requirement to mitigate various risks (e.g., an inadequate liquidity profile)²⁹ and the proposed new section (p) of OCC Rule 204 that would authorize OCC to require an applicant to produce the financial statements of its parent or affiliate. Other proposed changes pertain to an applicant's or member's operations, such as compliance with the confidentiality requirements of proposed OCC Rule 207(d), the physical office requirements of proposed Rules 204(g) and 302(b), and the books and records requirements of proposed Rule 302. The proposal also includes changes related to experience and competence, such as the requirement for a viable business plan under proposed OCC Rule 204(m), an operating history of one year or for an applicant or Clearing Member to employ sufficiently experienced senior personnel in the relevant area of business activity under proposed OCC Rule 201(b), and responsibilities for employing risk management personnel under proposed Rule 303. OCC also proposes replacing a reference in the definition of the term "Office" to Rule 201 with a reference to Rule 302 to comport with proposed rule changes to Chapter II Clearing Membership and Chapter III Membership Standards.

One commenter took issue with the addition of certain requirements for applicants and members stating that the proposal erects nearly insurmountable

barriers for anyone trying to enter the market.³⁰ Specifically, the commenter states that requiring an established operating history penalizes lean startups and that "[m]andating traditional physical office facilities disregards modern, secure remote infrastructure, forcing early-stage teams to absorb unnecessary real estate expenses before generating revenue."³¹

With regard to the year of operating history, OCC states that this proposed requirement would provide OCC with additional data or information (e.g., an applicant or Clearing Member's operating history and its senior management's employment history) to determine whether they meet OCC's membership standards.³² With regard to the requirement for a physical office, OCC explains that the purpose of the proposed requirement is to address issues of communication and transparency.³³

Based on the information provided, the proposed requirements around operations, experience, and competence are consistent with the Exchange Act. The Exchange Act does not permit unfair discrimination, but it does acknowledge the potential need to deny participation based on specific criteria. The commenter's concern regarding a one-year operating history ignores the alternative that OCC offers in its proposed rules (e.g., employing sufficiently experienced personnel). Similarly, the proposed rules allow for a scenario in which an applicant or member may operate in a fully remote business model but allow OCC to assess the potential risks of such an operating model. OCC is permitted to adopt rules that limit participation to the extent such rules are consistent with the requirements of the Exchange Act, such as not discriminating unfairly and not imposing a burden on competition that is not unnecessary or inappropriate.

Accordingly, the Proposed Rule Change is consistent with the requirements of Sections 17A(b)(3)(F) and 17A(b)(4)(B) of the Exchange Act.³⁴

B. Consistency With Sections 17A(b)(3)(H) and 17A(b)(5)(B) of the Exchange Act

Section 17A(b)(3)(H) of the Exchange Act requires that the rules of a clearing agency are in accordance with the

¹⁹ 15 U.S.C. 78s(b)(2)(C).

²⁰ Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

²¹ 15 U.S.C. 78q–1(b)(3)(F).

²² 15 U.S.C. 78q–1(b)(3)(H).

²³ 15 U.S.C. 78q–1(b)(4)(B).

²⁴ 15 U.S.C. 78q–1(b)(5).

²⁵ 17 CFR 240.17ad–22(e)(18).

²⁶ 15 U.S.C. 78q–1(b)(3)(F).

²⁷ 15 U.S.C. 78q–1(b)(4)(B).

²⁸ *Id.*

²⁹ A commenter supported the proposed change regarding minimum capital requirements. Comment from Sarthak Gupta (Sept. 25, 2026), available at <https://www.sec.gov/comments/SR-OCC-2026-009/srocc2026009-3721146.htm>. The commenter raised "[t]hree points that could make the proposal stronger before approval" but did not condition support on any of these points. *Id.* OCC did not amend its filing, and the analysis here reflects consideration of the proposal as filed.

³⁰ Comment from Anonymous Prospective Market Participant (Sept. 4, 2026), available at https://www.sec.gov/comments/SR-OCC-2026-009/srocc2026009-3349768_0.htm.

