

File No. SR-LCH SA-2023-006

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change
by

BANQUE CENTRALE DE COMPENSATION

Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934

Item 1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“**Act**”),¹ and Rule 19b-4² thereunder, Banque Centrale de Compensation, which conducts business under the name of LCH SA (“**LCH SA**”), is filing with the Securities and Exchange Commission (the “**Commission**” or “**SEC**”) a proposed rule change to adopt the current fee grid (“**Fee Grid**”) for LCH SA CDSClear (the “**Proposed Rule Change**”) as part of the extension of the Triparty Collateral mechanism to CDSClear service approved by the Commission.³

The text of the Proposed Rule Change has been annexed hereto as Exhibit 5.

No amendments to the LCH SA CDS Clearing Rule Book (“**Rule Book**”) or the CDS Clearing Procedures (“**Procedures**”) are required to effect these changes.⁴

(b) Not applicable.

(c) Not applicable.

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

2 17 CFR 240.19b-4.

3 Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to Triparty Collateral Mechanism; Securities Exchange Act Release No. 34-98009 (July 27, 2023); 88 FR 50923 (August 2, 2023) (File No. SR-LCH SA-2023-004).

4 All capitalized terms not defined herein shall have the same definition as in the Rule Book or Procedures, as applicable.

Item 2. Procedures of the Self-Regulatory Organization

LCH SA has completed all of the required actions to be taken to approve and authorize the Proposed Rule Change⁵ and no further approvals to authorize this Proposed Rule Change are necessary.

Questions should be addressed to Carole Uzan, Chief Compliance Officer, at Carole.Uzan@lseg.com or +33 1 86 47 64 82, or Mohamed Meziane, Senior Regulatory Advisor, Compliance Department, at Mohamed.Meziane@lseg.com or +33 1 70 37 65 52.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**(a) Purpose**

The purpose of the Proposed Rule Change is for LCH SA to extend to CDSClear the Fee Grid currently applicable to the Triparty Collateral mechanism for the Non-U.S. Business.

As part of the process to further enhance its triparty collateral solution with Euroclear Bank and Euroclear France⁶ and to align the triparty collateral service offering across LCH SA clearing services, to include CDSClear, LCH SA is proposing to adopt the Fee Grid upon filing with the SEC, following the Commission's order approving the proposed rule change relating to the

5 The Proposed Rule Change was approved by LCH SA Local Management Committee on March 17, 2023.

6 https://my.euroclear.com/dam/EB/Tariff%20information/MA0007_General_Fees.pdf (See Collateral management fees, p. 11).

Triparty Collateral mechanism.⁷

LCH SA is proposing to adopt for CDSClear the following triparty fees currently applicable to the LCH SA Non-U.S. Business:

- For Government Securities from Austria, Belgium, Finland, France, Germany, Italy, Netherlands, Portugal and Spain, the applicable fee is 9.5bps;
- For Supranational entities and Agencies, the applicable fee is 11.5bps.

LCH SA will reflect this change by amending the footnote applicable to triparty collateral fees in the Fee Grid to state the triparty collateral fees are also applicable to CDSClear.

Specifically, the amended footnote will state: “** Effective 1 April 2023 for EquityClear, CommodityClear, RepoClear and €GCPlus (House & Clients activities). Effective 23 August 2023 for CDSClear.” The applicable Fee Grid has been annexed as Exhibit 5.

No amendments to the Rule Book or Procedures are required for these changes to become effective.

(b) Statutory Basis

LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act⁸ and the regulations thereunder. Section 17A(b)(3)(D) of the Act⁹ requires

7 See Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to Triparty Collateral Mechanism; Securities Exchange Act Release No. 34-98009 (July 27, 2023); 88 FR 50923 (August 2, 2023) (File No. SR-LCH SA-2023-004).

8 15 U.S.C. 78q-1.

9 15 U.S.C. 78q-1(b)(D)(3).

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that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among Clearing Members and market participants by ensuring that Clearing Members and clients pay reasonable fees and dues for the services provided by LCH SA, within the meaning of Section 17A(b)(3)(D) of the Act.

The wider offering of eligible collateral through the triparty collateral solution with the relevant proposed applicable fees will provide greater collateral optimization opportunities for LCH SA Clearing Members. In addition, the spread between the triparty collateral solution and the bilateral Full Transfer of Title deposit option will be 1.5bps and is consistent with the Euroclear Triparty service paid by Clearing Members.¹⁰ LCH SA does not anticipate the Proposed Rule Change to result in any material increase in Clearing Members fees and expenses or result in any material changes to CDSClear revenue.

