



**THE FOUNDATION
FOR SECURE
MARKETS**

#47476

DATE: AUGUST 21, 2020
SUBJECT: OCC BY-LAWS AND RULES

OCC is publishing new versions of OCC's By-Laws and Rules on its website. The new version of the By-Laws has been edited to conform the text of the By-Laws to the text as filed with the Securities and Exchange Commission ("SEC") in instances where typographical errors caused the version posted on OCC's website to diverge from the text as filed with the SEC. No changes to the text as filed with or approved by the SEC are intended. OCC plans to post another version of the Rules to correct similar typographical errors in addition to the single conforming change to the Rules being posted today. A chart showing the corrections and the filing number for the proposed rule change reflecting the corrections is attached as Appendix A to this information memo.

If you have any questions regarding this information memo, please contact the Member Services Help Desk at the following numbers: 800-544-6091 or 800-621-6072. Within Canada, please call 800-424-7320. Clearing members may also e-mail OCC at memberservices@theocc.com.

Exhibit A

Citation	Correction	Filing Reflecting Correction
Art. I § 1.D.(3)	The term "delivery date" means: (i) as used in respect of a physically-settled stock -future, means the date on which, subject to the specific terms of the futures contract and the By-Laws and Rules, delivery is to be made, and (ii) as used in respect of a stock option, means the exercise settlement date.	SR-OCC-2009-06
Art. I § 1.P.(3)	The term "participating member state" means a member state of the European Union that participates in European Economic and Monetary Union.	SR-OCC-98-13
Art. I § 1.Q.(1)	<p>Quarterly Option (3) The term "quarterly option" means an option of a series of stock options or index options that expires on the last business day of a calendar quarter. The term "quarterly index option" means a quarterly option on an index.</p> <p>(1) The term "quarterly option" means an option of a series of stock options or index options that expires on the last business day of a calendar quarter. The term "quarterly index option" means a quarterly option on an index.</p>	SR-OCC-2016-014
Art. IV § 1	. . . The Board of Directors shall also elect a Chief Executive Officer, a Chief Operating Officer, who it may, in its discretion, designate as President of the Corporation, a Secretary, and a Treasurer, none of whom need be a member of the Board of Directors at the time of such election. . . . Two or more offices may be held by the same person except the offices of Executive Chairman, <u>Chief Executive Officer</u> , Chief Operating Officer and Member Vice Chairman.	SR-OCC-2018-015
Art. IV § 13	The salary, if any, of those officers elected by the Board of Directors shall be fixed by the Board of Directors, and (subject to any contrary action taken by the Board of Directors) the salary, if any, of all other officers, agents and employees appointed by the Executive Chairman, Chief Executive Officer, or Chief Operating Officer shall be fixed by the Executive Chairman, Chief Executive Officer, or Chief Operating <u>Officer</u> , respectively;	SR-OCC-2018-015
Art. V § 1 I&P .01.a.	.01 <i>Financial Responsibility</i> . The Risk Committee will not approve any application for clearing membership if: a. the applicant fails to meet the initial financial requirements set forth in the <u>OCC</u> Rules;	SR-OCC-78-5
Art. V § 1 I&P .10(b)	In order to clear transactions in commodity futures, <u>futures</u> options and commodity futures -options, a Clearing Member must be. . .	SR-OCC-2009-04