³¹ *Id.*

³² See Notice, 91 FR at 57186.

³³ See *id.* at 57192.

³⁴ 15 U.S.C. 78q–1(b)(3)(F) and 15 U.S.C. 78q–1(b)(4)(B).

provisions of Section 17A(b)(5) of the Exchange Act, and, in general, provide a fair procedure with respect to the disciplining of participants, the denial of participation to any person seeking participation therein, and the prohibition or limitation by the clearing agency of any person with respect to access to services offered by the clearing agency.³⁵ Section 17A(b)(5)(B) of the Exchange Act provides for the requirements related to any proceeding by a clearing agency to determine whether a person shall be denied participation or prohibited or limited with respect to access to services offered by the clearing agency.³⁶

As described in Section II.B.2, OCC proposes changes to the procedures around the denial of participation whether through the review of a membership application or disciplinary proceedings. Regarding the review of applications, the proposed changes explicitly provide procedures for the request a hearing following denial of an application as well as how such a hearing would proceed. For example, the proposed rules require that such a hearing proceed before the Risk Committee. OCC's proposed changes also include amending Rules 203 and 309 (*i.e.*, OCC's admissions procedures), to cover and encompass reapplications for Clearing Membership. In addition, the proposed changes to Rule 203 include amendments that specify in detail the processes and procedures for requesting a hearing contesting the denial of a Clearing Membership application or reapplication. The proposed amendments to the admission procedures serve to provide applicants and reapplicants an opportunity to be heard upon and explicitly provides for OCC to keep a record of any such hearing. After a hearing, the proposed rules would require that OCC produce a written statement setting forth specific grounds underlying the risk committee's disapproval decision. More specifically, proposed Rule 203(b)(8) mirrors proposed Rule 1201(b), which provides the same with respect to a suspension or expulsion following disciplinary proceedings undertaken pursuant to Chapter XII.

Likewise, Rule 309(c), as described in Section II.B.1., is consistent with Section 17A(b)(5)(B) of the Exchange Act. Proposed Rule 309(c) provides that any decision to deny Clearing Membership following reapplication will be made pursuant to Rule 203. The admission procedures described in Rule

203 already provide for the requirements outlined in Section 17A(b)(5)(B) of the Exchange Act, specifically in proposed Rules 203(b)(3) and (4). OCC's proposed changes to Rule 1201, which governs sanctions and is described above in Section II.B.2., describes, defines and explicitly delineates the universe of sanctions that OCC may impose on a Clearing Member.

Accordingly, the Proposed Rule Change is consistent with the requirements of Sections 17A(b)(3)(H) and 17A(b)(5)(B) of the Exchange Act.³⁷

C. Consistency With Section 17A(b)(5)(C) Under the Exchange Act

Section 17A(b)(5)(C) of the Exchange Act authorizes a registered clearing agency to summarily suspend a participant who: (i) has been and is expelled or suspended from any SRO; (ii) is in default of any delivery of funds or securities to the clearing agency; or (iii) is in such financial or operating difficulty that the clearing agency determines that suspension of the participant is necessary for the protection of the clearing agency, its participants, creditors, or investors.³⁸ Section 17A(b)(5)(C) also provides that a summarily suspended participant shall be promptly afforded an opportunity for a hearing by the clearing agency in accordance with 17A(b)(5)(A) of the Exchange Act.³⁹

As described above, OCC proposes to reorganize and amend its rules pertaining to summary suspension of a Clearing Member. Specifically, the changes to Rule 1102(a) clarify upon what grounds OCC may summarily suspend a Clearing Member, by adding a nonexclusive list of scenarios involving financial or operating difficulty that may serve as grounds for suspension. The proposed changes would further clarify the current grounds for suspension related to OCC Rule 707 (*i.e.*, failure to meet an obligation in respect to cross-margin accounts). The proposed changes would also add a potential ground for suspension and proposed Rule 309 (*i.e.*, for Clearing Member who do not meet OCC's membership standards following reapplication). Further, the proposed changes would clarify that a summary suspension constitutes a default, following which OCC would cease to act for the suspended Clearing Member.

