

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104513; File No. SR-LCH SA-2025-009]

## Self-Regulatory Organizations; LCH SA; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Cash Spreads and Fees on Securities Collateral

December 23, 2025.

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> notice is hereby given that on December 23, 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**”) described in Items I, II and III below, which Items have been primarily prepared by LCH SA. 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 for 2026 (the “**Fee Grid**”) by incorporating changes in the CDSClear products and services offered (the “**Proposed Rule Change**”).

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

<sup>2</sup> 17 C.F.R. § 240.19b-4.

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

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

The text of the Proposed Rule Change has been annexed as Exhibit 5 to File No. SR-LCH SA-2025-009.<sup>5</sup>

The implementation of the Proposed Rule Change is expected to be effective from January 1<sup>st</sup>, 2026 but 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. Clearing Agency'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 and adapt its Fee Grid for 2026 to the new CDSClear products and services offered.

LCH SA is proposing to amend the CDSClear Fee Grid for 2026 as follows:

### **A) Self-Clearing Tariff for Corporates, Financials and Sovereign Index and Single Name CDS**

#### **1. General Membership**

The annual fixed fee charged by LCH SA CDSClear under the General Member Unlimited Tariff will increase from €1,700,000 to €1,759,500 to reflect the expanding

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<sup>5</sup> All capitalized terms not defined herein have the same definition as in the CDS Clearing Rule Book, available at [https://www.lseg.com/content/dam/post-trade/en\\_us/documents/lch/rulebooks/lch-sa/lch-sa-cdsclear-rule-book.pdf](https://www.lseg.com/content/dam/post-trade/en_us/documents/lch/rulebooks/lch-sa/lch-sa-cdsclear-rule-book.pdf).

offering of products, services as described in LCH website<sup>6</sup> and volumes cleared by Clearing Members under the General Member Unlimited Tariff, which incorporates the clearing of all Indices, Single Names (including Sovereigns) and Options under this tariff.

## **2. Onboarding Fees**

As part of the adjustments made to the Fee Grid, LCH SA is proposing to increase its current onboarding fee from €15,000 to €50,000.<sup>7</sup> The purpose is to better reflect the costs associated with the complexity in optionality of the way Clearing Members and their Affiliates can interact and use CDSClear services. This optionality requires more resources allocated for legal contracts, onboarding, testing and connectivity requiring more expertise and attention to ensure seamless customer experience when onboarding. Increasingly, more Clearing Members and their clients are using third party vendor services, adding to the complexity, engagement and resource allocation required when onboarding. This will also align with other LCH derivative clearing services. LCH SA is also clarifying that the onboarding fee is at a member entity level and will apply to entities onboarding as General Members, Select Members, CDS Dealers, or Affiliated Clients.<sup>8</sup>

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<sup>6</sup> A list of cleared products is available at <https://www.lseg.com/en/post-trade/clearing/lch-services/cdsclear/what-we-clear>

<sup>7</sup> LCH SA reminds that the onboarding fee was €30k prior to January 2024.

<sup>8</sup> Participants in LCH SA's CDSClear service can elect to be General Members or Select Members. Each category of membership has different obligations and benefits. For example, both General Members and Select Members can offer clearing for clients, but Select Members may elect not to participate in competitive bidding in a default auction or submit end-of-day prices, subject to certain exceptions. *See* Exchange Act Release No. 101654 (Nov. 19, 2024), 89 FR 92981 (Nov. 25, 2024) (File No. SR-LCH SA-2024-002). Due to their different obligations to LCH SA, General Members and Select Members also have certain differences in margin and pricing. For example, General Members have access to an unlimited tariff. CDS Dealer is an additional category of participant in LCH SA's CDSClear service which allows an affiliate of an existing Clearing Member to submit transactions on behalf of that Clearing Member. *See* Exchange Act Release No. 102217 (Jan. 16, 2025), 90 FR 8060 (Jan. 23, 2025) (File No. SR-LCH SA-2025-005). An Affiliated Client is an affiliate of Clearing Member which clears as a client of that Clearing Member.

