notes that the amendment to the CAT Compliance Rule will apply equally to all Industry Members that trade equity securities. In addition, all national securities exchanges and FINRA are proposing these amendments to their CAT Compliance Rules. Therefore, this is not a competitive rule filing, and, therefore, it does not impose a burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act [8] and Rule 19b–4(f)(6) [9] thereunder. Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; or (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act [10] and Rule 19b–4(f)(6) [11] thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) [12] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[13] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange states that the proposed rule change seeks to conform the CAT Compliance Rule to be consistent with the amendment to the CAT NMS Plan approved by the Commission and that waiver of the 30-day operative delay would allow the Exchange's rules to reflect the amended CAT NMS Plan requirement as soon as possible. For these reasons, and because the proposed rule change does not raise any novel legal or regulatory issues, the Commission finds that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.[14]

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.

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–TXSE–2026–015 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–TXSE–2026–015. 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–TXSE–2026–015 and should be submitted on or before August 18, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–15172 Filed 7–27–26; 8:45 am]

BILLING CODE 8011–01–P

[8] 15 U.S.C. 78s(b)(3)(A).

[9] 17 CFR 240.19b–4(f)(6).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[12] 17 CFR 240.19b–4(f)(6).

[13] 17 CFR 240.19b–4(f)(6)(iii).

[14] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[15] 17 CFR 200.30–3(a)(12) and (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105975; File No. SR–OCC–2026–004]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change by the Options Clearing Corporation To Establish a Commercial Paper Program

July 23, 2026.

I. Introduction

On May 19, 2026, The Options Clearing Corporation (''OCC'') filed with the Securities and Exchange Commission (''Commission'') pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to establish a commercial paper program as part of its overall liquidity plan to meet OCC's settlement obligations (hereinafter, the ''Proposed Rule Change'').[3] The Proposed Rule Change was published for public comment in the **Federal Register** on June 8, 2026.[4] The Commission has received one public comment regarding the substance of the Proposed Rule Change that it addresses below.[5] For the reasons discussed

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

[2] 17 CFR 240.19b–4.

[3] *See* Notice *infra* note 4, 91 FR 34702.

[4] Securities Exchange Act Release No. 105601 (June 3, 2026), 91 FR 34702 (June 8, 2026) (File No. SR–OCC–2026–004) (''Notice''). OCC also submitted a related filing with the Commission pursuant to Section 806(e)(1) Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 and Rule 19b–4(n)(1)(i) under the Exchange Act. 12 U.S.C. 5465(e)(1) (the ''Advance Notice''). 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b–4, respectively. The Advance Notice was published in the **Federal Register** on June 8, 2026. Securities Exchange Act Release No. 105602 (June 3, 2026), 91 FR 34685 (June 8, 2026) (File No. SR–OCC–2026–801).

[5] The comment was received with regard to the Advance Notice. Because the proposals contained in the Proposed Rule Change and the Advance Notice are the same, the Commission considers all comments received on the proposal, regardless of

Continued

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,[6] 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.[7] For example, OCC is exposed to liquidity risk in that it may not have sufficient liquid resources to meet its payment obligations if one of its Clearing Members defaults.

OCC mitigates liquidity risk through access to several funding sources, including a minimum amount of cash that each Clearing Member must deposit in OCC's Clearing Fund (''Clearing Fund Cash Requirement'').[8] OCC is also authorized to maintain a syndicated bank credit facility,[9] a bank repurchase facility,[10] and a non-bank repurchase facility [11] (together ''Committed Facilities''). The Clearing Fund Cash Requirement and Committed Facilities form OCC's Base Liquidity Resources.[12]

OCC proposes establishing, as an additional liquidity resource, a program to raise prefunded liquidity through the private placement of unsecured debt (''Notes'') to institutional investors in an aggregate amount not to exceed $1 billion (the ''Commercial Paper Program''). OCC states that establishing the Commercial Paper Program would further diversify its liquidity resources.[13] The Commercial Paper Program would represent another prefunded source of liquidity to be held in an OCC account at the Federal Reserve Bank of Chicago (''Federal Reserve Bank Account'').[14] As such, using proceeds from the Commercial Paper Program would not require OCC to draw on a facility. This, according to OCC, would mitigate the risk that a liquidity provider may be delayed in funding or fail to fund as required under the terms of OCC's Committed Facilities.[15]

Further, OCC believes that under certain circumstances, the Commercial Paper Program would be more efficient and cost-effective than some of its current alternatives. Specifically, OCC expects to have the capability to access proceeds from the Commercial Paper Program on the same day they issue new debt.[16] Alternatively, obtaining additional commitments from liquidity providers through OCC's syndicated bank credit facility or non-bank repo facility could take weeks or months.[17] Additionally, OCC predicts that it would pay less to obtain liquidity using the Commercial Paper Program than it would using its syndicated bank credit facility and non-bank repurchase facility.[18]