Accordingly, the proposed changes to Chapter XI of OCC's Rules are consistent

with the requirements of Section 17A(b)(5)(C) of the Exchange Act.⁴⁰

D. Consistency With Rule 17ad-22(e)(18) Under the Exchange Act

Rule 17ad-22(e)(18) under the Exchange Act requires a clearing agency, in part, to "[e]stablish objective, risk-based, and publicly disclosed criteria for participation" that "require participants to have sufficient financial resources and robust operational capacity to meet obligations arising from participation in the clearing agency" and "monitor compliance with such participation requirements on an ongoing basis."⁴¹

As discussed above, Section 17A(b)(4)(B) of the Exchange Act, the Proposed Rule Change would expand OCC's existing financial and operational membership standards to address specific risks such as allowing OCC to set higher capital requirements where a member has an inadequate liquidity profile. The proposed changes to Rules 204(g) and 302(b) allowing for on-site visits by OCC would facilitate OCC's ability to monitor for compliance with its participation requirements. Similarly, the proposed changes to Rules 306B, 307, 307B and 307C provide for additional notification and reporting requirements that support OCC's monitoring of its members as well as protective measures OCC may impose. Protective measures such as restricting transactions that pose additional risk or increasing operation, personnel, financial resource and risk management requirements would support OCC's ability to set membership requirements aimed to ensure that participants to have sufficient financial resources and robust operational capacity to meet obligations arising out of clearing transactions with OCC.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad-22(e)(18).⁴²

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, with the requirements of Sections 17A(b)(3)(F),⁴³ 17A(b)(3)(H),⁴⁴ 17A(b)(4)(B),⁴⁵ and 17A(b)(5)(B)⁴⁶ of the

³⁵ 15 U.S.C. 78q-1(b)(3)(H) and 15 U.S.C. 78q-1(b)(5)(B).

³⁶ 15 U.S.C. 78q-1(b)(5)(B).

³⁷ 15 U.S.C. 78q-1(b)(3)(H) and 15 U.S.C. 78q-1(b)(5)(B).

³⁸ 15 U.S.C. 78q-1(b)(5)(C).

³⁹ 15 U.S.C. 78q-1(b)(5)(C).

⁴⁰ 15 U.S.C. 78q-1(b)(5)(C).

⁴¹ 17 CFR 240.17ad-22(e)(18).

⁴² 17 CFR 240.17ad-22(e)(18).

⁴³ 15 U.S.C. 78q-1(b)(3)(F).

⁴⁴ 15 U.S.C. 78q-1(b)(3)(H).

⁴⁵ 15 U.S.C. 78q-1(b)(4)(B).

⁴⁶ 15 U.S.C. 78q-1(b)(5)(B).

Exchange Act, and Rule 17ad-22(e)(18)⁴⁷ thereunder.

It is therefore ordered pursuant to Section 19(b)(2) of the Exchange Act⁴⁸ that the proposed rule change (SR-OCC-2026-009) be, and hereby is, approved.⁴⁹

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁰

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106709; File No. SR-NYSEARCA-2026-103]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rules 7.18-E, 7.35-E(a)(8)(A), and 7.35-E(f) Regarding Trading Halts

October 21, 2026.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on October 7, 2026, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Rule 7.18-E (“Trading Halts”) regarding Initial Listing Regulatory Halts, Rule 7.35-E(a)(8)(A) regarding the definition of “Auction Reference Price” for a Trading Halt Auction, and Rule 7.35-E(f) regarding IPO Auctions. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

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 self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) proposes to amend Rule 7.18-E (“Trading Halts”) regarding Initial Listing Regulatory Halts, Rule 7.35-E(a)(8)(A) regarding the definition of “Auction Reference Price” for a Trading Halt Auction, and Rule 7.35-E(f) regarding IPO Auctions.

