

registration statements (see the separate PRA submissions for Form N-3 (17 CFR 274.11b), Form N-4 (17 CFR 274.11c) and Form N-6 (17 CFR 274.11d). The Commission is requesting a burden of one hour for Rule 11a-2 for administrative purposes.

The estimate of average burden hours is made solely for the purposes of the PRA, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules or forms. With regard to Rule 11a-2, the Commission includes the estimate of burden hours in the total number of burden hours estimated for completing the relevant registration statements and reported on the separate PRA submissions for those statements (see the separate PRA submissions for Form N-3, Form N-4 and Form N-6). The information collection requirements imposed by Rule 11a-2 are mandatory. Responses to the collection of information will not be kept confidential.

Written comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE, Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: January 30, 2018.

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82596; File No. SR-OCC-2018-004]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Revise The Options Clearing Corporation's Schedule of Fees

January 30, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 19, 2018, 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 by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder so that the proposal was effective upon filing with the Commission. 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

The proposed rule change by OCC would revise OCC's Schedule of Fees effective March 1, 2018, to implement an increase in clearing fees in accordance with OCC's Fee Policy.<sup>5</sup> The proposed changes to the Schedule of Fees can be found in Exhibit 5 to the proposed rule change. All capitalized

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

<sup>5</sup> OCC's Fee Policy was adopted as part of OCC's plan for raising additional capital ("Capital Plan"), which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. See Exchange Act Release No. 34-74452 (March 6, 2015), 80 FR 13058 (March 12, 2015) (SR-OCC-2015-02); Exchange Act Release No. 34-74387 (February 26, 2015), 80 FR 12215 (March 6, 2015) (SR-OCC-2014-813) ("Approval Orders"). BATS Global Markets, Inc., BOX Options Exchange LLC, KCG Holdings, Inc., Miami International Securities Exchange, LLC, and Susquehanna International Group, LLP each filed petitions for review of the Approval Order, challenging the action taken by delegated authority. Following review of these petitions, on August 8, 2017, the U.S. Court of Appeals for the D.C. Circuit remanded the Approval Orders to the Commission to further analyze whether the Capital Plan is consistent with the Securities Exchange Act of 1934. *Susquehanna Int'l Grp., LLP v. SEC*, 866 F.3d 442 (D.C. Cir. 2017). While the Commission further analyzes the Capital Plan, it remains in effect as originally approved by the Commission. See *id.*

terms not defined herein have the same meaning as set forth in the OCC By-Laws and Rules.<sup>6</sup>

#### 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

###### (1) Purpose

The purpose of this proposed rule change is to revise OCC's Schedule of Fees in accordance with its Fee Policy to set OCC's fees at a level designed to cover OCC's operating expenses and maintain a Business Risk Buffer of 25%.<sup>7</sup> The revised fee schedule would become effective on March 1, 2018.<sup>8</sup>

By way of background, OCC implemented its Capital Plan in 2015,<sup>9</sup> which was put in place in light of proposed regulatory capital requirements applicable to systemically important financial market utilities, such as OCC. As part of OCC's Capital Plan, OCC adopted a Fee Policy whereby OCC would set clearing fees at a level that covers OCC's operating

<sup>6</sup> OCC's By-Laws and Rules can be found on OCC's public website: <http://optionsclearing.com/about/publications/bylaws.jsp>.

<sup>7</sup> The Business Risk Buffer is equal to net income before refunds, dividends, and taxes divided by total revenue.

<sup>8</sup> OCC recently filed a proposed rule change with the Commission to revise its Fee Policy to provide that proposed fee changes are required to be implemented no sooner than thirty (30) days from the date of filing of the proposed rule change concerning such fee change (as opposed to sixty (60) days). See SR-OCC-2018-001. OCC also has submitted the proposed changes to its Fee Policy to the Commodity Futures Trading Commission ("CFTC") under CFTC Regulation 40.6 and expects the proposed changes to be certified on January 24, 2018. OCC notes that implementation of the proposed fee change on March 1, 2018, requires either (i) Commission approval of SR-OCC-2018-001 and certification of the Fee Policy changes in SR-OCC-2018-001 under CFTC Regulation 40.6 or (ii) an exception to the 60-day notice period provision in the Fee Policy authorized by OCC's Board of Directors and the holders of all of the outstanding Class B Common Stock of OCC. OCC's Board of Directors unanimously approved, and the holders of all of the outstanding Class B Common Stock of OCC unanimously consented to, the reduction of the 60-day notice period to 30 days on December 15, 2016.

<sup>9</sup> See *supra* note 5.

expenses plus a Business Risk Buffer of 25%.<sup>10</sup> The purpose of the Business Risk Buffer is to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements.

