SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105553; File No. SR-LCH SA-2026-001]

Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to the CDSClear Risk Framework.

May 26, 2026.

I. *Introduction*

On April 8, 2026, Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), filed with the Securities and Exchange Commission (the "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] a proposed rule change to modify its CDS Clearing risk framework. The proposed rule change was published for comment in the *Federal Register* on April 17, 2026.[3] The Commission did not receive comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

II. *Description of the Proposed Rule Change*

LCH SA is a clearing agency registered with the Commission that provides central counterparty ("CCP") services for security-based swaps, including credit default swaps ("CDS") and options on CDS, through its CDSClear business unit. Part of LCH SA's CCP function is to interpose itself as the buyer to every seller and the seller to every buyer for certain financial transactions, which exposes it to certain risks arising from providing clearing and settlement services to its clearing members. One such risk is the credit risk stemming from the trading

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Securities Exchange Act Release No. 105233 (Apr. 14, 2026), 91 FR 20750 (Apr. 17, 2026) (File No. SR-LCH SA-2026-001) ("Notice").

activities of LCH SA's clearing members because LCH SA is obligated to perform on the contracts it clears, even in the event of a clearing member's default. LCH SA manages credit risk, in part, by maintaining prefunded sufficient resources to cover losses in the event of a member default. LCH SA maintains these financial resources by requiring its clearing members to provide initial margin and contribute to a default fund.

LCH SA collects initial margin to cover the potential loss from any clearing member (including the clients of that clearing member) to a 99.7% level under normal market conditions, should LCH SA need to close out that member's portfolio within the given holding period. LCH SA's process for determining initial margin is explained in, and controlled by, its CDSClear Margin Reference Guide ("Margin Guide"). As described in the Margin Guide, LCH SA determines a clearing member's initial margin based on various assumptions, components, and charges, including Spread Margin.[4]

In addition to the amounts collected as initial margin, LCH SA's default fund (the "Default Fund") is a prefunded mutualized pool of resources available to cover any further potential losses to LCH SA in the event of a clearing member's default. LCH SA sizes the Default Fund so that it can withstand the simultaneous default of the two largest member groups under extreme but plausible market conditions ("cover-2 standard").[5] LCH SA determines the sufficiency of the Default Fund by conducting daily stress testing. Daily stress testing involves the daily revaluation of each clearing member's portfolio using a set of historical and theoretical stress test scenarios incorporating price and volatility shifts to estimate a worst-case loss in excess of that clearing member's initial margin. LCH SA's method for conducting stress testing

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4 Spread Margin is intended to cover losses in the event of unfavorable credit spread and volatility moves.

5 *See also* 17 CFR 240.17ad-22(e)(4)(ii).

and sizing the Default Fund is explained in, and controlled by, its CDSClear Default Fund Reference Guide ("Stress Guide").

LCH SA proposes to amend the Stress Guide and Margin Guide. The amendments address recommendations from an independent review performed by LCH SA's Model Validation Team and remove certain stress test scenarios that LCH SA no longer considers plausible. LCH SA represents that when initially set, these stress test scenarios created an overly conservative level of the Default Fund and, therefore, require updating.[6] LCH SA states that the proposed recalibration would decrease the Default Fund but represents that nevertheless LCH SA would continue to meet or exceed the cover-2 standard.[7]

Additionally, LCH SA proposes to make non-substantive changes to the Stress Guide and Margin Guide to conform the documents to a common template adopted by LCH SA's affiliated companies. LCH SA is an affiliate of LCH, Ltd, through common ownership by LCH Group Holdings Limited. LCH SA's ultimate parent company is London Stock Exchange Group plc ("LSEG"). LCH SA's proposed changes to the Stress Guide and Margin Guide would restructure and reorganize the contents in those documents to conform with a common template adopted by LSEG entities. LCH SA represents that the goal of the common template is to ease the model validation teams' review of all models across LSEG entities.[8]

The Stress Guide and the Margin Guide, including the proposed changes, would continue to be subject to and interact with LCH SA's Financial Resource Adequacy Policy ("FRAP").[9] The FRAP is part of LCH SA's overall governance framework and sets forth the standards

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6 *See* Notice, 91 FR at 20751.

