

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No.\* SR - 2020 - \* 007

Amendment No. (req. for Amendments \*)

Filing by Banque Centrale de Compensation

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant  
to the Securities Exchange Act of 1934

Section 806(e)(1) \*

Section 806(e)(2) \*

Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

LCH SA is is proposing to modify the current CDSClear fee grid to be applied on January 1st, 2021.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Mohamed Last Name \* Meziane

Title \* Senior Regulatory Advisor

E-mail \* mohamed.meziane@lch.com

Telephone \* (000) 000-0000 Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date 12/31/2020

Chief Compliance Officer

By Francois Faure

(Name \*)

Francois Faure, francois.faire@lch.com

NOTE: Clicking the button at right will digitally sign and lock  
this form. A digital signature is as legally binding as a physical  
signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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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**

The proposed rule change by Banque Centrale de Compensation, which conducts business under the name LCH SA (“**LCH SA**”), is to review and modify the current CDSClear fee grid to be applied on January 1<sup>st</sup>, 2021. The text of the proposed rule change has been annexed as Exhibit 5.

**Item 2. Procedures of the Self-Regulatory Organization**

LCH SA Local Management Committee approved the proposed rule change on 26 November, 2020. No further approvals to authorize this proposed rule change are necessary.

Questions should be addressed to François Faure, Chief Compliance Officer, at

[francois.faure@lseg.com](mailto:francois.faure@lseg.com) /+33 1 70 37 65 96 or Mohamed Meziane, Senior Regulatory Advisor, Compliance Department, at [mohamed.meziane@lseg.com](mailto:mohamed.meziane@lseg.com) /+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 fee changes is for LCH SA CDSClear to revise the (i) fees under the Unlimited Tariff for General Members<sup>1</sup>, (ii) fees for Corporates and Financials Index and Single Name CDS under the Introductory Tariff for both General and Select Members, (iii) fees set up for the Options clearing service for both General and Select Members and Clients as well and introduce (iv) new fee conditions for Affiliates clearing as client.

LCH SA is currently applying the below fee grid for CDSClear members:

**Current Self-Clearing Tariff for Corporates and Financials Index and Single Name CDS**

Membership	Annual Fixed Fee	Self-Clearing / Variable Fees				
		EUR Indices	EUR Single Names	USD Indices	USD Single Names	
<b>General Member – Unlimited Tariff</b>	€ 1,300,000	No Variable Fee				Covers all self-clearing Corporate and Financials Index and Single Name activity for a Clearing Member and its affiliates
<b>General Member – Introductory Tariff</b>	€200,000 if the total annual gross notional cleared is under €15billion	€3.5 Per million gross notional	€10 Per million gross notional	\$4.5 Per million gross notional	\$13 Per million gross notional	Cap on total annual self-clearing fees (fixed + variable) of EUR 1,300,000 after

<sup>1</sup> All capitalized terms not defined herein have the same definition as the CDSClearing Rule Book, Supplement or Procedures, as applicable.

		cleared	cleared	cleared	cleared	which all further trades cleared in the calendar year are subject to a fee holiday
	€400,000 if the total annual gross notional cleared is over €15billion	€3.5 Per million gross notional cleared	€10 Per million gross notional cleared	\$4.5 Per million gross notional cleared	\$13 Per million gross notional cleared	
<b>Select Member</b>	€250,000 if the total annual gross notional cleared is under €25billion	€4 Per million gross notional cleared	€10 Per million gross notional cleared	\$5 Per million gross notional cleared	\$13 Per million gross notional cleared	
	€450,000 if the total annual gross notional cleared is over €25billion					

**Options Tariff including Fee rebate**

<b>General Member</b>	<b>Introductory Tariff</b>	Cover only one legal entity (no affiliate coverage) In-year switches are not permitted	
	Clearing Fees	\$ 15	per million of option notional on US Indices
		€ 15	per million of option notional on European Indices
	<i>Floor on clearing fees</i>	€ 150k	<i>Per calendar year (no pro-rating)</i>
	<i>Cap on Clearing fees</i>	€ 375k	<i>Per calendar year (no pro-rating)</i>
	<b>Unlimited Tariff</b>	Cover all affiliates of a given Clearing Member Group Cover all clearing fees for Credit Option House activity for both iTraxx and CDX.NA underlying index families Excludes any potential future EEP usage fees In-year switches are not permitted	
	<i>Fixed fee (annual)</i>	€ 375k <i>Per calendar year (no pro-rating)</i>	
	<i>Discounted Rates*</i>	€ 150k <i>if notionals cleared strictly above €6bn but equal to or below €13.5bn</i> € 75k <i>if notionals cleared strictly above €13.5bn</i>	
	<b>Onboarding Fees</b>	€ 30k	One-off fee per Legal Entity under the