Background

Rule 7.18-E(b)(1)(B) lists the types of discretionary regulatory halts the Exchange may declare, including, at subparagraph (i), an “Initial Listing Regulatory Halt.”

The Initial Listing Regulatory Halt was first adopted in 2018 on the Exchange’s affiliate exchange, the New York Stock Exchange LLC (“NYSE”), as NYSE Rule 123D(d).⁴ The text of that rule stated, in pertinent part, that the Exchange “may declare a regulatory halt in a security that is the subject of an initial pricing on the Exchange of a security that has not been listed on a national securities exchange . . . immediately prior to the initial pricing.”⁵ NYSE’s Rule 19b-4 filing in support of the rule specified that the purpose of the rule change was to “provide authority to declare a regulatory halt for a new listing that is not the subject of an IPO.”⁶ In its order

granting approval of the rule, the Commission noted that the rule “should facilitate the initial opening . . . of certain securities not listed in connection with an underwritten IPO”⁷

The Exchange adopted the Initial Listing Regulatory Halt as part of a reorganization of Rule 7.18-E (“Trading Halts”) that was implemented in August 2026.⁸ Rule 7.18-E(b)(1)(B)(1) defines the Initial Listing Regulatory Halt as “of a security that is the subject of an initial pricing on the Exchange that has not been listed on a national securities exchange immediately prior to initial pricing.”⁹

Proposed Change to Rule 7.18-E(b)(1)(B)(i)

The Exchange proposes to amend the text of Rule 7.18-E(b)(1)(B)(i) to explicitly specify that the Initial Listing Regulatory Halt does not apply to corporate securities that are subject to an IPO. The Exchange believes that the transparency and clarity of the rule would be enhanced by specifying that the Exchange may declare an Initial Listing Regulatory Halt if a security is the subject of an initial pricing on the Exchange, “except for (a) IPOs in equity securities that are not derivative security products, or (b) securities that are listed on a national securities exchange immediately prior to initial pricing.” Because both these exceptions are covered by the existing rule, the proposed change is not substantive, but rather clarifying in nature.

Proposed Changes to Rule 7.18-E(b)(5)(B)(v), Rule 7.35-E(a)(8)(A), and Rule 7.35-E(f)

Rule 7.18-E(b)(5)(B)(v) describes how the Exchange will resume trading after an Initial Listing Regulatory Halt. The current rule text provides that the Exchange “will resume trading after an Initial Listing Regulatory Halt when the security is open for trading,” but does not specify the mechanism by which the security will reopen.

The Exchange proposes to amend Rule 7.18-E(b)(5)(B)(v) to provide that “[t]he Exchange will resume trading after an Initial Listing Regulatory Halt with a Trading Halt Auction, except that an ETP New Issue as defined in Rule 7.35-E(f) will (a) reopen after 9:30 a.m.

that is having its initial listing on the Exchange, is not an IPO, and has not been listed on a national securities exchange . . . prior to the initial pricing.”)

⁷ See *supra* note 4, 83 FR at 5655.

⁸ See Securities Exchange Act Release No. 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025) (SR-NYSEARCA-2025-50).

⁹ See *id.*

⁴⁷ 17 CFR 240.17ad-22(e)(18).

⁴⁸ 15 U.S.C. 78s(b)(2).

⁴⁹ In approving the Proposed Rule Change, the Commission considered the proposal’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 82627 (February 2, 2028), 83 FR 5650 (February 8, 2018) (SR-NYSE-2017-30) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of Proposed Rule Change as Modified by Amendment No. 3).

⁵ See NYSE Rule 123D(d) (SR-NYSE-2017-30 version).

⁶ See NYSE Form 19b-4 in support of SR-NYSE-2017-30, available at <https://www.nyse.com/publicdocs/nyse/markets/nyse/rule-filings/filings/2017/NYSE-2017-30,%20Am%203.pdf> (“Proposed Rule 123D(d) would provide authority for the Exchange to declare a regulatory halt for a security