A. Terms of the Commercial Paper Program

As noted above, OCC would seek to use the proposed Commercial Paper Program to raise prefunded liquidity through the private placement of unsecured debt (''Notes'') to institutional investors in an aggregate amount not to exceed $1 billion. OCC would hire an issuing and paying agent and certain placement agent dealers to develop the Commercial Paper Program. In doing so, OCC would execute certain agreements required to establish the Commercial Paper Program, including a dealer agreement with each of the placement agent dealers based on the standard form of dealer agreement for commercial paper programs published by the Securities Industry and Financial Markets Association and an issuing and paying agent agreement. OCC would issue the Notes through a private placement in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933. None of the Notes would have a maturity exceeding 180 days to minimize interest rate risk. OCC plans to stagger the maturities of the Notes in the Commercial Paper Program to avoid maturing liabilities being due at the same time and to mitigate the risk that a rollover issuance to replace expiring Notes does not fund.[19] Further, the Notes would be interest-bearing book-entry notes in the name of The Depository Trust Company or its nominee. OCC would not be able to redeem the Notes prior to maturity. The Notes also would not contain any provision for extension, renewal, automatic rollover or voluntary prepayment. Proceeds from OCC's Commercial Paper Program would be held in OCC's Federal Reserve Bank Account as noted above.

B. Amendments to OCC's Rules and Policies

OCC proposes four categories of changes to its rules and policies to support the proposed Commercial Paper Program. Such categories include

whether the comments are submitted with respect to the Advance Notice or the Proposed Rule Change. Comments on the Advance Notice are available at *https://www.sec.gov/rules-regulations/public-comments/sr-occ-2026-801.*

[6] OCC describes itself as ''the sole clearing agency for standardized equity options listed on national securities exchanges registered with the commission.'' Notice, 91 FR at 34702.

[7] 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.*

[8] *See* OCC Rule 1002; Notice, 91 FR at 34703.

[9] *See, e.g.,* Exchange Act Release No. 88971 (May 28, 2020), 85 FR 34257 (June 3, 2020) (File No. SR–OCC–2020–804). Through this facility, OCC may borrow cash by pledging the margin funds of the defaulting Clearing Member or Government securities borrowed from the Clearing Fund. Notice, 91 FR at 34703.

[10] *See, e.g.,* Exchange Act Release No. 103047 (May 15, 2025), 90 FR 21800 (May 21, 2025) (File No. SR–OCC–2025–801). The bank repurchase facility allows OCC to use government securities deposited by the defaulting Clearing Member or borrowed from the Clearing Fund to enter into repurchase transactions with a bank counterparty. *Id.*

[11] *See, e.g.,* Exchange Act Release No. 89039 (June 10, 2020), 85 FR 36444 (June 16, 2020) (File No. SR–OCC–2020–803). The non-bank repurchase facility (referred to in the Notice as the non-bank liquidity facility) allows OCC to use Government securities deposited by the defaulting Clearing Member or borrowed from the Clearing Fund to enter into repurchase transactions with institutional investment counterparties, such as insurance companies and pension funds. Notice, 91 FR at 34703.

[12] Base Liquidity Resources are the amount of qualifying liquid resources, as defined in Rule 17ad–22(a) under the Exchange Act, OCC maintains at all times to satisfy its regulatory obligations arising from the default of the CMO Group that would generate the largest aggregate payment obligation in extreme but plausible market conditions (a ''Cover 1'' liquidity requirement). Notice, 91 FR at 34703. ''CMO Group'' refers to the legal entity that is the Clearing Member and any other affiliate entities that control, are controlled by, or under common control with the Clearing Member. *Id.* at 34706, n.22.

[13] *Id.* at 34703. OCC initially plans to replace $250 million in existing liquidity from a single provider related to OCC's non-bank repurchase facility with proceeds from the Commercial Paper Program. OCC represents that currently, this liquidity provider's total commitments account for 42.5% of the commitments under the non-bank repurchase facility, and about 19% of OCC's Committed Facilities. *Id.* at 34704.

[14] *Id.* at 34703. *See* Federal Reserve Bank of Chicago authorization to provide accounts and services to Options Clearing Corporation and Chicago Mercantile Exchange, Inc., in accordance with the Dodd-Frank Act and Regulation HH, approved March 15, 2016 (*https://www.federalreserve.gov/releases/h2/20160319/h2.pdf*).

[15] Notice, 91 FR at 34703.

[16] *Id.* at 34703.

[17] *Id.* at 34703. Currently the only tool available to OCC to increase Base Liquidity Resources on an expedited basis is to increase the Clearing Fund Cash Requirement under OCC Rule 1002(a)(i)(A). *Id.* at 34703.

[18] *Id.* at 34703 n.13.

[19] *Id.* at 34704. In its notice, OCC provides as an example of a stagger replacing $250 million of non-bank repurchase facility commitments with two issues of $250 million in Notes of 90-day duration, staggered by 45 days. *Id.* at 34704.

changes related to (1) liquidity risk management, (2) counterparty risk management, (3) governance, and (4) clarifications.

1. Liquidity Risk Management

The Proposed Rule Change would make changes related to OCC's liquidity risk management. These changes would (1) recognize the proceeds from the Commercial Paper Program as a qualifying liquid resource, (2) adjust the sizing and use of the Clearing Fund, (3) distinguish the Commercial Paper Program proceeds from other types of prefunded financial resources that OCC maintains, and (4) allow for OCC to maintain proceeds in one of its Federal Reserve Bank accounts.

a. Recognizing Proceeds as Qualifying Liquid Resources

The Proposed Rule Change would update OCC's Rules, the Liquidity Risk Management Framework (''LRMF''), and the Recovery and Orderly Wind-Down Plan (''RWD Plan'') to recognize the proceeds from the Commercial Paper Program as a qualifying liquid resource under OCC's liquidity plan. In Rule 101, OCC proposes defining the Commercial Paper Program to mean its program to raise prefunded qualifying liquid resources through the private placement of unsecured debt to institutional investors up to an amount approved by the Board, the proceeds of which OCC would use exclusively to: (i) repay maturing notes issued under the Commercial Paper Program or (ii) to cover losses or liquidity shortfalls in those situations in which the Clearing Fund may be used under Rule 1006.