	<i>(both Introductory &amp; unlimited)</i>		Introductory tariff or per Clearing Member Group under Unlimited tariff waived until 30-Apr-2020	
<b>Select Member</b>	<b>Introductory Tariff</b>	Cover only one legal entity (no affiliate coverage) In-year switches are not permitted		
	Clearing Fees	\$ 18	per million of option notional on US Indices	
		€ 18	per million of option notional on European Indices	
	<i>Cap on Clearing fees</i>	€ 400k	<i>Per calendar year (no pro-rating)</i>	
	<b>Unlimited Tariff</b>	Cover all affiliates of a given Clearing Member Group Cover all clearing fees for Credit Option House activity for both iTraxx and CDX.NA underlying index families Excludes any potential future EEP usage fees In-year switches are not permitted		
	<i>Fixed fee (annual)</i>	€ 400k	<i>Per calendar year (no pro-rating)</i>	
	<i>Discounted Rates*</i>	€ 150k if notionals cleared strictly above €6bn but equal to or below €13.5bn € 75k if notionals cleared strictly above €13.5bn		
<b>Onboarding Fees</b> <i>(both Introductory &amp; unlimited)</i>	€ 30k	One-off fee per Legal Entity under the Introductory tariff or per Clearing Member Group under Unlimited tariff waived until 30-Apr-2020		
*Cumulative conditions for the Fee rebate: (i) Application to the Unlimited Tariff only; (ii) Application to all Clearing Members registering to the Index Swaptions clearing service (registration letter or application file signature date); and (iii) Index Swaptions notional cleared for the determination of the discount rate to be observed from the regulatory effective date of the rebate.				
<b>Client</b>	Clearing Fees	\$ 20	per million of option notional on US Indices	
		€ 20	per million of option notional on European Indices	

As specified in the new fee grid attached under Exhibit 5, LCH SA is proposing to amend

the CDSClear fee grid from January 1<sup>st</sup>, 2021.

The proposed fee changes are driven by the evolution of the CDSClear business and arrangements.

- for the Index and Single Names: the fee change reflects a transition to a more matured phase of development of the CDSClear service, and
- for the Options fee grid: the intent is to adjust the fee conditions and rebate to the new competitive environment as well as encourage the development of options clearing by clients,
- for Affiliates clearing as client, the need to take into consideration the evolution of the corporate structure of dealers and the use of multiple legal entities.

**1) Change the fees under the Unlimited Tariff for General Members**

CDSClear currently offers an Unlimited Tariff for General Members that covers all self-clearing Corporate and Financials CDS Index and Single Names activity for a Financial Group of a Clearing Member for an annual fixed fee of €1,300,000 (no variable fees).

The proposed change consists in increasing the annual fixed fee amount to €1,350,000 per year from January 1, 2021.

**2) Change the fees under the Introductory Tariff for both General and Select Members**

**a) For General Members**

As specified in the new LCH SA CDSClear fee grid attached below in Exhibit 5, from January 1, 2021, the annual fixed fee under the Introductory Tariff will be set for General Members to €200,000 if the total annual gross notional cleared is under €10bn (vs €15bn today) and to

€400,000 per year when clearing more than €10bn (vs €15bn today).

LCH SA is also proposing to remove the previous annual cap on total annual fees (fixed + variable) of €1,300,000 under the Introductory Tariff for General Members.

The variable fees remain the same as the current ones.

**b) For Select Members**

From January 1, 2021, the annual fixed fee under the Introductory Tariff will be set for Select Members to €250,000 if the total annual gross notional cleared is under €20bn (vs €25bn today) and to €450,000 per year for Select Members when clearing more than €20bn (vs €25bn today).

The variable fees remain the same as the current ones.