OCC recently reviewed its current Schedule of Fees<sup>11</sup> against projected revenues and expenses for 2018 in accordance with its Fee Policy, to determine whether the Schedule of Fees

was sufficient to cover OCC's anticipated operating expenses and achieve a Business Risk Buffer of 25%. In reviewing the Schedule of Fees, OCC analyzed: (i) Expenses budgeted for 2018, (ii) projected other revenue streams for 2018, (iii) projected volume "mix," and (iv) projected volume growth for 2018. Based on the foregoing analysis, OCC determined that the current fee schedule is set at a level that would be insufficient to ensure that

OCC achieves its Business Risk Buffer of 25% as required under the Fee Policy.<sup>12</sup> OCC arrived at the proposed fee schedule presented herein by determining the figures that provide the best opportunity for OCC to achieve coverage of its anticipated operating expenses plus a Business Risk Buffer of 25%.

As a result of the aforementioned analysis, OCC proposes to revise its Schedule of Fees as set forth below.<sup>13</sup>

Current fee schedule		Proposed fee schedule	
Trades with contracts of:	Current fee	Trades with contracts of:	Proposed fee
1–1100 .....	\$0.050/contract .....	1–1018	\$0.054/contract.
>1100 .....	\$55/trade .....	>1018	\$55/trade.

OCC proposes to modify its fee schedule to: (i) Increase its per contract clearing fee from \$0.050 to \$0.054 per contract and (ii) adjust the quantity of contracts at which the fixed, per trade clearing fee begins from greater than 1100 contracts per trade to greater than 1018 contracts per trade. The proposed changes are designed to target a level of revenues sufficient to cover OCC's operating expenses plus a Business Risk Buffer of 25% while continuing to maintain OCC's existing fixed, per trade fee at a level of \$55 per trade.

In accordance with its Fee Policy, OCC will continue to monitor cleared contract volume and operating expenses in order to determine if further revisions to OCC's Schedule of Fees are required so that monies received from clearing fees cover OCC's operating expenses plus a Business Risk Buffer of 25%.<sup>14</sup>

## (2) Statutory Basis

Section 17A(b)(3)(D) of the Act, requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.<sup>15</sup> The proposed fee schedule was set in accordance with the criteria set forth in OCC's Capital Plan, which requires that OCC's fees be set at a level designed to cover OCC's operating expenses and maintain a Business Risk Buffer of 25%.<sup>16</sup> OCC believes the proposed fee change is reasonable because the fee

increase would be set at a level intended only to facilitate the maintenance of OCC's Business Risk Buffer of 25%, which is designed to ensure that OCC accumulates sufficient capital to cover unexpected fluctuations in operating expenses, business capital needs, and regulatory capital requirements. Moreover, OCC believes that the proposed fee change would result in an equitable allocation of fees among its participants because it would be equally applicable to all market participants. As a result, OCC believes that the proposed fee schedule provides for the equitable allocation of reasonable fees in accordance with Section 17A(b)(3)(D) of the Act.<sup>17</sup> The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

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

Section 17A(b)(3)(I) of the Act<sup>18</sup> 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 that the proposed rule change would have any impact or impose a burden on competition. Although this proposed rule change affects clearing members, their customers, and the markets that OCC serves, OCC believes that the proposed rule change would not

disadvantage or favor any particular user of OCC's services in relationship to another user because the proposed clearing fees apply equally to all users of OCC. Accordingly, OCC does not believe that the proposed rule change would have any impact or impose a burden on competition.

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

Written comments on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A)(ii)<sup>19</sup> of the Act, and Rule 19b–4(f)(2) thereunder,<sup>20</sup> the proposed rule change is filed for immediate effectiveness as it constitutes a change in fees charged to OCC Clearing Members. 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,

<sup>10</sup> OCC's Schedule of Fees must also meet the requirements set forth in Article IX, Section 9 of OCC's By-Laws. In general, Article IX, Section 9 of OCC's By-Laws requires that OCC's fee structure be designed to: 1) cover OCC's operating expenses plus a business risk buffer; 2) maintain reserves deemed reasonably necessary by OCC's Board of Directors; and 3) accumulate an additional surplus deemed advisable by the Board of Directors to permit OCC to meet its obligations to its clearing members and the public. Clauses 2 and 3 above will only be

invoked at the discretion of OCC's Board of Directors and in extraordinary circumstances.

<sup>11</sup> OCC previously revised its Schedule of Fees effective December 1, 2016, to implement a fee increase in accordance with the Fee Policy. See Securities Exchange Act Release No. 79028 (October 3, 2016), 81 FR 69885 (October 7, 2016) (SR–OCC–2016–012).

<sup>12</sup> OCC has provided a summary of its analysis in confidential Exhibit 3 of the filing.

<sup>13</sup> These changes are also reflected in Exhibit 5.

<sup>14</sup> Any subsequent changes to OCC's Schedule of Fees would be the subject of a subsequent proposed rule change filed with the Commission.