<u>Citation</u>	<u>Correction</u>	<u>Filing Reflecting Correction</u>
Art. VI § 2	<p>Every Clearing Member shall be responsible for the clearance of the confirmed trades of the Clearing Member and <u>of</u> the confirmed trades transferred to one of its accounts pursuant to a registered CMTA arrangement as further specified in Rule 407.</p> <p><i>Amended June 9, 2004; December 1214, 201412; May 24, 2018.</i></p>	SR-OCC-2012-14
Art. VI § 16	<p>A Clearing Member shall not effect a closing purchase transaction in an account unless, at the time of such transaction, such Clearing Member has a short position in such account for at least the number of cleared securities<u>contracts</u> involved in such transaction. In the event any transaction of a Clearing Member is recorded as a closing purchase transaction in the confirmed trade information reported in respect of such transaction and the Clearing Member does not have a short position in the applicable account for at least the number of cleared securities<u>contracts</u> involved in such transaction, then the transaction shall be deemed to be an opening purchase transaction to the extent the number of cleared securities<u>contracts</u> involved in such transaction exceeds the number of cleared securities<u>contracts</u> in such short position.</p>	SR-OCC-2001-16
Art. VI § 19(a)	<p>If the Corporation shall in its discretion determine that an imminent or pending tender offer, exchange offer, suspension of trading, or other event affecting an underlying security (the "affected security" threatens to reduce the available supply of the affected security to a level insufficient to permit (+) performance of the exercise settlement obligations</p>	SR-OCC-2001-07
Art. VI § 19(b)(2)	<p>...if the Corporation determines that it would be inequitable to any class of Clearing Members to require such Clearing Members to deliver or accept delivery of the affected<u>underlying</u> securities, the Corporation shall instead fix cash settlement prices which such Clearing Members shall be obligated to pay or accept, as the case may be, in lieu of delivery or receipt of such<u>the underlying</u> securities,</p>	SR-OCC-2001-07
Art. VI § 19(c)	<p>If, after suspending settlement obligations pursuant to subsection (a)(2), (a)(3), or (a)(4) hereof, the Corporation shall determine that there is no reasonable likelihood that a sufficient supply of the underlying security will become available within the foreseeable future to permit the Clearing Members affected by such suspension to discharge their obligations by delivery or receipt of the underlying security<u>ies</u>,</p>	SR-OCC-2001-07

<u>Citation</u>	<u>Correction</u>	<u>Filing Reflecting Correction</u>
Art. VI § 19 I&P .02.5.A.(2)(a)	(2) Holders who exercised after the cut-off date will be entitled to receive: (a) the market value (see subsection D. below) of the underlying security on the normal exercise settlement date, if a market existed for the affected <u>underlying</u> security on that date; or	SR-OCC-1979-04
Art. VI § 25(c)	Eligible security options positions and eligible positions in security futures, commodity futures, and futures <u>options</u> on and commodity futures <u>options</u> carried in an internal non-proprietary cross-margining account of a Clearing Member or Pair of Affiliated Clearing Members shall be margined together as a single portfolio. . . .	SR-OCC-2009-04
Art. VI § 25(e)	On behalf of itself and each Market Professional on whose behalf positions may be maintained in the internal non-proprietary cross-margining account, the Clearing Member or Pair of Affiliated Clearing Members agrees that (i) the Corporation shall have a lien on, security interest in, and right of setoff against such account, including all security option contracts, futures contracts, options on futures <u>futures option and commodity option</u> contracts and security futures products purchased or carried in such account from time to time, all cash, securities and other property deposited with or held by the Corporation as margin in respect thereof,	SR-OCC-2009-04
Art. VI § 26(a)	Notwithstanding any other provision in the By-Laws and Rules, the Corporation will not be liable for any action taken, or any delay or failure to take any action, under the By-Laws and Rules or otherwise, to fulfill the Corporation's obligations to its Clearing Members, other than for losses caused directly by the Corporation's gross negligence, willful misconduct, or violation of federal securities laws for which there is a private right of action. Under no circumstances will the Corporation be liable for the acts, delays, omissions, bankruptcy, or insolvency of any third party, including, without limitation, any bank or other depository, custodian, sub-custodian, clearing or settlement system, data communication service, or other third party, unless the Corporation was grossly negligent, engaged in willful misconduct, or was acted <u>acted</u> in violation of federal securities laws for which there is a private right of action, in selecting such third party; and	SR-OCC-2003-13

<u>Citation</u>	<u>Correction</u>	<u>Filing Reflecting Correction</u>
Art. IX § 13	Transfers of shares of the Corporation shall be made only on the books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.	Original 1975 By-Laws
Art. X § 1	The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by the General Corporation Law of the State of Delaware. . . .	Original 1975 By-Laws
Art. XI § 1	The By-Laws may be amended at any time by the Board of Directors upon the affirmative vote of two-thirds of the directors then in office (but not less than a majority of the number of directors fixed by these By-Laws); provided that Sections 2, 3 and 5 of Article II, Article III, the second sentence of Section 1 of Article IV, the first two sentences of Section 1 of Article V, the first sentence of Section 10 of Article VI, Sections 11 and 11A of Article VI, Article VIIA, Article VIIB, Section 9 of Article IX, and this Section 1 of Article XI may not be amended by action of the Board of Directors without the approval of the holders of all of the outstanding Common Stock of the Corporation. For purposes of this Section, the affirmative vote or consent of an Exchange Director then in office shall be deemed to constitute the approval of the stockholder that elected such Exchange Director; provided, however, that if the Exchange Director announces prior to voting in favor of an amendment, or notes on a written consent of directors approving an amendment, that such Exchange Director's vote or consent does not constitute the action of such stockholder, then the amendment shall require the written approval of such stockholder of such Common Stock .	SR-OCC-2005-25
Art. XII § 3(b)	Whenever there is a dividend, stock dividend, stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, reclassification or similar event in respect of any underlying security, or a merger, consolidation, dissolution or liquidation of the issuer of any underlying security, the number of stock futures, the unit of trading (or settlement price) and the underlying security, or any of them, with respect to all outstanding security futures open for trading in the underlying security may be adjusted in accordance with this Section 3. . . .	SR-OCC-2008-02