**3) Revise the fees set up for the Options clearing service for both General and Select Members as well as Clients**

**a) Options Unlimited Tariff for General and Select Members**

From January 1, 2021, the annual fixed fee covering all clearing fees for Credit Index Options House activity for all Affiliates of a given Financial Group of a Clearing Member is proposed to change from a two tier discount (the first one if the notional cleared is strictly above €6bn and the second one if the notional cleared is strictly above €13.5bn) to a single discount if the notional cleared is strictly above €15bn. The fixed fee would in the new fee grid then be reduced from €375,000 to €115,000 (no prorating) for General Members and from €400,000 to €115,000 (no prorating) for Select Members compared to €150k and €75k for the two tiers currently.

**b) Options Introductory Tariff for General and Select Members**



The current Options Introductory Tariff for both General and Select Members covers only the legal entity that is registering to the service.

The Options Introductory Tariff for a General Member is proposed to be based on the annual floor and conditions below:

- Floor of €115,000 for a single entity (vs €150,000 today per entity)
- Floor of €150,000 for 2 entities of the same Financial Group of a Clearing Member
- Floor of €190,000 for 3 or more entities of the same Financial Group of a Clearing Member
- Removal of the annual cap of €375,000 on Options clearing fees
- Reduction of variable fees from €15/\$15 to €8/\$8 per million of option notional cleared.

The Options Introductory Tariff for a Select Member is proposed to be based on the conditions below:

- Reduction of variable fees from €18/\$18 to €10/\$10 per million of option notional cleared
- Removal of the annual cap on Options clearing fees of €400,000

**c) Options Clearing Members (General Members under Unlimited or Introductory)**

LCH SA is proposing an up to €200,000 fee rebate limited to the total amount of Options clearing fees paid by a Financial Group of a Clearing Member in 2021 for the first two Clearing Members clearing Options for at least one Client by 31 July 2021.

**d) Options Clearing Fees for Clients**

The Options clearing fee grid for Clients is proposed to include the following changes:

- Clients variable clearing fees for Options decreased from €20/\$20 to €5/\$5 per million of option notional cleared.
- Fee holiday for Clients clearing Options in 2021

**4) Introduction of new fee conditions for Affiliates clearing as Client**

As specified in the new LCH SA CDSClear options fee grid attached below in Exhibit 5, LCH SA CDSClear is proposing to offer a full rebate on client clearing variable fees for Affiliates of a Clearing Member that is clearing as client of that Clearing Member under the following conditions:

- The Clearing Member is a General Member under the Unlimited Tariff,
- The Affiliate is a legal entity part of the same Financial Group as the Clearing Member,
- The rebate applies to 1 trade account per Affiliate and for all clearing services for which the Clearing Member is under the Unlimited Tariff (i.e. Index & Single Names and/or Options),
- The rebate cannot apply to any account opened for CCM Indirect Clients, and
- A fixed annual account fee of €100,000 is charged per Affiliate of a Clearing Member onboarded as a Client and benefiting from the full rebate on variable fees.

**B. Statutory Basis**

Section 17A(b)(3)(D) of the Act requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges.<sup>2</sup>

LCH SA believes that its clearing fee change proposal is consistent with the requirements of Section 17A of the Act<sup>3</sup> and the regulations thereunder applicable to it, and in particular provides for the equitable allocation of reasonable fees, dues, 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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<sup>2</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>3</sup> 15 U.S.C. 78q-1.

With respect to the change of the Index and Single Name CDS Unlimited Tariff for General Members, LCH SA has determined in consultation with its clearing members that the slight increase in the annual fixed fee amount for General Members covering their Index and Single Name CDS self-clearing activity is reasonable and appropriate as the CDSClear business is now reaching a more mature stage in its development and the likelihood to onboard new General Members under the Unlimited Tariff is small or even negligible given the structure of the CDS market and the limited number of market makers in this space.

With respect to the Index and Single Names CDS Introductory Tariffs for both General and Select Members, both the annual fixed fee and the variable fees remain the same. The removal of the cap as well as the lowering of the notional thresholds aim at reflecting the fact that market participants are now more familiar with the CDSClear service as well as their own activity in the Credit Derivatives space:

- the removal of the cap which was struck at the level of the fixed fee under the Unlimited Tariff incentivizes Clearing Members to select the most appropriate tariff for them at the start of the year
- the lowering of the notional thresholds would constitute an increase of fees for the Members which have cleared less than the current threshold but more than the new one. No member is in that situation.