### **3. CDS Dealer Status**

In recognition of the increased onboarding fee, LCH SA is proposing to waive the annual fee for CDSClear Dealer Status due the first year post go-live for Clearing Members on the General Member Variable Tariff and for Select Members that will onboard in 2026. For the avoidance of doubt, the Dealer Status annual fee of €100k will continue to apply thereafter.

The clearing for entities admitted as a Dealer of General Member Unlimited Clearing Members will be included in this “all you can clear” tariff, which allows for unlimited clearing once the annual fixed fee is paid. These members are contributing to the expansion of the clearing activity and value of the CDSClear service through increased US client volumes and USD liquidity. LCH SA is also clarifying that the CDSClear Dealer Status annual fee does not apply to Clearing Members under the General Members Unlimited Tariff who will no longer incur an additional fixed annual fee for entities admitted as a Dealer.

### **B) Clients**

#### **1. Affiliated Clients of General Members**

LCH SA is proposing to remove the fixed annual account charge of €100,000 for Affiliated Clients of General Members under the Unlimited Tariff so that General Members will no longer incur this additional fixed annual fee for their Affiliated Clients. Instead, clearing for Affiliated Clients of a Clearing Member will be covered by the General Member Unlimited Tariff.

## **2. Options Products**

LCH SA is proposing to apply the full discount of client variable fees to 2026.

LCH SA is not proposing any other amendments to this section of the Fee Grid.

### **2. Statutory Basis**

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 proposed amendments to the Fee Grid are reasonable and equitable for both existing and new Clearing Members and Clients.

The annual fixed fee under the General Member Unlimited Tariff will be reasonably increased by 3.5 percent to €1,759,500 in order to reflect the costs associated with the evolution and further maturity of LCH SA's CDSClear service, including the expansion of the membership and product offerings that General Members will have access to. This has been demonstrated by a significant increase in total notional cleared from members on the General Member Unlimited tariff year to date November 2025 versus previous year to date.

The increase in the onboarding fee is also made to better and equally reflect the

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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).

costs associated with the onboarding process and membership optionality requiring increased legal and operational resource allocation, engagement, testing and connectivity as well as accommodating third party providers as requested by members, over the length of the onboarding process which on average takes 6-12 months when entities are joining CDSClear service as a General Member, Select Member, CDS Dealer or Affiliated Client.

LCH SA also believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act. In particular, Section 17A(b)(3)(F)<sup>11</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”.

By deciding to (i) waive the annual fee for CDSClear Dealer Status for Clearing Members on the General Member Variable Tariff and Select Members that will onboard in 2026 and (ii) renew for 2026 the full discount on the credit index option client variable fees, LCH SA is clearly continuing to encourage market participants and promote the clearing activity of CDS products which is consistent with the requirements of Section 17A(b)(3)(F).<sup>12</sup> The proposed 2026 fee grid would align more with the underlying costs associated with the types of products market participants are interested in, the increases in trading volume, and the higher accompanying onboarding costs. By calibrating the fees against costs, the proposal would help facilitate access to the clearance and settlement

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<sup>11</sup> 15 U.S.C. 78q-1(b)(3)(F)

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

services provided by LCH SA, thus promoting the prompt and accurate clearance and settlement of transactions.

For all the reasons above, LCH SA 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 for 2026 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 and adapt its Fee Grid for 2026 to the new CDSClear products and services offered to meet Clearing Members' and Clients' evolving business needs.

As part of this effort, LCH SA is proposing to further encourage competition by offering certain discounts or a waiver and make clarifying changes on how fees will be applied to each entity joining the CDSClear service.

LCH SA believes the Proposed Rule Change would not burden any Clearing Members or other market participants, given that the proposed amendments to the Fee Grid will apply equally to all CDSClear Clearing Members and Clients, in accordance with all applicable regulatory requirements. Therefore, LCH SA does not believe that the

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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).

Proposed Rule Change would impose any 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-2025-009 on the subject line.



*Paper Comments:*

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

All submissions should refer to file number SR-LCH SA-2025-009. 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 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-2025-009 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).