



**THE FOUNDATION
FOR SECURE
MARKETS**

#55661

DATE: December 06, 2024

**SUBJECT: COLLATERAL TREATMENT OF LEVERAGED AND INVERSE
EXCHANGE TRADED PRODUCTS WITH A SINGLE-NAME REFERENCE SECURITY**

OCC has determined to limit the value applied to collateral deposits in leveraged and inverse Exchange Traded Products (“ETPs”) tracking a single-name reference equity security to deposits that are risk reducing for activity in cleared positions. In addition, these ETPs will no longer be eligible as collateral for escrow deposits. This change will be implemented on December 9, 2024, and effective for settlements processed the morning of December 10, 2024.

Clearing Members can identify the quantity of shares eligible for deposit, as well as the number of shares and market value for any deposits that are not receiving value, by consulting the “Valued Securities Concentration Limit” report found on Encore. This report can be found in the “Reports” section of Encore under the “Collateral Reports” topic. Clearing Members may consult the Operations Manual for additional information regarding this report.

For questions regarding this memo, Clearing Member firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email MemberServices@theocc.com.