The main change in the fee grid of the Options clearing service is the decrease of the variable fees for General and Select Members as well as Clients in order to make clearing of options more attractive for all, and in particular for clients to begin clearing options.

Besides, and after discussing with its Clearing Members, LCH SA has elected to maintain a similar volume-based discount fee structure for its Options Unlimited Tariff for both General and Select Members in which the cost of clearing options decreases as more volumes are cleared. The increase of the notional threshold as well as of the decrease of the discount percentage are reflective of the growth of the Option clearing service over the last year which now is more broadly used by LCH SA Clearing Members and which justifies the increase of total fees paid by the Clearing Members having selected this scheme.

Consequently, the General Member Introductory Tariff has been redesigned to be more appropriate for smaller Options trading members: in particular, the decrease of the annual floor, the introduction of 2 new levels of annual floor depending on the number of legal entities of a given Financial Group of a Clearing Member joining the service as well as the removal of the cap are meant to ease the introduction of new members to the Options clearing service.

Changes following the same principles and rationale have also been made to the Select Members Options fee grid to ensure a consistent access between the 2 membership tiers.

Lastly, and in order to incentivize the development of Options Client clearing, LCH SA is proposing to provide the first 2 Clearing Members clearing options on behalf of at least one of their clients, and before 31 July 2021, with a one-off fee rebate equal to the total amount of Options clearing fees paid in 2021, capped at €200,000, in order to mitigate the cost associated with the systems developments required to enable clients to access the LCH SA Options clearing service. The rationale to limit the number of Clearing Members eligible to this one-off rebate to the first two clearing an option trade on behalf of clients is twofold:

- Further incentivize competition between the Clearing Members which have an interest in building client clearing capabilities for options by offering a rebate substantial enough to cover some of the build costs that will be incurred by the Clearing Members.
- Mitigate financial risk for LCH SA by predefining the maximum amount of rebate it could have to pay back to its Clearing Members as well as the amount of the rebate they would get, thus maintaining the attractiveness of the rebate for them. All clearing members will have the same opportunity to equally benefit from the proposed incentive rebate according to the specified conditions.

Finally, the introduction of a specific fee structure (full variable fee rebate plus fixed account charge) for Affiliates of a given Financial Group of a Clearing Member clearing as Clients of such Clearing Member and under a set of pre-defined conditions aims at offering Financial Groups of Clearing Members under the General Membership Unlimited Tariff additional, fairly-priced ways for their Affiliates to gain access to LCH SA CDSClear service.

LCH SA CDSClear has thus determined that the proposed new fee structure is more appropriate and takes into account the expected volume of transactions. All the clearing fee conditions remain transparent and equally applicable to any market participant wishing to access the CDSClear clearing service for both Index & Single Names as well as Options.

For all the reasons stated above, LCH SA believes that the proposed fee rates are reasonable and have been set up at an appropriate level so that LCH SA can provide the CDSClear services.

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

Section 17A(b)(3)(I) of the Act 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.<sup>4</sup>

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 because LCH SA is offering the possibility for CDSClear members and clients to obtain a more attractive access to the clearing services. It does not affect the ability of such Clearing Members or other market participants generally to engage in cleared transactions or to access clearing services especially to the clearing of credit index swaptions that remains not mandatory.

Additionally, the proposed volume-based discount scheme for the Options Unlimited Tariff will be available to any Financial Group of a Clearing Member using CDSClear services.

Similarly, the proposed Index and Single Names Unlimited Tariff will be available to any Financial Group including an entity registered as a General Member of the CDSClear service.

The annual fixed fee increase does not impact any competition between General and Select Members as the choice of membership tier made by a Clearing Member is mainly driven by the material differences in the obligations of a General Member versus those of a Select Member (in terms of price contribution and auction bidding notably) which are reflected in the tariffs available for each tier.

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4 15 U.S.C. 78q-1(b)(3)(I).

The rebate offered on client clearing fees for Affiliates of a General Member under the Unlimited Tariff relies on the fact that should such Affiliate join as a Clearing Member his fees would be covered by the fixed fee of the Unlimited Tariff whereas this would not be the case for Select Members.

More broadly, none of the proposed changes impacts competition between General and Select Members as they have been designed consistently across both tiers or are more extensions of existing features of the current fee grid.