7 *Id. See also* 17 CFR 240.17ad-22(e)(4)(ii).

8 *See* Notice, 91 FR at 20751.

9 *See* Exchange Act Release No. 104051 (Sept. 25, 2025), 90 FR 47001 (Sept. 30, 2025) (SR-LCH SA-2025-007), which approved the LCH SA Financial Risk Adequacy Policy.

governing the assessment of financial resources, including default funds, against certain market risks in clearing member portfolios.[10] The FRAP contemplates, in part, reverse stress testing, sensitivity analysis of margin models, a review of parameters and assumptions for backtesting on a monthly basis[11] and less than monthly under certain conditions,[12] and consideration of modifications to ensure back-testing practices are appropriate for determining the adequacy of margin resources.[13] The FRAP would remain applicable to the details found in both the Stress Guide and Margin Guide.

A. Stress Guide

The proposal would amend the Stress Guide primarily by changing the definition of stress scenarios. Further changes stem from the Model Validation Team requests. Other, non-substantive changes aim to conform with the new LSEG template.

Currently, Section 5.1.4 of the Stress Guide explicitly lists certain stress testing scenarios, such as those calibrated around the Lehman Brothers' 2008 collapse. However, LCH SA states that these scenarios are inconsistent with the definition of plausibility, as found in the FRAP,[14] due to the application of multipliers to these historical shocks.[15] To mitigate this inconsistency, LCH SA proposes to make historical scenarios more plausible based on a defined set of criteria across all scenarios so that the worst historical stress can be captured uniformly across a variety

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10 *Id.,* at 47003.

11 *Id.*, at 47003-47007.

12 *Id.*, at n. 26 ("The FRAP also requires LCH SA to conduct a sensitivity analysis of its margin models and a review of its parameters and assumptions for back- testing more frequently than monthly during periods of time when the products cleared or markets served display high volatility or become less liquid, or when the size or concentration of positions held by the participants increases or decreases significantly.").

13 *Id.,* at 47003.

14 Extreme but plausible scenarios are quantified as once-in-30 years events, under the FRAP. *See* Notice, 91 FR at 20753.

15 *See* Notice, 91 FR at 20753.

of periods without adding arbitrary multipliers on top of historical moves. Under the proposal, one criterion would be used for directional scenarios and another criterion for decorrelation scenarios[16] to identify the most historically significant periods. As such, the proposal would continue to capture significant market events, such as the Lehman Brothers' default.

The current theoretical scenarios listed in Section 5.1.4 of the Stress Guide were deemed sufficiently conservative when initially designed to mitigate risk but lacked a clear quantification of plausibility. The proposal would clarify that the theoretical scenarios would rely on a multivariate distribution calibrated using historical data to generate extreme but plausible scenarios quantified as once-in-thirty-year events, consistent with LCH SA policies. The calibrated distribution would be used to generate sample joint returns across risk factors, which would then be sorted based on criteria representing key strategies to identify the most extreme draws in the sample for each risk profile. Scenarios for implied volatilities would keep the same calibration but would be considered jointly with spread moves to more consistently capture the cross-effect of both risk factors on the option price.

LCH SA also proposes to address the consistency and comparability of stress scenarios. Currently, stress test scenarios assume an extended holding period of a minimum of five days, varying by each scenario. As proposed, Section 5.1.1.1 would clarify that the holding period considered during stress test calibration would be set to seven days across all scenarios.

The proposal would align the handling of option exercise with regular margins, as described in Section 5.1.4.2. Under the proposal, the assumption would be that market moves

[16] Directional scenarios aim to capture the effects of the largest historical widening or tightening of credit spreads while decorrelation scenarios aim to capture the effects of historical divergences between regions.

happen first, followed by exercise decisions, which would be reflected in the calculation. Afterward, the impact of the defaulting entities would be considered.