Citation	Correction	Filing Reflecting Correction
Art. XII § 5(d)	Every determination of the Corporation pursuant to this Section shall be within the sole discretion of the Corporation and shall be conclusive and binding on all investors and not subject to review. Unless the Corporation directs otherwise, the price of an underlying interest security, the current index value of an underlying index, and the variance of a reference variable as initially reported by the relevant exchange or other reporting authority shall be conclusively presumed to be accurate and shall be deemed final for the purpose of determining settlement prices and the final settlement price, even if such price or value is subsequently revised or determined to have been inaccurate.	SR-OCC-2004-08
Art. XII § 6 I&P .01	Notwithstanding the provisions of this Section 6 of Article XII of the By-Laws, no method for determining a final settlement price may be used if it is inconsistent with applicable regulations of the Securities and Exchange Commission or the Commodity Futures Trading Commission such as, for example, regulations requiring that the final settlement prices for certain security futures contracts be based on upon opening prices.	SR-OCC-2001-16
Art. XIII Intro.	By-Laws in this Article are applicable only to Treasury securities options (as defined below in Article I of the By-Laws).	SR-OCC-88-4
Art. XIII § 2 amendment history	<i>Adopted September 20, 1982. Amended October 14, 1982; January 23, 2013.</i>	SR-OCC-2012-23
Art. XIII § 3(a)(1)	In the case of a call, to deliver purchase from the Corporation at the aggregate exercise price a principal amount of the underlying Treasury security equal to the unit of trading for such option contract against payment of the aggregate exercise price in accordance with Exchange Rules and the By-Laws and Rules; or	SR-OCC-1985-18
Art. XIII § 3(a)(2)	In the case of a put, to pay the aggregate exercise price against delivery of to sell to the Corporation at the aggregate exercise price a principal amount of the underlying Treasury security equal to the unit of trading for such option contract, in accordance with Exchange Rules and the By-Laws and Rules.	SR-OCC-1985-18
Art. XIII § 3 amendment history	<i>Adopted October 14, 1982. Amended March 12, 1986; November 18, 1987; November 2, 1995; January 23, 2013.</i>	SR-OCC-95-16
Art. XIV § 1(U)(1)	(1) The term “underlying interest” when used in respect of a binary option other than an event option means the underlying security, commodity, index, basket or measure whose value or level is compared to the option’s exercise price to determine whether the option will be automatically exercised.	SR-OCC-2009-04

<u>Citation</u>	<u>Correction</u>	<u>Filing Reflecting Correction</u>
Art. XV § 1.C.(2)	The term "class of options" in respect of foreign currency options means all option contracts of the same type and style covering the same foreign <u>underlying</u> currency and having the same unit of trading and the same trading currency (<i>i.e.</i> , all options in the class must have the same premium currency and the same exercise currency).	SR-OCC-94-5
Art. XV § 1.F.(1)	The term "foreign business day" in respect of a particular foreign currency means any business day on which <u>the Corporation's correspondent banks</u> in the country of origin are <u>is</u> open for business; provided that if the Corporation also utilizes the services of a correspondent bank in a foreign country other than the country of origin to facilitate settlement of exercises of foreign currency options, the Corporation may, at its election, treat as a "foreign business day" only those days on which both correspondent banks are open for business.	SR-OCC-83-21
Art. XV § 1.F.(1) amendment history	<i>Adopted November 24, 1982. Amended <u>November 21, 1983</u>; November 7, 1991.</i>	SR-OCC-83-21
Art. XV § 1 [parenthetical]	[. . . . The terms "Paying Clearing Member;" <u>and</u> "Collecting Clearing Member" and "agent bank" are defined in respect of foreign currency options in Chapter XVI of the Rules.]	SR-OCC-2004-07
Art. XV § 3(b)	If the Corporation shall in its discretion determine that extraordinary events would prevent the orderly settlement of exercises of foreign currency option contracts in the manner contemplated by the Rules, or impose undue burdens on the Corporation or on Foreign Currency Clearing Members in connection therewith, then, in addition to any other actions that the Corporation may be entitled to take under the By-Laws and the Rules, the Corporation shall be empowered to make such adjustments in settlement procedures for affected exercises (including, without limitation, the fixing of United States dollar cash settlement prices deliverable by assigned writers of call options contracts and/or exercising holders of put option contracts in lieu of the trading currency or the underlying currency) as the Corporation in its sole discretion determines to be fair to the parties to such exercises.	SR-OCC-91-4
Art. XVI § 3(d)	Determinations with respect to adjustments pursuant to this Section shall be made by the Corporation as provided [for] in Article VI, Section 11 of the By-Laws.	SR-OCC-2013-05
Art. XVII Intro. I&P	For the elimination of doubt, OCC will clear and treat as options on securities any option on the CBOE Gold ETF Volatility Index <u>or the CBOE Silver ETF Volatility Index</u> .	SR-OCC-2011-14