For these reasons, LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act¹¹ and the regulations thereunder. Specifically, LCH SA believes the adoption of the Fee Grid is reasonable and has been set up at an appropriate level given the costs, expenses and revenues generated to LCH SA.

¹⁰ https://my.euroclear.com/dam/EB/Tariff%20information/MA0007_General_Fees.pdf
(See Collateral management fees, p. 11).

¹¹ 15 U.S.C. 78q-1.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹² 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.¹³

LCH SA does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

LCH SA is proposing to extend to CDSClear members the Fee Grid already applicable to the clearing members of LCH SA Non-U.S. Business. This proposed change will also apply equally to all CDSClear Clearing Members and is not expected to have any potential disparate impact on any Clearing Members.

LCH SA also believes the adoption of the Fee Grid by CDSClear will not adversely affect the ability of such Clearing Members or other market participants generally to engage in cleared transactions or to access LCH SA's clearing services. LCH SA is further enhancing its triparty collateral solution with Euroclear Bank and Euroclear France and aligning the triparty collateral service offering across LCH SA clearing services following the extension of the triparty collateral solution. The triparty collateral solution provides Clearing Members additional options and greater operational efficiency for posting collateral to cover margin requirements and thus, to access LCH SA's clearing services.

12 15 U.S.C. 78q-1(b)(3)(I).

13 Id.

Finally, LCH SA believes that the adoption of the Fee Grid is appropriate given the costs and expenses to LCH SA.

Item 5. Self-Regulatory Organization’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 but a consultation has been conducted with, and feedback sought, from CDSClear members. No comment or question has been received following this consultation. LCH SA will notify the Commission of any subsequent written comments received by LCH SA.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) LCH SA is filing the proposed rule change for immediate effectiveness pursuant to Section pursuant to Section 19(b)(3)(A)¹⁴ of the Act and Rule 19b-4(f)(2).¹⁵

(b) LCH SA believes that summary effectiveness is warranted because the proposed rule establishes or changes a fee or other charge imposed by LCH SA on its Clearing Members, within the meaning of Rule 19b-4(f)(2).¹⁶

(c) Not applicable.

14 15 U.S.C. 78s(b)(3)(A).

15 17 CFR 240.19b-4(f)(2).

16 Id.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

Not applicable.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Not Applicable.

Exhibit 1A. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 2. Not Applicable.

Exhibit 3. Not Applicable.

Exhibit 4. Not Applicable.

Exhibit 5. Amended LCH SA CDSClear Fee Grid.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Banque Centrale de Compensation has caused this filing to be signed on its behalf by the undersigned hereunto duly authorized.

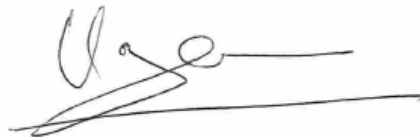
BANQUE CENTRALE DE COMPENSATIONA handwritten signature in black ink, appearing to read 'Carole Uzan', is written over a horizontal line. The signature is stylized and cursive.**By:** _____**Carole Uzan****Chief Compliance Officer**

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

(Release No. _____; File No. SR-LCH SA-2023-006)

_____, 2023

Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to Triparty Collateral mechanism fee changes

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“**Act**”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, 2023, 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. 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 the current fee grid (“**Fee Grid**”) for LCH SA CDSClear (the “**Proposed Rule Change**”) as part of the extension of the Triparty Collateral mechanism to CDSClear service filed with the Commission.³ The text of the Proposed Rule Change has been annexed hereto as Exhibit 5. No amendments to the

¹ 15 U.S.C. 78s(b)(1).

² 17 C.F.R. § 240.19b-4.

³ Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to Triparty Collateral Mechanism; Securities Exchange Act Release No. 34-98009 (July 27, 2023); 88 FR 50923 (August 2, 2023) (File No. SR-LCH SA-2023-004).

LCH SA CDS Clearing Rule Book (“**Rule Book**”) or the CDS Clearing Procedures

(“**Procedures**”) are required to effect these changes.⁴

The text of the Proposed Rule Change has been annexed as Exhibit 5.

The implementation of the Proposed Rule Change will be contingent on LCH SA’s receipt of all necessary regulatory approvals, including the approval by the Commission of the Proposed Rule Change described herein.

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 to extend to CDSClear the Fee Grid currently applicable to the Triparty Collateral mechanism for the Non-U.S. Business.

As part of the process to further enhance its triparty collateral solution with Euroclear Bank and Euroclear France⁵ and to align the triparty collateral service offering

⁴ All capitalized terms not defined herein shall have the same definition as in the Rule Book or Procedures, as applicable.