Additionally, the proposal would, under Section 5.1.4.4, rewrite the logic of the stressed Short Charge in a manner consistent with the Short Charge in the Margin Guide. Specifically, LCH SA proposes to introduce tables summarizing the combinations of International Swaps and Derivatives Association ("ISDA") definitions and seniorities that can default together, and summarizing the recovery rates used in the Net Short Exposure calculations.

The remainder of the proposed changes to the Stress Guide would help ensure compliance with the LSEG model documentation template requirements, including the addition of an Executive Summary section; the contextualization of the use and purpose of the model (Section 1); the provision of information on the model limitations and compensating controls (Section 2); the description of modelling data and the rationale for the modelling approach (Sections 3 and 4); and a more condensed definition of the Default Fund size (Section 5.1.1.2). Likewise, Sections 6 through 9, generally covering model testing, ongoing monitoring, control environment, and appendices, would be added as generic sections to comply with the LSEG template requirements.

LCH SA states that amending the plausibility of stress test scenarios in the Stress Guide is expected to result in a 41% decrease in the Default Fund, on average, over the course of the 12-month period leading into March 2026.[17] LCH SA estimates the full range of the observed decreases in that period to be between 32% and 44%.[18] LCH SA states that, generally, its clearing members are expected to experience similar percentages of decreases in their Default

[17] *See* Notice, 91 FR at 20753.

[18] *Id.*

Fund Contribution requirements, except the smallest members who are and would continue to be subject to the €10 million contribution floor and would not see any decrease.[19] LCH SA estimates that the largest expected decrease would amount to €605 million for its largest member.[20] LCH SA represents that realigning the plausibility of the stress test scenarios would continue to satisfy the regulatorily required cover-2 standard.[21]

B. Margin Guide

The proposal would amend the Margin Guide primarily to change how LCH SA calculates the Spread Margin component of initial margin, including updating the lookback period and the floor used in calculating the Spread Margin. Other, non-substantive, changes aim to conform with the new LSEG template.

As noted above, Spread Margin is intended to cover losses in the event of unfavorable credit spread and volatility moves. As a starting point, LCH SA calculates a distribution of potential losses for each portfolio using simulated scenarios based on historical credit spread returns. Currently, the historical credit spread returns are derived from a lookback period consisting of data starting in 2007 and continuing to the present day. Thus, this lookback period is always growing with the addition of new historical data. This approach risks diluting the impact of including the most stressed periods in the lookback, as other time periods, representing less stressed market conditions, could eventually outweigh the impact of the most stressed periods. To address this potential dilution risk, the proposal would replace the current lookback period with a discreet, limited timeframe. Under the proposal, LCH SA would use a fixed 10-year lookback period. LCH SA would update the 10-year lookback daily, with one day from the

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19 *Id.*

20 *Id.*

21 *See* n. 5, *supra*, and accompanying text.

previous 10 years dropping and the most recent day being added. In addition to the rolling 10-year lookback, LCH SA would also consider, as a separate period representing stressed market conditions, historical data from July 2007 to June 2010. In doing so, LCH SA would adjust historical returns from 2007 to make them more relevant to the current market regime. The proposed change in the lookback period would apply to both the scaled and unscaled model, in order to ensure that the sample does not grow over time.

At the outset, the fixed stressed period would cover July 2007 through June 2010 but would be reviewed every year as part of the annual model validation. To address the potential disappearance of significant dates, the proposed changes also encompass a new annual test, which would assess the impact on the spread margin of removing the oldest year from the 10-year rolling window. LCH SA represents that the goal of amending the lookback period is to reduce its size and adjust historical returns from 2007 to more accurately reflect the current market regime.[22]

