

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-81818; File No. SR-LCH SA-2017-007)

October 4, 2017

Self-Regulatory Organizations; LCH SA; Notice of Designation of Longer  
Period for Commission Action on Proposed Rule Change Relating to Options on Index  
Credit Default Swaps

On August 1, 2017, Banque Central de Compensation, which conducts business under the name LCH SA (“LCH SA”), filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (SR-LCH SA-2017-007) to amend LCH SA’s CDS Margin Framework and CDSClear Default Fund Methodology to incorporate terms and conforming changes, and to provide for risk management policies related to options on index credit default swaps in order to permit LCH SA to clear such options. The proposed rule change was published for comment in the Federal Register on August 21, 2017.<sup>3</sup> The Commission received no comments regarding the proposed changes.

Section 19(b)(2) of the Act provides that within 45 days of the publication of the notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 34-81399 (Aug. 15, 2017), 82 FR 39622 (Aug. 21, 2017) (SR-LCH SA-2017-007) (“Notice”).

proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.<sup>4</sup> The 45<sup>th</sup> day from the publication of the Notice is October 5, 2017.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. As noted above, LCH SA proposed to amend its CDS Margin Framework and CDS Clear Default Fund Methodology in order to permit it to clear options on index credit default swaps. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider LCH SA's proposed rule change and the risks associated therewith.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act, extends the period by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-LCH SA-2017-007) to no later than November 19, 2017.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> 17 CFR 200.30-3(a)(12).