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https://my.euroclear.com/dam/EB/Tariff%20information/MA0007_General_Fees.pdf (See Collateral management fees, p. 11).

across LCH SA clearing services, to include CDSClear, LCH SA is proposing to adopt the Fee Grid upon filing with the SEC, following the Commission's order approving the proposed rule change relating to the Triparty Collateral mechanism.⁶

LCH SA is proposing to adopt for CDSClear the following triparty fees currently applicable to the LCH SA Non-U.S. Business:

- For Government Securities from Austria, Belgium, Finland, France, Germany, Italy, Netherlands, Portugal and Spain, the applicable fee is 9.5bps;
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No amendments to the Rule Book or Procedures are required for these changes to become effective.

2. Statutory Basis

LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act⁷ and the regulations thereunder. Section

⁶ See Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to Triparty Collateral Mechanism; Securities Exchange Act Release No. 34-98009 (July 27, 2023); 88 FR 50923 (August 2, 2023) (File No. SR-LCH SA-2023-004).

⁷ 15 U.S.C. 78q-1.

17A(b)(3)(D) of the Act⁸ requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among Clearing Members and market participants by ensuring that Clearing Members and clients pay reasonable fees and dues for the services provided by LCH SA, within the meaning of Section 17A(b)(3)(D) of the Act.

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For these reasons, LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act¹⁰ and the regulations thereunder. Specifically, LCH SA believes the adoption of the Fee Grid is reasonable and has been set up at an appropriate level given the costs, expenses and revenues generated to LCH SA.

⁸ 15 U.S.C. 78q-1(b)(D)(3).

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https://my.euroclear.com/dam/EB/Tariff%20information/MA0007_General_Fees.pdf (See Collateral management fees, p. 11).

¹⁰ 15 U.S.C. 78q-1.

B. Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹¹ 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.¹²

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LCH SA is proposing to extend to CDSClear members the Fee Grid already applicable to the clearing members of LCH SA Non-U.S. Business. This proposed change will also apply equally to all CDSClear Clearing Members and is not expected to have any potential disparate impact on any Clearing Members.

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Finally, LCH SA believes that the adoption of the Fee Grid is appropriate given the costs and expenses to LCH SA.

¹¹ 15 U.S.C. 78q-1(b)(3)(I).

¹² Id.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act, and Rule 19b-4(f)(2) thereunder, the proposed rule change is filed for immediate effectiveness because the proposed rule establishes or changes a fee or other charge imposed by LCH SA on its Clearing Members, within the meaning of Rule 19b-4(f)(2). 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.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

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 e-mail to rule-comments@sec.gov. Please include File Number SR-LCH SA-2023-006 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-LCH SA-2023-006. 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 (<http://www.sec.gov/rules/sro.shtml>). 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 10:00 am and 3:00 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>. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LCH SA-2023-006 and should be submitted on or before [Commission to insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to

delegated authority.¹³

Secretary

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Amended LCH SA CDSClear Fee Grid

Securities Collateral Fee / Spread (bps) - All Markets*

	Securities	Full Title Transfer	Pledge	Triparty**	CDSClear Clients
Government Securities	Australia	13	N/A	N/A	10
	Austria	11	15	9.5	10
	Belgium	11	15	9.5	10
	Canada	13	N/A	N/A	10
	Denmark	13	N/A	N/A	10
	Finland	11	15	9.5	10
	France	11	15	9.5	10
	Germany	11	15	9.5	10
	Italy	11	15	9.5	10
	Japan	13	N/A	N/A	10
	Netherlands	11	15	9.5	10
	Norway	13	N/A	N/A	10
	Portugal	11	N/A	9.5	10
	Spain	11	15	9.5	10
	Sweden	13	N/A	N/A	10
	Switzerland	13	N/A	N/A	10
UK	11	15	N/A	10	
USA	11	15	N/A	10	
Supranationals	European Financial Stability Facility	13	15	11.5	10
	European Stability Mechanism	13	15	11.5	10
	European Investment Bank	13	15	11.5	10
	European Union	13	15	11.5	10
	Investment Bank for Reconstruction and Development	13	15	11.5	10
Agencies	Rentenbank	13	15	11.5	10
	Kreditanstalt für Wiederaufbau	13	15	11.5	10
Equities	All (as listed in Haircut Schedule)	13	N/A	N/A	N/A

* 'All markets' encompass CDSClear (House activity only), EquityClear, CommodityClear, RepoClear and €GCPlus (House & Clients activities).

** Effective 1 April 2023 for EquityClear, CommodityClear, RepoClear and €GCPlus (House & Clients activities). [Effective 23 August 2023 for CDSClear.](#)