Separately, the proposal would amend the Spread Margin floor. Currently, LCH SA determines the final amount of the Spread Margin for a given portfolio as the maximum between two calculations: one based on an Expected Shortfall measure using volatility scaled returns and a second based on an Expected Shortfall measure using unscaled returns. LCH SA refers to the second measure as the Spread Margin floor. In proposed Section 5.2.4.2 of the Margin Guide, LCH SA would replace the Expected Shortfall measure with a VaR measure for the Spread Margin floor while still using unscaled returns. Thus, going forward, Spread Margin would be the maximum between an Expected Shortfall using volatility scaled returns and a VaR using unscaled returns. LCH SA represents that this change would simplify the Spread Margin floor,

[22] *See* Notice, 91 FR at 20751.

thus helping to ensure that the main model is driving the margin more often and that the Margin Guide aligns with the general market practice for a floor.[23]

With respect to the first measure described above, an Expected Shortfall using volatility scaled returns, the proposal also would amend how LCH SA scales the returns. As presently written, the Margin Guide gives 50% weight to the current volatility when rescaling returns before applying them to create simulated spread scenarios. As proposed, Section 5.2.4.1.1 would reduce that by half to a 25% weighting. That is, after having divided past returns by the volatility observed on the past date to normalize the return, this figure would be multiplied by a value equal to the sum of 25% of the current volatility and 75% of the volatility on the past date corresponding to the original return, instead of setting both weights to 50%, as is currently done. LCH represents that this is meant to address the procyclicality risk profile of the Spread Margin because it gives less weight to more recent volatility and, thus, mitigates the impact that renewed market volatility may have on the margins.[24] In calculating a distribution of potential losses for each portfolio, LCH SA considers profit and loss ("P&L") over a five-day holding period. Under its current approach, LCH SA retains the worst end-of-day point over the five-day period of calculation behind the short charge, where LCH SA makes P&L calculations and chooses the worst. As proposed, Section 5.2.4.1.5 of the Margin Guide would specify that the P&L would be calculated between business date and business date plus five, reflecting that one P&L per scenario of the Expected Shortfall would be calculated at the five-day P&L.[25] LCH SA

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23 *Id*.

24 *See* Notice, 91 FR at 20751-52.

25 LCH SA proposes a simplification related to moving toward a five-day P&L. Section 5.2.4.1.6 would amend the logic for applying jump to default calculations ahead of an option exercise date, such that defaults would be assumed to have happened after the credit spreads have moved and the exercise decision would have been taken.

represents that the proposed change would not only reduce the complexity of the calculations and the time it takes to make them, but would also comply with regulatory timeframes for confirming whether a trade sent for clearing is accepted or rejected under the European Union MiFIR and U.S. Commodity Futures Trading Commission regulations.[26]

Further changes in other sections of the Margin Guide would not amend calculations but, rather, would clarify the description of the current methodology. For example, most model limitations and compensating controls were documented elsewhere but a new Section 2 would explicitly list them, as well as introduce a new limitation related to the control to put in place the monitoring of the potential removal of key historical events from the 10-year rolling lookback window used in the spread margin calculations. Section 4.7.2, while mostly unchanged, would incorporate the description of structural and contractual subordination for credit default swaps, while in Section 5 the proposal would introduce margins that were missing from the summary table, such as Net Capital Ratio and Credit Quality Margin.

Similarly, the proposal would make clarifying changes elsewhere in Section 5. Section 5.1.4.1 would summarize in a table format the ISDA definitions and seniorities considered in the jump to default scenarios. Sections 5.1.4.3 and 5.2.4.3.5 would clarify the treatment of jump to default risk close to maturity dates to cover the risk that bought protection via a CDS contract, index or single name, would not be applicable for credit events happening after the maturity date of the contract. For ease of reading, Section 5.2.4.1.7.1 would replace multiple tables of combinations of defaults and recovery rates into a single, consolidated table.

Section 5.2.4.3.4 would clarify how Spread Margin interacts with another component of initial margin, the Short Charge. Although LCH SA would continue to consider an Expected

[26] *See* Notice, 91 FR at 20751 n.7, 8.

