



TO: ALL CLEARING MEMBERS

DATE: MAY 9, 2022

**SUBJECT: SETTLEMENT TIME / CLEARING FUND DEFICIT COLLECTION
CHANGES**

Recently, OCC submitted a Rule Filing with the Securities and Exchange Commission ([SR-OCC-2022-004](#)) requesting to amend the Start of Day settlement time required by Clearing Members to satisfy debits from 9:00am CT to 8:00am CT. In addition to Start of Day debits, the Filing requests for General Clearing Fund deficits (deficits typically caused by a decrease in the value of a Clearing Member's collateral) to align with the 8:00am CT settlement time.

The Rule Filing also contains changes to the timing of when deficits resulting from the Clearing Fund sizing process are collected. Previously, Clearing Members had two (2) business days to satisfy such Clearing Fund deficits. The Rule Filing requires that deficits related to the sizing of the Clearing Fund be satisfied by the SOD Settlement Time (i.e., 8:00am CT) on the first business day of each month, in the case of monthly resizing, or the first SOD Settlement Time (i.e., 8:00am CT) following notification of an intra-month resizing. In addition, the Rule Filing requires that any increase in a Clearing Member's required cash contribution resulting from an increase in the overall Clearing Fund Cash Requirement must be satisfied by the first SOD Settlement Time (i.e., 8:00am CT) following notification of the increase. To assist Clearing Members in anticipating changes to their requirements resulting from the sizing of the Clearing Fund, OCC has made a Clearing Fund Daily Requirement Projection Report available via ENCORE located at Reports CMO/Exchange Collateral Reports Clearing Fund Daily Projection Report (see OCC Information Memo [#48235](#) for additional details).

Pending approval, OCC anticipates the time change for Start of Day debits and General Clearing Fund deficits to become effective with payments due the morning of Monday, June 27, 2022. Changes to collection of Clearing Fund sizing deficits would not become effective until collection on the morning of Friday, July 1, 2022. Any changes to these dates will be communicated via a subsequent memo.

If you have any questions pertaining to this memo, please e-mail Collateral Services at collateralservices@theocc.com.