

June 4, 2026

Via Electronic Mail: rule-comments@sec.gov

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
110 F Street, N.E.
Washington, D.C. 20549-1090

Re: LCH SA: Notice of Exemption Request; Rel. No. 34-105357; File No. 600-36

Dear Ms. Countryman:

MFA¹ appreciates the opportunity to submit comments to the U.S. Securities and Exchange Commission (“**Commission**” or “**SEC**”) in response to the request by the Banque Centrale de Compensation, which conducts business under the name LCH SA (“**LCH SA**”), for an amendment to the exemptive relief granted to it by the Commission on December 29, 2016 (“**LCH Exemption Request**”).²

MFA strongly supports the LCH Exemption Request to expand the scope of products that LCH SA can make available to U.S. persons, including permitting U.S. persons to participate in RepoClear, which provides access to central clearing services for Euro-denominated government debt and supranational debt instruments. This request is consistent with the Securities Exchange

¹ Managed Funds Association (MFA), based in Washington, D.C., New York City, Brussels, and London, represents the global alternative asset management industry. MFA’s mission is to advance the ability of alternative asset managers to raise capital, invest it, and generate returns for their beneficiaries. MFA advocates on behalf of its membership and convenes stakeholders to address global regulatory, operational, and business issues. MFA has more than 180 fund manager members, including traditional hedge funds, private credit funds, and hybrid funds, that employ a diverse set of investment strategies. Member firms help pension plans, university endowments, charitable foundations, and other institutional investors diversify their investments, manage risk, and generate attractive returns throughout the economic cycle.

² Self-Regulatory Organizations; LCH SA; Notice of an Application for an Exemption Pursuant to Section 36 of the Securities Exchange Act of 1934 Relating to Rule Filing Requirements and Request for Comment, Rel. No. 34-105357 (May 4, 2026), 91 Fed. Reg. 24617 (May 6, 2026), available at: <https://www.govinfo.gov/content/pkg/FR-2026-05-06/pdf/2026-08955.pdf> (“**Notice**”); Order Granting Application for Registration as a Clearing Agency and Request for Exemptive Relief, Rel. No. 34-79707 (Dec. 29, 2016), 82 Fed. Reg. 1398 (Jan. 5, 2017) (File No. 600-36) (“**Order**”), available at: <https://www.govinfo.gov/content/pkg/FR-2017-01-05/pdf/2016-31940.pdf>.

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Act of 1934's ("Exchange Act") public interest and investor protection standards, reflects the evolution of global clearing markets since the Commission's original order, and will promote efficient cross-border clearing and risk management. For these reasons, we encourage the Commission to approve the LCH Exemption Request without delay.

I. The Request Promotes Efficient Cross-Border Clearing and Risk Management

Central clearing is a foundational tool for mitigating counterparty credit risk, promoting market stability, and enhancing transparency. Expanding the ability of U.S. market participants to access additional clearing services at LCH SA will further these objectives.

As the Commission recognizes in its notice, LCH SA currently operates multiple clearing business lines, but only CDS Clear (focusing on security-based swaps—primarily credit default swaps) is available to U.S. persons under existing arrangements.³ The requested exemptive relief would permit LCH SA to admit U.S. clearing members to additional services (*e.g.*, RepoClear) under a structured and conditional regime.

Allowing U.S. firms to access these clearing services would enhance risk management by allowing firms to centrally clear a broader range of transactions through established, well-regulated infrastructures. It also would reduce fragmentation by limiting the need to maintain duplicative clearing arrangements across jurisdictions. This would improve liquidity and netting efficiencies, particularly in repo and related markets, where central clearing can significantly reduce exposures.

These benefits are directly aligned with the goals of Section 17A of the Exchange Act to facilitate the prompt and accurate clearance and settlement of transactions and to safeguard funds and securities.

II. The Request Is Carefully Structured and Includes Robust Safeguards

The LCH Exemption Request is appropriately narrow and includes meaningful conditions that preserve Commission oversight and investor protections. As described in the Commission's notice, the requested relief would:

- Ensure that LCH SA provides appropriate transparency regarding proposed rule changes related to its business when U.S. clearing members are present; and

³ Notice at 24617.

- Impose ongoing obligations, including notification requirements, regarding the operation of the RepoClear business.⁴

These conditions ensure that the Commission retains appropriate visibility and authority over activities affecting U.S. participants. Furthermore, it would ensure that the scope of the exemption remains targeted and proportionate.

In our view, the proposal appropriately balances flexibility for cross-border clearing with the Commission's mandate to protect investors and maintain fair and orderly markets.

III. Expanding Access Promotes Competition and Aligns with Global Practice

Granting the requested relief would also promote competition in clearing markets and align U.S. policy with global market structure realities.

Today, other non-U.S. clearinghouses already make available similar services to U.S. market participants. For example, other exempt clearing agencies—including European central counterparties such as Eurex—offer repo and related clearing services to U.S. firms.

Against that backdrop, denying or limiting LCH SA's ability to offer comparable services could:

- Distort competition among clearing providers by favoring certain infrastructures over others without a risk-based justification;
- Limit choice for U.S. market participants, potentially increasing costs and reducing efficiency; and
- Encourage regulatory arbitrage, as firms may route activity through non-U.S. affiliates to access global clearing pools.

By contrast, approving the request would:

- Promote a level playing field across central counterparties;
- Encourage competition on risk management, margining, and service quality; and
- Reinforce the United States' commitment to open, competitive, and appropriately regulated global markets.

⁴ Notice at 24617-18.

IV. The Request Supports Market Resilience Without Expanding Systemic Risk

The Commission specifically solicits comment on whether the requested relief would affect investor protection and the public interest. In MFA's view, the proposal supports both. The request does not introduce novel or untested activities. Rather, it extends access to clearing services that already operate under robust European regulatory regimes (*e.g.*, EMIR) and are subject to ongoing supervisory oversight by home regulators and cooperation with U.S. authorities. Such clearing services also would remain subject to SEC oversight with respect to U.S. participants under the proposed conditions. Moreover, central clearing of repo transactions and related products can enhance market resilience by:

- Improving transparency of exposures;
- Reducing bilateral counterparty risk; and
- Facilitating orderly market functioning during periods of stress.

In this respect, the proposal complements broader regulatory efforts—both in the United States and internationally—to expand central clearing where appropriate.

V. Conclusion

For the reasons discussed above, MFA strongly supports the LCH Exemption Request. The proposal reflects a measured and balanced approach that expands access to central clearing for U.S. persons and maintains robust regulatory safeguards and Commission oversight. It also will promote competition and alignment with global market practices and advance the objectives of market efficiency, risk reduction, and investor protection. Accordingly, MFA respectfully urges the Commission to approve the requested exemptive relief as quickly as possible.

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We appreciate the opportunity to share our views on the LCH SA Exemption Request. Please do not hesitate to contact Matthew Daigler (mdaigler@mfaalts.org) or the undersigned (jhan@mfaalts.org) with any questions regarding this letter.

Sincerely,

/s/ Jennifer W. Han

Jennifer W. Han
Chief Legal Officer & Head of Regulatory Affairs
MFA

Cc:

The Hon. Paul S. Atkins, Chairman
The Hon. Hester M. Peirce, Commissioner
The Hon. Mark T. Uyeda, Commissioner
Jamie Selway, Director, Trading and Markets