Shortfall that covers both market moves and a jump to default risk, as now, the proposal would modify the interplay between the Spread Margin and Short Charge within that Expected Shortfall. Under the proposal, the Spread Margin would be part of the P&L attributable to market moves only and the Short Charge would represent the incremental P&L attributable to the jump to default risk.[27]

Additionally, the proposal would clarify that the calculation logic remains the same for all types of products (Section 5.4.4); would simplify the presentation of the Wrong Way Risk shock applied by removing the distinction between systemic and non-systemic entities since the treatment is the same for both when calculating margin (Section 5.5.4.1.1); and would clarify in a footnote how correlation is used in the wrong way risk calculation and the progress on implementation of the most recent change to the wrong way risk model (Section 5.5.4.1.5). Other proposed changes would describe in more detail the purpose of each scenario defined in the Vega margin calculation (Sections 5.6.4.1 and 5.6.4.2); would clarify the use case for Contingency Variation Margin (Section 5.10); would clarify that the Credit Quality Margin and Default Fund Additional Margin are charged as part of the initial margin, similar to all other margins (Sections 5.13 and 5.14);[28] and would remove discussions about coupon and upfront cash flows, which are independent of the risk model (Section 5.15).

The remainder of the proposed changes to the Margin Guide would help ensure compliance with the LSEG model documentation template requirements, including the addition of an Executive Summary section providing a high-level overview of the CDSClear Risk

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[27] The proposal would not impact the current practice of summing up both margins (Spread Margin and Short Charge).

[28] For increased readability, Section 5.14 also would change the order of the calculation steps without changing the calculations themselves.

Framework; the contextualization of the use and purpose of the model (Section 1); the separation of margins into different sections rather than summarizing multiple margins together in Section 3.1; a more detailed description of market data processing upstream of the margin calculations (Section 4.1); listing the official names of credit indices in section 5.7 rather than their commonly used names; and the inclusion of a model overview, and a description of model inputs and outputs (Sections 5.7 through 5.15). Likewise, Sections 6 through 9, generally covering model testing, ongoing monitoring, control environment, and appendices, would be added as generic sections to comply with the LSEG template requirements.

III. *Discussion and Commission Findings*

Section 19(b)(2)(C) of the Act requires the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the organization.[29] Under the Commission's Rules of Practice, the "burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization ['SRO'] that proposed the rule change."[30]

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,[31] and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the

29 15 U.S.C. 78s(b)(2)(C).

30 Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

31 *Id.*

applicable rules and regulations.[32] Moreover, "unquestioning reliance" on an SRO's representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.[33]

After carefully considering the proposed rule change, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to LCH SA. More specifically, for the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,[34] and Rules 17ad-22(e)(3) and (e)(4).[35]

A. Consistency with Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of LCH SA be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions.[36]

As noted above, the proposal would amend the Stress Guide and Margin Guide to recalibrate the stress tests used to size the Default Fund to maintain plausibility while continuing to meet a cover-2 standard, and to more accurately reflect current markets and liquidity risk arising out of a potential clearing member default. Most prominently, the Stress Guide would help ensure the uniformity of criteria applied across historical stress scenarios and clarify the quantification of what is deemed extreme but plausible, and the Margin Guide would introduce a 10-year rolling lookback window alongside a fixed stress period to help mitigate the risk of

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32 *Id.*

33 *Susquehanna Int'l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

34 15 U.S.C. 78q-1(b)(3)(F).

35 17 CFR 240.17ad-22(e)(3), and (e)(4).

36 15 U.S.C. 78q-1(b)(3)(F).

dilution. Although the size of the Default Fund would be reduced by these changes, LCH SA would continue to meet or exceed the cover-2 standard. In this regard, the Stress Guide and Margin Guide are designed to ensure that LCH SA can maintain its resilience in the event of a default, thereby enabling LCH SA to continue to provide its clearance and settlement services to the public in such circumstances. By amending the Stress Guide and Margin Guide in these ways, LCH SA has taken measures to provide that its rules are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions.

