

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103312; File No. SR-LCH SA-2025-006]

### Self-Regulatory Organizations; LCH SA; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Revisions to its CDSClear Fee Grid for Services Provided to Dealers

June 24, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4,<sup>2</sup> notice is hereby given that on June 11, 2025, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), filed with the Securities and Exchange Commission (“Commission”) the proposed rule change (“Proposed Rule Change”), as described in Items I, II and III below, which Items have been prepared primarily by the clearing agency. LCH SA has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change**

LCH SA is proposing to amend its CDSClear fee grid (the “Fee Grid”) by incorporating changes with respect to the CDSClear business and clearing services

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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> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f).

offered for CDS Dealers (the “**Proposed Rule Change**”).<sup>5</sup> The text of the Proposed Rule Change is provided in Exhibit 5.<sup>6</sup> The implementation of the Proposed Rule Change will be contingent on LCH SA's receipt of all necessary regulatory approvals.

## **II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, LCH SA included statements concerning the purpose of and basis for the Proposed Rule Change and discussed any comments it received on the Proposed Rule Change. The text of these statements may be examined at the places specified in Item IV below. LCH SA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

### **A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

#### **1. Purpose**

The purpose of the Proposed Rule Change is for LCH SA CDSClear to amend its Fee Grid regarding the CDS Dealer status offering<sup>7</sup>. The Proposed Rule Change also removes references to LCH SA’s former service offerings, EquityClear and CommodityClear, and adds references to LCH SA’s new offering, DigitalAssetClear.

LCH SA is proposing to amend the CDSClear Fee Grid as follows:

### **A) Self-Clearing Fees**

#### **1. CDS Dealer Status**

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<sup>5</sup> All capitalized terms not defined herein have the same meaning as in the Rule Book in its version as available on LCH SA's website: <https://www.lseg.com/en/post-trade/clearing/clearing-resources/rulebooks/lch-sa#t-over-the-counter-credit-default-swaps>.

<sup>6</sup> All capitalized terms not defined herein have the same definition as in the Framework, unless otherwise stated.

<sup>7</sup> See Exchange Act Release No. 34-102217 (Jan. 16, 2025), 90 FR 8060 (Jan. 23, 2025) (SR-LCH SA-2024-005).

Following the full regulatory approval received by LCH SA for the CDS Dealer Status arrangement,<sup>8</sup> LCH SA is proposing to add a new fee for market participants that are CDS Dealers of €100,000 per annum. This fee is separate from any fees for trades submitted for clearing, which will be charged based on the tariff of the Clearing Member with which the CDS Dealer is party to a CDS Dealer Clearing Agreement.

LCH SA is proposing to add footnote (4) to its fee grid to note that the annual fee will be charged to the Clearing Member with which the CDS Dealer is party to a CDS Dealer Clearing Agreement. The fee will be paid over 12 months and charged one twelfth each month where the CDS Dealer is considered live for the whole month, regardless of the go-live date within that month. Footnote (4) further specifies that variable fees will be charged based on the fee tariff of the Clearing Member with which the CDS Dealer is party to a CDS Dealer Clearing Agreement.

#### **B) Annual Account Structure Fees**

LCH SA is proposing to remove references to LCH SA EquityClear and CommodityClear Account Charges following the closure of these businesses in 2024. References to account fees for Cash Markets and Derivatives Markets are being removed for the same reason and replaced with references to the new clearing service, DigitalAssetClear. Specifically, LCH SA is removing references to the previously applied quarterly account charges for EquityClear and CommodityClear.

#### 2. Statutory Basis

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<sup>8</sup> *Id.*

LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Exchange Act<sup>9</sup> and the regulations thereunder applicable to LCH SA. Section 17A(b)(3)(D) of the Act<sup>10</sup> requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees and other charges among its participants.

LCH SA believes the amendments to the Fee Grid are reasonable given the changes to its CDSClear service and equitable for both existing and new Clearing Members and Clients.

A participant that is not a member of CDSClear but is affiliated with an existing Clearing Member that wishes to otherwise access the service, may clear as a Client of the Clearing Member or as a CDS Dealer.<sup>11</sup> LCH is proposing to amend the annual fee payable by a participant joining as a CDS Dealer to €100,000. The variable fees are still payable based on the fee tariff of the Clearing Member.

LCH SA also believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act and regulations thereunder applicable to it, including Commission Rule 17Ad-22(e). In particular, Section 17A(b)(3)(F)<sup>12</sup> of the Act requires, inter alia, that the rules of a clearing agency be designed to “promote the prompt and accurate clearance and settlement of . . . derivatives agreements, contracts, and transactions”.

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<sup>9</sup> 15 U.S.C. 78q-1.

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>11</sup> Participants may also apply to become a Clearing Member directly.

<sup>12</sup> 15 U.S.C. 78q-1(b)(3)(F).

LCH SA is proposing an annual fee that allows participants to join as CDS Dealers and is designed to incentivize and encourage a broader set of market participants to submit transactions for clearing even if not a Clearing Member of the CDSClear service. LCH SA believes the specific CDS Dealer fee provides transparency regarding the cost of clearing and promotes the prompt and accurate clearance and settlement of CDS products.

LCH SA therefore believes that the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(D)<sup>13</sup> of the Act and 17A(b)(3)(F)<sup>14</sup> of the Act in that the amendments to the Fee Grid are reasonable and equitable among its participants and are encouraging clearing activity.

B. Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act<sup>15</sup> requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. LCH SA does not believe that the Proposed Rule Change would impose any burden on competition. The purpose of the Proposed Rule Change is for LCH SA to amend its Fee Grid to incorporate a new fee for market participants that are CDS Dealers following the implementation of the Dealer Status initiative. This fee will be separate from any variable clearing fees, which will be charged based on the tariff of the Clearing Member with which the CDS Dealer is party to a CDS Dealer Clearing Agreement and in accordance with the existing CDSClear fees and will be applied equally for all Dealers. Thus, LCH SA does not believe that the Proposed Rule Change

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<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>14</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>15</sup> 15 U.S.C. 78q-1(b)(3)(I).

would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments relating to the Proposed Rule Change have not been solicited or received. LCH SA will notify the Commission of any written comments received by LCH SA.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments:*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-LCH SA-2025-006 on the subject line.

*Paper Comments:*

Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-LCH SA-2025-006. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10 am and 3 pm. Copies of the filing also will be available for inspection and copying at the principal office of LCH SA and on LCH SA's website at: (<https://www.lch.com/resources/rulebooks/proposed-rule-changes>).

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted materials that is obscene or subject to copyright protection. All submissions should refer to file number SR-LCH SA-2025-006 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>16</sup> 17 CFR 200.30-3(a)(12).