In the LRMF, OCC proposes adding cash proceeds from the Commercial Paper Program as one of OCC's Base Liquidity Resources. In so doing, OCC would note that the Board approves a cap on the amount of Commercial Paper Program proceeds that OCC may count as Base Liquidity Resources.[20] The cap is intended to help prevent OCC's qualifying liquid resources from dropping below the Cover 1 liquidity requirement in the event OCC's rollover of expiring Notes fails.[21] Further, OCC proposes adding Commercial Paper proceeds to its list of tools available to address changing business or market conditions.[22]

OCC also proposes changes to its RWD Plan. OCC proposes adding the Commercial Paper Program proceeds to its list of tools to address liquidity shortfalls, and to add an overview of the Commercial Paper Program to the RWD Plan. Consistent with the changes to OCC's Rules and LRMF, the revisions to the RWD Plan contemplate the use of cash proceeds of the Commercial Paper Program as well as OCC's plan to rollover risk through the staggered issuance of Notes.

b. Adjustments to the Sizing and Use of the Clearing Fund

OCC proposes changes to ensure that it is able to repay the Notes, even in the event of a Clearing Member default. Specifically, OCC proposes to update its Rule 1001(b) to account for the Commercial Paper Program in setting the minimum Clearing Fund.[23] Because proposed Rule 1001(b) introduces the term Base Liquidity Resources to OCC's Rules, OCC also proposes defining that term in Rule 101.[24]

A separate group of changes would account for the Commercial Paper Program in describing OCC's authority to use the Clearing Fund. Currently, OCC may use the Clearing Fund to cover losses or borrow from the Clearing Fund to provide liquidity related to the failure of a Clearing Member, bank, clearing organization, or investment counterparty to meet its obligations to OCC.[25] OCC proposes a new Rule 1006(a)(5) specifying that OCC may also use the Clearing Fund to make good losses or expenses that it suffers or provide liquidity to OCC as a result of OCC's use of the Commercial Paper Program proceeds for any of the purposes under Rule 1006. OCC also proposes several changes to restate and reorganize Rule 1006(a).[26]

c. Distinguishing the Commercial Paper Program Proceeds

OCC proposes changes to its rules to distinguish Commercial Paper Program proceeds from other funds that it maintains. Specifically, the proposed changes would classify Commercial Paper Program proceeds as a form of OCC cash as opposed to Clearing Member cash. As a result OCC would distinguish Commercial Paper Program proceeds from member margin and Clearing Fund contributions held to cover potential credit losses because such resources do not include OCC's own resources.[27] Similarly, OCC proposes conforming updates to its Cash and Investment Management Policy to recognize that interest paid on the Commercial Paper Program proceeds deposited in the Federal Reserve Bank Account would accrue to OCC's benefit.[28] Further, OCC would distinguish Commercial Paper Program

[20] OCC states that it anticipates that its Board would set this cap at 5% of Base Liquidity Resources initially. *Id.* at 34704. OCC would also add text to the LRMF indicating that factors the Board may consider in setting the amount of Commercial Paper Program proceeds that may be counted towards Base Liquidity Resources include, but are not limited to, OCC's current or anticipated liquidity needs, the total size of the Commercial Paper Program that the Board has authorized, the staggering of maturity dates to address rollover risk, the availability of other liquidity resources, and the size of the Clearing Fund. Commercial Paper Program proceeds above the Base Liquidity Resource cap would be considered excess liquidity.

[21] *Id.* at 34704. OCC provides the following example in the Notice. If Notes were staggered into two $500 million tranches with 90-day maturities staggered by 45 days, the Board may determine that up to $500 million of the total $1 billion may be counted towards Base Liquidity Resources. *Id.*

[22] Other such tools include OCC's authority to temporarily increase the Clearing Fund Cash Requirement, the uncommitted accordion feature that OCC endeavors to maintain in its syndicated bank credit facility that potentially allows OCC to borrow additional funds from its existing or new bank syndicated liquidity providers based on the willingness and ability of the syndicate members to fund the additional borrowing request, and OCC's authority under OCC Rule 609 to issue an intraday margin call based on a Clearing Member's forecasted settlement demands, including for settlement demands arising under OCC's accord with the National Securities Clearing Corporation (''NSCC''). *Id.* at 34704.

[23] OCC also proposes reflecting these changes in the Clearing Fund Methodology Policy, CST Methodology Description, and RWD Plan by making similar edits to the descriptions and articulations of the minimum Clearing Fund size in those documents.

[24] Proposed Rule 101 would define Base Liquidity Resources as ''the amount of qualifying liquid resources maintained at all times by OCC to meet its minimum Cover 1 liquidity resource requirements under the applicable regulations.'' OCC also proposes conforming edits to the LRMF to refer to qualifying liquid resources rather than committed liquidity resources and to reference proposed Rule 101, which would reflect the prefunded nature of the Commercial Paper proceeds and encompass the Clearing Fund Cash Requirement. The non-substantive changes to the LRMF also include the introduction of headings denoting the different components of OCC's Base Liquidity Resources.