<u>Citation</u>	<u>Correction</u>	<u>Filing Reflecting Correction</u>
Art. XVII § 1.A.(1)	Aggregate Current Index Underlying Interest Value (1) The term “aggregate current underlying interest value” in respect of a cash-settled option on any day means the result of multiplying the	SR-OCC-2009-04
Art. XVII § 3(g)	In the event that any individual reference security in an underlying relative performance index <u>(as defined in the preceding paragraph)</u> is eliminated as the result of a cash-out merger or other event, the reporting authority may cease to publish the index. In that case, the exercise settlement value of the options would become fixed based upon the last published value for the index, and the Exchange on which such options are traded may determine to accelerate the expiration date for such options (and, in the case of European-style options, their exercisability). . . .	SR-OCC-2011-02
Art. XVII § 4(a)(2) The Corporation will consult with the Membership /Risk Committee when appropriate to obtain any additional or supplemental market information or data from the members of such committee that the Corporation believes will be useful in setting such exercise settlement value. . . .	SR-OCC-2014-04
Art. XXI § 5 I&P .01	Until such time as the Corporation determines that appropriate regulatory approvals have been obtained, a Hedge Lean -Clearing Member is not permitted to allocate stock loan or stock borrow positions resulting from Stock Loans to any proprietary X-M account, non-proprietary X-M account, internal non-proprietary cross-margining account or segregated futures account.	SR-OCC-2005-10
Art. XXII § 1.R.(2)	The term "reporting authority" in respect of cash-settled foreign currency options means the Exchange or an institution or reporting service designated by the Exchange at <u>on</u> which such options are traded as the official source for the spot price of a particular underlying currency.	SR-OCC-2007-02
Art. XXIV § 6(a)(1)	The Corporation may suspend the settlement obligations of Clearing Members with respect to BOUNDS contracts of the affected series. At such time as the Corporation determines that the required Closing Price <u>closing price</u> is available or the Corporation has fixed the Closing Price pursuant to subparagraph (2) of this definition, the Corporation shall fix a new date for settlement of the BOUNDS contracts.	SR-OCC-95-20
Art. XXIV § 6(a)(2) Without limiting the generality of the foregoing, the panel may, if it deems such action appropriate for the protection of investors and the public interest, fix the Closing Price <u>closing price</u> on the basis of the price at the close of trading on the last preceding trading day for which a Closing Price was reported by the primary market. . . .	SR-OCC-95-20

<u>Citation</u>	<u>Correction</u>	<u>Filing Reflecting Correction</u>
Art. XXIV § 6 I&P .01 In no event with <u>will</u> a completed <u>d</u> settlement be adjusted due to errors in officially reported <u>d</u> Closing Prices.	SR-OCC-95-20
Art. XXVI § 1.E.(2) amendment history	<u>Amended June 17, 2013.</u>	SR-OCC-2013-04
Rule 1006(h)(B) After the cooling-off period ends, Clearing Members shall not be liable for any deficiency arising from losses or expenses suffered by the Corporation as a result of any event described in clauses (i) through (iv) of Rule 1006(a) <u>that occurred during the cooling-off period. Each Clearing Member shall have and shall at all times maintain the ability to make good any deficiency described in this Rule 1006(h)</u> by 9:00 A.M. Central Time (10:00 A.M. Eastern Time) on the first business day following the day on which the Corporation notifies the Clearing Member of such deficiency.	SR-OCC-2018-008