



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#48995**

**Date:** July 16, 2021

**Subject:** Increase To Minimum Clearing Fund Cash Requirement

OCC is issuing this Memo to notify Clearing Members of changes to the minimum Clearing Fund Cash Requirement pursuant to OCC Rule 1002. OCC intends to exercise its authority under Rule 1002(a)(i)(A) to temporarily increase the amount of cash required to be maintained in the Clearing Fund from \$3,500,000,000 to \$4,000,000,000 (an increase of approximately 14.29%). On Monday, July 19, 2021, OCC will issue a Memo officially notifying the Membership of the change and will provide information to Clearing Members pertaining to their new requirements. All settlements will be due on, or before, 9AM Central Time Wednesday, July 21, 2021.

OCC's Risk Committee and Board of Directors have approved making the new \$4,000,000,000 Clearing Fund Cash Requirement permanent beginning with the monthly August Clearing Fund sizing pursuant to authority under Rule 1002(a)(i) and OCC's Liquidity Risk Management Framework.<sup>1</sup> The increase in the Clearing Fund Cash Requirement is based on analyses of OCC's projected liquidity demands under a variety of stress scenarios. OCC believes the increase in the Clearing Fund Cash Requirement is prudent to ensure that OCC's prefunded liquidity resources are consistent with the amounts required under OCC's stress testing and liquidity risk management methodology and is therefore in furtherance of the integrity of OCC and the stability of the financial system and takes into consideration the legitimate interests of Clearing Members and market participants.

This change does not impact the Clearing Fund size; rather it impacts the required amount of cash and other eligible deposits. OCC determines each Clearing Member's proportionate share of the Cash Clearing Fund Requirement as equal to its proportionate share of the Clearing Fund as determined by the Clearing Fund allocation methodology, which is recalculated monthly.

If you have any questions pertaining to this memorandum or the impact of this change to your minimum cash Clearing Fund requirement, please email [stlrmgroup@theocc.com](mailto:stlrmgroup@theocc.com) or call Member Services at 1-800-621-6072.

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<sup>1</sup> See Securities Exchange Act Release No. 89014 (Jun. 4, 2020), 85 FR 35446 (Jun. 10, 2020) (File No. SR-OCC-2020-003).