Accordingly, the proposed rule change promotes the prompt and accurate clearance and settlement of transactions at LCH SA, consistent with Section 17A(b)(3)(F) of the Act.[37]

B. Consistency with Rule 17Ad-22(e)(3)

Rule 17Ad-22(e)(3) requires that LCH SA establish, implement, maintain, and enforce written policies and procedures reasonably designed to, among other things, maintain a sound risk management framework for comprehensively managing credit and other risks that arise in or are borne by the covered clearing agency.[38]

LCH SA's proposed changes stem from Model Validation Team recommendations and are designed to work in tandem to maintain a sound framework for comprehensively managing credit risk. For example, the Stress Guide recalibrates stress testing scenarios to help maintain plausibility in light of the present market structure, uniformly sets the stress test calibration to seven days across all scenarios, aligns the handling of option exercise with regular margins, and rewrites the logic behind the stressed Short Charge to be consistent with that found in the Margin

37 *Id.*

38 17 CFR 240.17ad-22(e)(3).

Guide. As further example, the Margin Guide introduces a 10-year rolling lookback window used alongside a fixed stress period to help prevent dilution; simplifies the calculation behind the Spread Margin floor; specifies that one P&L per scenario of the Expected Shortfall would be calculated at the five-day P&L; and adjusts the weighting of the current volatility when rescaling returns before applying them to create simulated spread scenarios. Taken together, the changes to the Stress Guide and Margin Guide clarify details around LCH SA's approach to credit risk that is borne by the clearing agency in current markets. Additionally, the conforming changes to the Stress Guide and Margin Guide, such as the additions of an Executive Summary section and a section on the contextualization of the use and purpose of the model, help ensure compliance with the model documentation template requirements across LSEG entities, thus assisting with establishing a cohesive and comprehensive risk management framework.

Accordingly, the proposed rule change is consistent with Rule 17Ad-22(e)(3).[39]

C. Consistency with Rule 17ad-22(e)(4)

Rule 17ad-22(e)(4)(i) and (ii) requires that LCH SA establish, implement, maintain, and enforce written policies and procedures reasonably designed to, among other things effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence; and maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the

[39] *Id.*

two participant families that would potentially cause the largest aggregate credit exposure for LCH SA in extreme but plausible market conditions.[40]

As stated above, the proposal's revisions to the Stress Guide primarily aim to maintain plausibility in current markets. The proposal would do so by eliminating explicitly listed stress testing scenarios and amending the application of certain multipliers to historical shocks in favor of a defined set of criteria across all scenarios to uniformly capture the worst historical stress over a variety of periods. Additionally, amendments to the Stress Guide clarify the quantification of plausibility, based on the FRAP's definition of a once-in-30 years event. The Margin Guide primarily adds a rolling lookback window used in parallel with a fixed stressed period to prevent dilution of the most stressed periods when determining the Spread Margin. Such changes result in a 41% reduction of the Default Fund, on average. However, because the Default Fund initially was set at a level that did not necessarily reflect LCH SA's service levels and the markets it serves, LCH SA represents that the changes would not impede LCH SA from continuing to meet its cover-2 regulatory obligations,[41] and thus maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence.

Accordingly, the proposed rule change is consistent with Rule 17ad-22(e)(4)(i) and (ii).[42]

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40 17 CFR 240.17ad-22(e)(4)(i) and (ii).

41 *See* Notice, 91 FR at 20753.

42 17 CFR 240.17ad-22(e)(4)(i) and (ii).

IV. *Conclusion*

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Act,[43] and Rules 17ad-22(e)(3) and (e)(4)[44] thereunder.

IT IS THEREFORE ORDERED pursuant to Section 19(b)(2) of the Act[45] that the proposed rule change (SR-LCH SA-2026-001) be, and hereby is, approved.[46]

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[47]

Sherry R. Haywood,

Assistant Secretary.

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43 15 U.S.C. 78q-1(b)(3)(F).

44 17 CFR 240.17ad-22(e)(3) and (e)(4).

45 15 U.S.C. 78s(b)(2).

46 In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

47 17 CFR 200.30-3(a)(12).