[25] *See* OCC Rules 1006(a) and 1006(f).

[26] Such changes, as described in detail in the Notice, include subdividing and renumbering existing provisions, consolidating provisions related to losses arising out of a member default, consolidating provisions related to borrowing, updating internal cross-references, and removing unnecessary language. Notice, 91 FR at 34705–06.

[27] OCC's rules currently define such margin, when of a defaulting clearing member, and Clearing Fund contributions less any deficits as ''Pre-Funded Financial Resources'' for the purposes of measuring whether OCC has sufficient financial resources sufficient to withstand a default by the two CMO Groups. *Id.* at 34706. Because the Clearing Fund is already included in Pre-Funded Financial Resources, and it would be used to cover losses from the use of Commercial Paper Program proceeds, OCC proposes distinguishing Commercial Paper Program Proceeds from Pre-Funded Financial Resources.

[28] *See Id.* at 34707. OCC would hold Commercial Paper Program proceeds exclusively at the Federal Reserve Bank Account and the proceeds would not be invested. *Id.* OCC also proposes removing the version number from the Cash and Investment Management Policy because the version number is not a rule and it is reflected in an internal system of record that OCC uses to manage its policy governance. *Id.* at 34708.

proceeds from liquid net assets funded by equity (''LNAFBE'') held to cover general business losses because such proceeds would be used exclusively to address liquidity shortfalls arising from a Clearing Member default or other situation in which OCC may borrow or otherwise obtain funds using its Clearing Fund under OCC Rule 1006.[29]

d. Federal Reserve Account Use for Commercial Paper Program Proceeds

OCC's proposed changes would also allow it to hold Commercial Paper Program proceeds in its Federal Reserve Bank Account. Currently, OCC Rules 604B and 1002 allow OCC to commingle only cash Clearing Fund contributions and non-customer margin assets in OCC's Federal Reserve Bank Account.[30] OCC proposes adding to Rule 604B(c) and I&P .04 of Rule 1002 to allow OCC to commingle proceeds from the Commercial Paper Program with Clearing Fund cash and non-customer cash margin in the Federal Reserve Bank Account.[31] OCC proposes holding Commercial Paper Program proceeds in the Federal Reserve Bank Account because they are similar to the cash Clearing Fund contributions in that account, in that OCC would only use them to manage a Clearing Member default or other event for which OCC is authorized to use Clearing Fund deposits under OCC Rule 1006.[32]

2. Counterparty Risk Management

OCC proposes changes to its LRMF and Third-Party Risk Management Framework (''TPRMF'') to account for relationships with third-parties resulting from the proposed Commercial Paper Program. In the LRMF, OCC proposes distinguishing its Commercial Paper Program relationships with third-parties (dealers, agents, and Noteholders) from its relationship with its liquidity providers under its Committed Facilities. OCC believes these proposed changes are necessary because of differences in the risks of the Commercial Paper Program and OCC's Committed Facilities.[33] While OCC's Commercial Paper Program Proceeds would be prefunded and maintained by it in its Federal Reserve Account, without any need to draw on a committed arrangement, OCC's Committed Facilities carry the risk that the liquidity providers may fail to perform their obligations to fund a draw under the contractual terms of their committed agreements with OCC.[34] Additionally, OCC proposes changes to the TPRMF that account for the Commercial Paper Program.[35]

3. Governance

OCC proposes changes to its Default Management Policy describing the governance process for using Commercial Paper Program proceeds under OCC Rule 1006 as discussed above. OCC Rule 1006(f)(iii) authorizes OCC to borrow or obtain funds based on a determination by OCC's Chief Executive Officer (''CEO'') or Chief Operating Officer (''COO'') (collectively, the ''OCEO'') or Chairman that such means are reasonable. OCC proposes to add language to its Default Management Policy codifying the determination that borrowing through an existing Committed Facility or from the Clearing Fund is reasonable. Further, OCC proposes to allow its OCEO, Chief Financial Risk Officer (''CFRO''), Chief Risk Officer (''CRO''), or their delegates to authorize OCC's Treasury to draw from OCC's Committed Facilities, borrow from the Clearing Fund, or use Commercial Paper Program proceeds as necessary while also requiring approval from the Chairman or OCEO for any other means of borrowing or otherwise obtaining funds consistent with OCC Rule 1006(f).

4. Clarifying, Conforming, and Non-Substantive Changes

OCC also proposes a series of clarifying, conforming, and non-substantive edits to its rules. Because it is no longer applicable, OCC proposes removing I&P .01 to OCC Rule 1001, which delayed the effectiveness for one month after adoption of a rule limiting the amount the Clearing Fund may decrease from month to month. The relevant rule was approved in 2018.[36] OCC also proposes conforming edits to its RWD Plan to reflect prior proposed rule changes concerning OCC's management of investment risk[37] to reflect that, under OCC Rule 1006(c) and (f), OCC may use the Clearing Fund to make good losses or liquidity shortfalls caused by the failure of an investment counterparty to perform any obligation to OCC when due with respect to the investment of Clearing Member cash margin (*e.g.,* a counterparty in which OCC has invested margin cash through overnight reverse repurchase agreements). Other proposed changes to the LRMF, TPRMF, and Cash and Investment Management Policy would fix typos and update references to and use of defined terms.

