



**THE FOUNDATION
FOR SECURE
MARKETS**

#55772

DATE: December 20, 2024

**SUBJECT: COLLATERAL TREATMENT OF LEVERAGED AND INVERSE
EXCHANGE TRADED PRODUCTS**

OCC has determined to limit the value applied to collateral deposits in all leveraged and inverse Exchange Traded Products (“ETPs”) 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 beginning Monday, December 23, 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.