#59802

Date: September 21, 2026

Subject: Extended Trading Hours Program – Clearing Member Eligibility Requirements and Procedures for Expanded Equity Options Trading

On July 30, 2026, OCC filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change to amend its Rules to establish a procedures-based approach for determining product eligibility during Extended Trading Hours ("ETH") sessions, File No. SR-OCC-2026-008.[1] This proposed change, which is pending Commission action, would allow OCC to accommodate requests from participating exchanges to expand the range of products eligible for trading outside Regular Trading Hours ("RTH"), including morning, afternoon, or curb sessions that an Exchange may implement. In connection with this, several participating exchanges have filed proposals to amend their respective trading hour rules to permit multi-listed equity options to trade during two such sessions.

ETH Clearing Member Requirements:

To participate in ETH trading hours, Clearing Members must meet the following requirements and receive OCC approval to trade in the ETH session:

- Additional ETH Margin Requirement: Deposit the lesser of $10 million or 10% of net capital.
- Operational and Risk Contacts: Provide OCC with available overnight operational and risk contacts that are authorized to take necessary actions for conducting business with OCC during the ETH session.

Clearing Members who are currently ETH eligible will continue to be eligible for the additional sessions and do not need to reapply. Clearing Members who are not currently eligible and intend to participate are encouraged to begin the OCC ETH approval process in advance of the program launch and should contact their OCC Member Services Representative as the process may take several weeks.

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[1] See Exchange Act Release No. 106080 (August 12, 2026), 91 FR 53294 (August 17, 2026) (SR-OCC-2026-008).

Exchange Validation

OCC sends each participating exchange a file nightly listing all ETH approved Clearing Members. Exchanges are expected to use this file to verify that any Clearing Member submitting trades during ETH are eligible before accepting the order. This includes trades during the 6:30 AM – 8:25 AM CT session.

In addition, OCC's Member Directory lists Clearing Members who are eligible for extended trading.

Operational Processing for ETH Trades and Post Trades

Trades

OCC's clearing system monitors all trades received during ETH sessions to confirm that both counterparties are authorized. Trades submitted during the ETH hours including the 6:30 AM – 8:25 AM CT morning session are subject to ETH eligibility checks. If a trade is submitted on behalf of a firm that is not ETH approved:

- OCC's eligibility monitoring will flag the trade for any account that is not ETH approved.
- Trade will clear, but the non-approved Clearing Member may be subject to a rule violation.

For CMTA Trades:

- Trades with CMTAs will clear in the CMTA Clearing Member's account if the CMTA Clearing Member is ETH approved.
- If the CMTA Clearing Member is not ETH approved, the trade will default to the executor's Clearing Member's account, and that Clearing Member must hold the position until the regular trading session.

Exchanges are required to verify that a clearing firm is ETH approved before accepting an order during the morning session.

Post Trades

CMTA transfers are not allowed if the CMTA transfer involves a non-ETH Clearing Member. The CMTA will be rejected by OCC's clearing system and cannot be resubmitted until the regular trading session. The only exception to this rule is if the trade was from the previous day and the as of date was populated with the previous date.

Settlement Pricing

For options classes trading until 3:15 PM CT, OCC will use the 3:00 PM CT settlement price to evaluate exercise and assignment and to perform daily pricing of positions.

Trade and Post Trade Corrections

All trade and post trade corrections from prior trading days submitted during ETH hours must include the as of date field properly populated, particularly for submissions occurring before 8:25 AM CT.

Contact Information

Clearing Members with questions regarding ETH eligibility, the application process, or the matters described in this memorandum should contact their OCC Member Services Representative. Additional questions are also addressed in the accompanying ETH Eligibility; Frequently Asked Questions on the following pages.

If you have any questions, please contact your Clearing Member representative or the Member Services Help Desk at the following numbers: 800-621-6072 or 800-544-6091. Within Canada, please call 800-424-7320. Clearing Members may also e-mail us at memberservices@theocc.com.

ETH Eligibility — Frequently Asked Questions

1. How Does a Clearing Member Become ETH Eligible?

Clearing Members who want to clear products available for trading during ETH must meet the following requirements:

- Clearing Member must provide operational and risk contacts available to be contacted by OCC staff during ETH.
- Satisfaction of the ETH margin add-on requirement (lesser of $10M or 10% of net capital) in the firm account.
- Receive ETH approval by OCC.

Clearing Members already approved for ETH (e.g., currently participating in SPX or VIX overnight trading) do not need to reapply. Existing approvals will extend to the new equity option classes automatically.

Clearing Members are encouraged to begin the ETH approval process in advance of the program launch and should contact their OCC Member Services Representative as the process may take several weeks.

2. How Can a Clearing Member Confirm Its ETH Approval Status?

Clearing Members can confirm their own status through the following:

- View OCC's Member Directory which lists Clearing Members who are eligible for extended trading.
- Contact your assigned OCC Member Services Representative directly.

3. How Will Exchanges Know Which Clearing Members Are Approved?

OCC sends each participating exchange a file nightly listing all ETH approved Clearing Members. Exchanges are expected to use this file to verify that any Clearing Member submitting trades during the ETH are eligible before accepting the order. This includes trades during the 6:30 AM – 8:25 AM CT session.

In addition, OCC's Member Directory lists Clearing Members who are eligible for extended trading.

4. What Happens If a Non-Approved Firm's Trade Is Submitted During ETH?

OCC's clearing system monitors all trades received during ETH sessions to confirm that both counterparties are authorized. Trades submitted during the ETH hours including the 6:30 AM – 8:25 AM CT morning session are subject to ETH eligibility checks.

If a trade is submitted on behalf of a firm that is not ETH approved:

- OCC's eligibility monitoring will flag the trade for any account that is not ETH approved.

- Trade will clear, but the non-approved Clearing Member may be subject to a rule violation.

For CMTA Trades:

- Trades with CMTAs will clear in the CMTA Clearing Member's account if the CMTA Clearing Member is ETH approved.
- If the CMTA Clearing Member is not ETH approved, the trade will default to the executor's Clearing Member's account, and the Clearing Member must hold the position until the regular trading session.

Note that exchange-level pre-trade controls serve as the first line of defense. Exchanges are required to verify that a clearing firm is ETH approved before accepting an order during the morning session. OCC's monitoring provides a secondary check.

5. Does the ETH rule apply to CMTA Transfers?

Yes, CMTA transfers are not allowed if the CMTA transfer involves a non-ETH Clearing Member. The CMTA will be rejected by OCC's clearing system and OCC will not allow movement until the regular trading session. The only exception to this rule is if the trade was from the previous day and the as of date was populated with the previous date.

6. Does the Afternoon Session (3:00 PM – 3:15 PM CT) Require ETH Approval?

No. OCC has designated the 3:00 PM – 3:15 PM CT session as Regular Trading Hours ("RTH"). Clearing Members are not required to be ETH eligible to trade equity options during this window, and participation in this session alone does not trigger the ETH margin add-on. RTH clearing procedures apply.