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.[38] 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.''[39]

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,[40] and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the applicable rules and regulations.[41] Moreover, ''unquestioning reliance'' on an SRO's representations in a proposed rule change is not sufficient to justify

[29] *Id.* at 34706. OCC proposes to amend its Capital Management Policy to exclude Commercial Paper proceeds from the definition of LNAFBE, which currently means the level of cash and cash equivalents, no greater than Equity, less any approved adjustments. *Id.* at 34706 n.26.

[30] OCC Rule 604B; OCC Rule 1002.

[31] OCC intends to establish a subaccount under its master Federal Reserve Bank account to segregate the Commercial Paper Program proceeds from other funds maintained in the master account. Notice, 91 FR at 34707.

[32] *Id.* at 34707.

[33] *Id.* at 34706–07.

[34] To effectuate this change, OCC proposes to define ''Liquidity Provider'' in the LRMF and add a new section specifically related to commercial paper dealers and agents. *Id.* at 34706–07.

[35] Changes to the TPRMF address dealers and agents under OCC's existing processes (*e.g.,* governance of onboarding and monitoring through OCC's Credit and Liquidity Risk Working Group) by adding these groups within the scope of Financial Institutions.

[36] *See* Exchange Act Release No. 83735 (July 27, 2018), 83 FR 37855, 37856 n.6 (Aug. 2, 2018) (File No. SR–OCC–2018–008). OCC states that the rule took effect on Sep. 1, 2018. Notice, 91 FR at 34705 n.20.

[37] Notice, 91 FR at 34705; *See* Exchange Act Release No. 94304 (Feb. 24, 2022), 87 FR 11776 (Mar. 2, 2022) (SR–OCC–2021–014) (approving amendments to OCC Rule 1006 to add ''investment counterparties'' with whom OCC has invested cash margin to the list of counterparties whose failure may occasion use of the Clearing Fund).

[38] 15 U.S.C. 78s(b)(2)(C).

[39] Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

[40] *Id.*

[41] *Id.*

Commission approval of a proposed rule change.[42]

After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to OCC. More specifically, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Exchange Act[43] and Rules 17ad–22(e)(2), (3), and (7) thereunder, as described in detail below.[44]

A. Consistency With 17A(b)(3)(F) of the Exchange Act

Under Section 17A(b)(3)(F) of the Exchange Act, OCC's rules, among other things, must be ''designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivatives agreements, contracts, and transactions. . . .''[45] Based on a review of the record, and for the reasons discussed below, the Proposed Rule Change is consistent with Section 17A(b)(3)(F).

OCC proposes to include proceeds from its Commercial Paper Program in its current list of Base Liquidity Resources (without making any additional changes to its Base Liquidity Resources). The proceeds would be prefunded and maintained in its Federal Reserve Bank Account. As such, the Commercial Paper Program would provide OCC with an additional liquid resource that it could access in the event of a Clearing Member default by supplementing OCC's existing Base Liquidity Resources. Moreover, adding the Commercial Paper Program as a liquidity source would diversify the sources of liquidity available to OCC. OCC plans on its Commercial Paper Program proceeds replacing $250 million of a total $850 million of existing liquidity from a single liquidity provider under the non-bank repurchase facility.[46] Diversifying the sources of liquidity promotes robust liquidity risk management at OCC and puts OCC in a better position to maintain sufficient liquid resources to complete settlement on each business day, with a high degree of confidence, even in the event of a member default with other liquidity sources unavailable.[47]

OCC has been designated as a systemically important financial market utility, in part, because its failure or disruption could increase the risk of significant liquidity or credit problems spreading among financial institutions or markets.[48] Because the Proposed Rule Change would put OCC in a better position to maintain sufficient liquid resources to complete settlement, it would support OCC's ability to continue providing services to the markets it serves, *e.g.,* the listed options markets. Given OCC's systemic importance, supporting OCC's ability to continue providing services would reduce the potential for disruptions and, therefore, promote the prompt and accurate settlement of securities and derivatives markets it serves.

While the Commercial Paper Program could bring certain financial risks,[49] in the event such risks were to materialize, OCC's ability to use other liquidity tools helps promote OCC's ability to manage liquidity risk through an overall diversified range of risk management tools.[50] Further, the Proposed Rule Change would address these risks through staggering the maturities of the Notes, allowing the Board to place a cap on the proceeds that may be categorized as qualifying liquid resources, and structuring and allowing the Clearing Fund to be used to make good losses or expenses that OCC suffers or provide liquidity to OCC as a result of its use of the Commercial Paper Program proceeds.[51]

The Commission received one comment opposing the Proposed Rule Change.[52] The commenter states that the Commercial Paper Program does not meaningfully improve OCC's liquidity and that it provides funding when markets are calm but may be unavailable during a crisis since commercial paper markets freeze during financial stress as investors stop rolling over maturing paper when uncertainty rises. This comment appears to assume that OCC would not seek to issue Notes prior to a Clearing Member default. However, as described above, the Commercial Paper Program would provide a prefunded source of liquidity because OCC proposes to issue Notes in the normal course and to deposit the cash proceeds from such Notes in its Federal Reserve Bank Account. Thus, OCC would not rely on the Commercial Paper Program to generate additional resources during a stress event. The cash proceeds from the Notes, therefore, would be at least as reliable as the liquidity OCC would seek to obtain through its Committed Facilities, each of which relies on funding by OCC's liquidity providers during a period of market stress.