<sup>15</sup> 17 U.S.C. 78q–1(b)(3)(D).

<sup>16</sup> See *supra* note 5.

<sup>17</sup> 17 U.S.C. 78q–1(b)(3)(D).

<sup>18</sup> 15 U.S.C. 78q–1(b)(3)(I).

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>20</sup> 17 CFR 240.19b–4(f)(2).

or otherwise in furtherance of the purposes of the Act.<sup>21</sup>

#### 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2018-004 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2018-004. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's website at <https://www.theocc.com/about/publications/bylaws.jsp>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-OCC-2018-004 and should be submitted on or before February 23, 2018.

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

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-02124 Filed 2-1-18; 8:45 am]

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#### **SECURITIES AND EXCHANGE COMMISSION**

##### **Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

##### *Extension:*

Rule 12d2-2 and Form 25, SEC File No. 270-86, OMB Control No. 3235-0080

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for approval of extension of the previously approved collection of information provided for the following rule: Rule 12d2-2 (17 CFR 240.12d2-2) and Form 25 (17 CFR 249.25).

On February 12, 1935, the Commission adopted Rule 12d2-2,<sup>1</sup> and Form 25 under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Act"), which sets forth the conditions and procedures under which a security may be delisted from an exchange and withdrawn from registration under Section 12(b) of the Act.<sup>2</sup> The Commission adopted amendments to Rule 12d2-2 and Form 25 in 2005.<sup>3</sup> Under the adopted Rule 12d2-2, all issuers and national securities exchanges seeking to delist and deregister a security in accordance with

the rules of an exchange must file the adopted version of Form 25 with the Commission. The Commission also adopted amendments to Rule 19d-1 under the Act to require exchanges to file the adopted version of Form 25 as notice to the Commission under Section 19(d) of the Act. Finally, the Commission adopted amendments to exempt standardized options and security futures products from Section 12(d) of the Act. These amendments are intended to simplify the paperwork and procedure associated with a delisting and to unify general rules and procedures relating to the delisting process.

The Form 25 is useful because it informs the Commission that a security previously traded on an exchange is no longer traded. In addition, the Form 25 enables the Commission to verify that the delisting and/or deregistration has occurred in accordance with the rules of the exchange. Further, the Form 25 helps to focus the attention of delisting issuers to make sure that they abide by the proper procedural and notice requirements associated with a delisting and/or deregistration. Without Rule 12d2-2 and the Form 25, as applicable, the Commission would be unable to fulfill its statutory responsibilities.

There are 21 national securities exchanges that could possibly be respondents complying with the requirements of the Rule and Form 25.<sup>4</sup> The burden of complying with Rule 12d2-2 and Form 25 is not evenly distributed among the exchanges, however, since there are many more securities listed on the New York Stock Exchange, the NASDAQ Stock Market, and NYSE American than on the other exchanges. However, for purposes of this filing, the Commission staff has assumed that the number of responses is evenly divided among the exchanges. Since approximately 800 responses under Rule 12d2-2 and Form 25 for the purpose of delisting and/or deregistration of equity securities are received annually by the Commission

<sup>22</sup> 17 CFR 200.30-3(a)(12). OCC filed this proposed rule change for immediate effectiveness pursuant to Exchange Act Section 19(b)(3)(A)(ii) and Rule 19b-4(f)(2). As stated above in note 8, OCC may not implement the proposed change unless either (i) the Commission issues an Order approving the proposed rule change SR-OCC-2018-001 or (ii) an exception to the 60-day notice period provision in the Fee Policy is authorized by OCC's Board of Directors and the holders of all of the outstanding Class B Common Stock of OCC.

<sup>1</sup> See Securities Exchange Act Release No. 98 (February 12, 1935).

<sup>2</sup> See Securities Exchange Act Release No. 7011 (February 5, 1963), 28 FR 1506 (February 16, 1963).

<sup>3</sup> See Securities Exchange Act Release No. 52029 (July 14, 2005), 70 FR 42456 (July 22, 2005).

<sup>4</sup> The staff notes that a few of these 21 registered national securities exchanges only have rules to permit the listing of standardized options, which are exempt from Rule 12d2-2 under the Act. Nevertheless, the staff counted national securities exchanges that can only list options as potential respondents because these exchanges could potentially adopt new rules, subject to Commission approval under Section 19(b) of the Act, to list and trade equity and other securities that have to comply with Rule 12d2-2 under the Act. Notice registrants that are registered as national securities exchanges solely for the purposes of trading securities futures products have not been counted since, as noted above, securities futures products are exempt from complying with Rule 12d2-2 under the Act and therefore do not have to file Form 25.

<sup>21</sup> Notwithstanding its immediate effectiveness, implementation of this rule change will be delayed until this change is deemed certified under CFTC Rule 40.6.