



U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Clearing and Risk

March 1, 2021

John P. Davidson
Chief Executive Officer
Options Clearing Corporation
125 S. Franklin Street, Suite 1200
Chicago, IL 60606

Re: Options Clearing Corporation Subpart C Election

Dear Mr. Davidson:

The Commodity Futures Trading Commission (the "Commission") is in receipt of the Subpart C Election Form filed on February 3, 2021 by Options Clearing Corporation ("OCC") (the "Election Form") pursuant to Commission Regulation 39.31(b).¹

Pursuant to Regulation 39.31, a derivatives clearing organization ("DCO") that is registered with the Commission and that is not a systemically important DCO may elect to become a subpart C DCO subject to the provisions of subpart C of Part 39 of the Commission's regulations (the "Subpart C Provisions") by following the procedures set forth in Regulation 39.31(b), which include filing a complete Election Form.²

The Division of Clearing and Risk ("DCR") notes that OCC's Election Form specifies March 1, 2021 as the effective date for OCC's election. While Regulation 39.31(b)(5) permits the Commission to stay or deny such an election, DCR, acting pursuant to delegated authority,³ has determined to neither stay nor deny OCC's election at this time.

Thus, OCC's election is permitted to take effect as of March 1, 2021, and OCC will be subject to subparts A, B and C of Part 39 of the Commission's regulations as of that date. Moreover, as noted in Regulation 39.40, the Subpart C Provisions are intended to establish standards which, together with subparts A and B of Part 39, are consistent with the Principles for Financial Market Infrastructures (the "PFMIs"). As a result, OCC will be subject to Commission standards that are consistent with the PFMIs as of March 1, 2021.

¹ Commission regulations are found in 17 C.F.R. Chapter I

² 17 C.F.R. § 39.31(a)(1).

³ Pursuant to Regulation 140.94(c)(13), the Commission has delegated to DCR all functions reserved to the Commission under Regulation 39.31.

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This letter does not constitute a finding by the Commission as to whether OCC is in compliance with the Subpart C Provisions. In permitting OCC's election to take effect, the Commission is relying on the certification provided in OCC's submission that, as of March 1, 2021, OCC will be in compliance with the Subpart C Provisions. The Commission is also relying on the other materials submitted by OCC in connection with its Election Form, including all supplemental information submitted to DCR.

Should you have any questions regarding this letter, please contact August A. Imholtz III, Special Counsel (aimholtz@cftc.gov, (202) 418-5140).

Sincerely,

Handwritten signature of Clark Hutchison in blue ink.

Clark Hutchison
Director, Division of Clearing and Risk