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[42] *Susquehanna Int'l Group, LLP* v. *Securities and Exchange Commission,* 866 F.3d 442, 447 (D.C. Cir. 2017).

[43] 15 U.S.C. 78q–1(b)(3)(F).

[44] 17 CFR 240.17ad–22(e)(2), (3), and (7).

[45] 15 U.S.C. 78q–1(b)(3)(F).

[46] Notice, 91 FR at 34704 (''Initially, OCC anticipates replacing $250 million of existing liquidity from its non-bank liquidity facility with Commercial Paper proceeds. Specifically, to further diversify OCC's liquidity resources, OCC plans to replace one of three commitments from a single liquidity provider that together comprise 42.5% of the commitments under the . . . non-bank liquidity facility, and approximately 19% of OCC's . . . committed facilities.'').

[47] Exchange Act Release No. 105319 (Apr. 27, 2026), 91 FR 23318, 23320 (Apr. 30, 2026) (FICC–2026–801) (adding proceeds from a commercial paper program to FICC's existing liquidity sources promotes robust risk management by supplementing FICC's existing default liquidity resources and diversifying the type and source of such resources); Exchange Act Release No. 102318 (Jan. 31, 2025), 90 FR 9094, 9097 (Feb. 6, 2025) (DTC–2025–801) (adding proceeds from the periodic issuance and private placement of senior notes to qualified institutional investors as an additional liquid resource that DTC could access in the event of a participant default would promote robust risk management by supplementing DTC's existing default liquidity resources and diversifying the type and source of such resources); Exchange Act Release No. 88146 (Feb. 7, 2020), 85 FR 8046, 8047 (Feb.12, 2020) (NSCC–2019–802) (adding proceeds from the periodic issuance and private placement of term debt to qualified institutional investors as an additional liquid resource that NSCC could access in the event of a member default would promote robust risk management by diversifying the set of liquid resources available to NSCC in the event of a member default); Exchange Act Release No. 75730 (Aug. 19, 2015), 80 FR 51638, 51640 (Aug. 25, 2015) (NSCC–2015–802) (adding proceeds from the private placement of unsecured debt consisting of a combination of commercial paper and extendible-term promissory notes to NSCC's liquidity resources would reduce NSCC's overall liquidity risk consistent with prudent risk-management practices by diversifying the type and source of NSCC's liquidity).

[48] Financial Stability Oversight Council (''FSOC'') 2012 Annual Report, Appendix A, *https://home.treasury.gov/system/files/261/here.pdf* (last visited July 20, 2026).

[49] Risks of the Commercial Paper Program include repayment risk, rollover risk, interest rate risk, and custody risk. Exchange Act Release No. 105602 (June 3, 2026), 91 FR 34685, 34691–92 (June 8, 2026 (OCC–2026–801). Repayment risk is the risk that OCC would not have access to sufficient financial resources to repay the face value of the issued Notes upon maturity. Rollover risk is the risk that a rollover of expiring Notes may not fund, leaving OCC without the liquidity provided by those Notes upon their expiration. Interest rate risk is the risk that the interest rate that OCC would pay on the interest-bearing Notes may become dislocated from the interest rate that OCC earns by holding the Commercial Paper Program proceeds at the Federal Reserve. Custody risk is the risk associated with safeguarding OCC's qualifying liquid resources and ensuring that OCC has prompt access to those resources to satisfy settlement demands on a same-day basis if needed.

[50] As noted above, OCC's other qualifying liquid resources include the Clearing Fund Cash Requirement and the Committed Facilities. Notice, 91 FR at 34703; Exchange Act Release No. 103047 (May 21, 2025), 90 FR 21800, 21802 (May 21, 2025) (SR–OCC–2025–801).

[51] Exchange Act Release No. 105602 (June 3, 2026), 91 FR 34685, 34691 (June 8, 2026) (OCC–2026–801).

[52] *See* comment from Mary Smith (June 3, 2026) (''Mary Smith''), available at *https://www.sec.gov/comments/SR-OCC-2026-801/srocc2026801-800080-2421646.html.*

The commenter also expressed concerns in terms of cost, concentration, or structure. However, the proposal would provide OCC with an additional source of qualifying liquid resources without reducing OCC's ability to rely on its existing sources of qualifying liquid resources, which is an important risk management goal that mitigates the concerns raised by the commenter. Moreover, the concern raised with respect to cost is not unique to this liquidity resource, and it is present in OCC's existing Committed Facilities, in that each liquidity resource generally has some cost.[53] With respect to the commenter's concern regarding concentration, the Proposed Rule Change mitigates concentration risk more broadly by expanding OCC's potential liquidity sources.[54] In terms of structure, the Commercial Paper Program is structured similarly to other clearing agency initiatives.[55]

As described above, OCC also proposes several conforming and clarifying changes. Some of these changes would distinguish Commercial Paper Program proceeds from other categories of assets. For example, proposed changes would distinguish Commercial Paper Program proceeds from LNAFBE and identify Commercial Paper Program proceeds as OCC cash. OCC would also clarify that a rule no longer applies by deleting it. Other proposed changes would conform OCC's procedures and rules with one another. For example, OCC proposes changing the Default Management Policy to make clear that its OCEO has determined that drawing on an existing committed liquidity facility or borrowing Clearing Fund cash deposits are reasonable means to borrow or otherwise obtain funds under Rule 1006. By conforming and clarifying provisions in its procedures and rules, OCC makes these provisions easier to apply during times of market stress and reduces the chances for errors or delays in application of its rules and procedures. Promptly and correctly applying its own rules and procedures reduces the chances that OCC will encounter issues that would prevent it from promptly and accurately clearing and settling securities transactions.

Accordingly, and for the reasons stated above, the Proposed Rule Change promotes the prompt and accurate clearance and settlement of securities transactions.

B. Consistency With Rule 17ad–22(e)(2)

Rule 17ad–22(e)(2) under the Exchange Act requires, in part, that OCC establish, implement, maintain, and enforce written policies and procedures reasonably designed to, as applicable, provide for governance arrangements that are clear and transparent and specify clear and direct lines of responsibility.[56] One such clarifying change relates to the use of Clearing Fund contributions. OCC is authorized to use the cash or securities of the Clearing Fund to borrow or otherwise obtain funds based on a determination by Chairman, Chief Executive Officer or the Chief Operating Officer that such borrowing would be reasonable.[57] As described above, OCC proposes to codify a standing determination that certain means of borrowing or otherwise obtaining funds are reasonable in the Default Management Policy. Such codification would streamline the process governing OCC's access to liquidity during a member default. A related governance change would allow the OCEO, CFRO, CRO, or their delegates to authorize OCC's Treasury to initiate a draw from OCC's Committed Facilities, borrow cash deposits maintained in the Clearing Fund, or to approve the use of Commercial Paper Program proceeds, as necessary while requiring approval from the Chairman or OCEO for any other means of borrowing or otherwise obtaining funds consistent with Rule 1006(f).

OCC also proposes governance-related changes to its TPRMF to include the dealers and agents supporting OCC's Commercial Paper Program within the scope of Financial Institutions. By making this proposed change, OCC assigns responsibility for governance of the onboarding and ongoing monitoring of its relationships with dealers and agents supporting OCC's Commercial Paper Program to OCC's Credit and Liquidity Risk Working Group.

Accordingly, certain proposed changes related to governance arrangements are consistent with Rule 17ad–22(e)(2)(i) and (v).[58]

C. Consistency With Rule 17ad–22(e)(3)

Rule 17ad–22(e)(3) under the Exchange Act requires, in part, that OCC establish, implement, maintain, and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency which includes risk management policies, procedures, and systems designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by the covered clearing agency, that are subject to review on a specified periodic basis and approved by the board of directors annually.[59] The LRMF and TPRMF address risks, including liquidity and counterparty risk. As described above, in the LRMF, OCC proposes changes that distinguish liquidity providers from Commercial Paper Program third-parties (dealers, agents, and Noteholders) because the Commercial Paper Program does not present the risk that the liquidity providers may fail to perform their obligations to fund a draw under the contractual terms of their committed agreements with OCC during a market stress event. As noted above, the proposed changes would also address the risk management of relationships with dealers and agents within OCC's existing framework for managing the risks OCC faces from third-parties.

Accordingly, the proposed changes related to counterparty risk management are consistent with Rule 17ad–22(e)(3)(i) under the Exchange Act.[60]

E. Consistency With Rule 17ad–22(e)(7)

Rule 17ad–22(e)(7) under the Exchange Act requires, in part, that OCC establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum, (i) maintaining sufficient liquid resources at the minimum in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of

[53] OCC anticipates that the cost of sourcing liquidity through the Commercial Paper Program would be less than the cost of its existing syndicated bank credit facility and non-bank repurchase facility. Notice, 91 FR at 34703 n.13.

[54] OCC plans to replace one of three commitments from a single liquidity provider that together comprise 42.5% of the commitments under the non-bank liquidity facility and approximately 19% of OCC's Committed Facilities. *Id.* at 34704.

[55] *See* Securities Exchange Act Release No. 105319 (Apr. 27, 2026), 91 FR 23318 (Apr. 30, 2026) (File No. SR–FICC–2026–801). Here, the size of the proposed Commercial Paper Program is notably smaller than has been approved for other SIFMUs (*e.g.,* the FICC program is authorized for up to $10 billion compared to OCC's proposal not to exceed $1 billion). The FICC program is also unsecured. *See id.*

[56] 17 CFR 240.17ad–22(e)(2)(i) and (v).

[57] OCC Rule 1006(f)(2)(A)(iii).

[58] 17 CFR 240.17ad22(e)(2)(i) and (v).

[59] 17 CFR 240.17ad–22(e)(3)(i).

[60] 17 CFR 240.17ad–22(e)(3)(i).

confidence under a wide range of foreseeable stress scenarios that includes, but is not limited to, the default of the participant family that would generate the largest aggregate payment obligation for the covered clearing agency in extreme but plausible market conditions,[61] (ii) holding qualifying liquid resources sufficient to meet the minimum liquidity resource requirement under Rule 17ad–22(e)(7)(i) in each relevant currency for which the covered clearing agency has payment obligations owed to clearing members,[62] and (iii) using the access to accounts and services at a Federal Reserve Bank, when available and where determined to be practical by the board of directors of the covered clearing agency, to enhance its management of liquidity risk.[63] For any covered clearing agency, ''qualifying liquid resources'' includes cash held either at the central bank of issue or at creditworthy commercial banks.[64]

With respect to maintaining sufficient liquid resources, OCC proposes to change how it sets the size of the Clearing Fund to account for the Commercial Paper Program by incorporating proceeds into the minimum Clearing Fund size calculation. To the extent OCC issues Notes, the proposed change would increase the minimum size of the Clearing Fund. OCC would also distinguish Commercial Paper Program proceeds from Prefunded Financial Resources which would encourage proper sizing of their Clearing Fund. Increasing the minimum size of the Clearing Fund and distinguishing Commercial Paper Program proceeds from Prefunded Financial Resources, in turn, would increase the likelihood that OCC would maintain sufficient liquid resources to meet its payment obligations. Thus, the Proposed Rule Change is consistent with Rule 17ad–22(e)(7)(i).[65]

With respect to holding qualifying liquid resources, proceeds from the Commercial Paper Program would be qualifying liquid resources because they would be cash.[66] The Commercial Paper Program would be an addition to the sources of liquid resources OCC may draw upon to manage a Clearing Member default.[67] The addition of the Commercial Paper Program would, therefore, diversify OCC's qualifying liquid resources, thereby providing alternatives if obtaining liquidity from another source is too time consuming or impossible.[68] The finite term of the Notes raises the risk that OCC may be unable to replace expiring debt with new debt. As described above, OCC plans to stagger the maturities of the Notes in the Commercial Paper Program to avoid maturing liabilities being due at the same time and to mitigate the risk that a rollover issuance to replace expiring Notes does not fund.[69] Diversifying OCC's sources of qualifying liquid resources and mitigating the risk that these liquid resources are unavailable helps ensure that OCC will be able to hold sufficient qualifying liquid resources to meet its liquidity requirements consistent with Rule 17ad–22(e)(7)(ii).[70]

As described above, OCC proposes to hold proceeds from the Commercial Paper Program at its Federal Reserve Bank Account. Because the proceeds would be cash held in a central bank account, such proceeds would be available during a default. Maintaining cash in a central bank account to enhance liquidity risk management in this way is consistent with Rule 17ad–22(e)(7)(iii).[71]

Accordingly, the Proposed Rule Change is consistent with Rule 17ad–22(e)(7) under the Exchange Act.[72]

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, Section 17A(b)(3)(F) of the Exchange Act,[73] and Rules 17ad–22(e)(2), (3), and (7) thereunder.[74]

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act, that the proposed rule change (SR–OCC–2026–004) be, and hereby is, approved.[75]

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.[76]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–15176 Filed 7–27–26; 8:45 am]

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[61] 17 CFR 240.17ad–22(e)(7)(i).

[62] 17 CFR 240.17ad–22(e)(7)(ii).

[63] 17 CFR 240.17ad–22(e)(7)(iii).

[64] 17 CFR 240.17ad–22(a).

[65] 17 CFR 240.17ad–22(e)(7)(i).

[66] As described above, OCC proposes rule changes to limit the use of such cash proceeds to ensure that they are available as qualifying liquid resources to meet payment obligations in extreme but plausible market conditions, such as by prohibiting investment of cash proceeds.

[67] Initially, OCC intends to use cash proceeds to replace a portion of existing qualifying liquid resources from its non-bank repurchase facility. Notice, 91 FR at 34704. However, the proposal does not require such replacement or other reduction in the use of Committed Facilities.

[68] To further limit the risks related to the availability of Commercial Paper Program proceeds, the Proposed Rule Change accounts for the Commercial Paper Program proceeds in the calculation of the minimum Clearing Fund size and allows the Board to cap the amount of Commercial Paper Program proceeds that may be qualifying liquid resources. *Id.* at 34704–05.

[69] *Id.* at 34704.

[70] 17 CFR 240.17ad–22(e)(7)(ii).

[71] 17 CFR 240.17ad–22(e)(7)(iii).

[72] 17 CFR 240.17ad–22(e)(7).

[73] 15 U.S.C. 78q–1(b)(3)(F).

[74] 17 CFR 240.17ad–22(e)(2), (3), and (7).

[75] In approving the proposed rule change, the Commission considered the proposal's impacts on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[76] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105977; File No. SR–CboeBYX–2026–026]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend Rule 11.9(d) Regarding Intermarket Sweep Orders

July 23, 2026.

On June 5, 2026, Cboe BYX Exchange, Inc. (''BYX'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change (a) to amend Rule 11.9(d) to: (i) permit an Intermarket Sweep Order to be entered as a Non-Displayed Order and (ii) to establish the price level at which the System will consider an Intermarket Sweep Order available for other orders to be entered and (b) to amend Rule 11.9(g)(4) to permit Non-Displayed Orders to re-price to more aggressive prices. The proposed rule change was published for comment in the **Federal Register** on June 23, 2026.[3]

Section 19(b)(2) of the Act[4] provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 105710 (June 17, 2026), 91 FR 37451. The Commission has received no comment letters on the proposed rule change.

[4] 15 U.S.C. 78s(b)(2).