Further, as explained above, LCH SA believes that the fee rates have been set up at an appropriate level given the costs and expenses to LCH SA in offering the relevant clearing services.

**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 verbal 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)<sup>5</sup> of the Act and Rule 19b-4(f)(2).<sup>6</sup>

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

(c) Not applicable

(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.

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5 15 U.S.C. 78s(b)(3)(A).

6 17 CFR 240.19b-4(f)(2).



Exhibit 2. Not Applicable.

Exhibit 3. Presentation to LCH SA Local Management Committee : **Omitted and filed separately with the Commission. Confidential treatment pursuant to 17 CFR 240.24b-2 being requested.**

Exhibit 4. Not Applicable.

Exhibit 5. Proposed changes to LCH SA CDSClear fee grid.

### 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 COMPENSATION



By: \_\_\_\_\_

**Francois Faure**  
**Chief Compliance Officer**

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION

(Release No. - ; File No. SR-LCH SA-2020-007)

[DATE]

Self-Regulatory Organizations; LCH SA; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the amendments of the CDSClear fee grid

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 \_\_\_\_\_, 2020, 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 described in Items I, II and III below, which Items have been prepared primarily 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**

The proposed rule change is to review and modify the current CDSClear fee grid applied by LCH SA.

The text of the proposed rule change has been annexed as Exhibit 5.

**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

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

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

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 these 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 fee changes is for LCH SA CDSClear to revise the (i) fees under the Unlimited Tariff for General Members<sup>3</sup>, (ii) fees for Corporates and Financials Index and Single Name CDS under the Introductory Tariff for both General and Select Members, (iii) fees set up for the Options clearing service for both General and Select Members and Clients as well and introduce (iv) new fee conditions for Affiliates clearing as client.

LCH SA is currently applying the below fee grid for CDSClear members:

**Current Self-Clearing Tariff for Corporates and Financials Index and Single Name CDS**

Membership	Annual Fixed Fee	Self-Clearing / Variable Fees				
		EUR Indices	EUR Single Names	USD Indices	USD Single Names	
<b>General Member – Unlimited Tariff</b>	€ 1,300,000	No Variable Fee				Covers all self-clearing Corporate and Financials Index and Single Name activity for a Clearing Member and its affiliates
<b>General Member – Introductory Tariff</b>	€200,000 if the total annual gross notional cleared is under €15billion	€3.5 Per million gross notional cleared	€10 Per million gross notional cleared	\$4.5 Per million gross notional cleared	\$13 Per million gross notional cleared	Cap on total annual self-clearing fees (fixed + variable) of EUR 1,300,000 after which all further trades cleared in
	€400,000 if the	€3.5	€10	\$4.5	\$13	

<sup>3</sup> All capitalized terms not defined herein have the same definition as the CDSClearing Rule Book, Supplement or Procedures, as applicable.

	total annual gross notional cleared is over €15billion	Per million gross notional cleared	Per million gross notional cleared	Per million gross notional cleared	Per million gross notional cleared	the calendar year are subject to a fee holiday
<b>Select Member</b>	€250,000 if the total annual gross notional cleared is under €25billion	€4 Per million gross notional cleared	€10 Per million gross notional cleared	\$5 Per million gross notional cleared	\$13 Per million gross notional cleared	
	€450,000 if the total annual gross notional cleared is over €25billion					

**Options Tariff including Fee rebate**

<b>General Member</b>	<b>Introductory Tariff</b>	Cover only one legal entity (no affiliate coverage) In-year switches are not permitted	
	Clearing Fees	\$ 15	per million of option notional on US Indices
		€ 15	per million of option notional on European Indices
	<i>Floor on clearing fees</i>	€ 150k	<i>Per calendar year (no pro-rating)</i>
	<i>Cap on Clearing fees</i>	€ 375k	<i>Per calendar year (no pro-rating)</i>
	<b>Unlimited Tariff</b>	Cover all affiliates of a given Clearing Member Group Cover all clearing fees for Credit Option House activity for both iTraxx and CDX.NA underlying index families Excludes any potential future EEP usage fees In-year switches are not permitted	
	<i>Fixed fee (annual)</i>	€ 375k <i>Per calendar year (no pro-rating)</i>	
	<i>Discounted Rates*</i>	€ 150k <i>if notionals cleared strictly above €6bn but equal to or below €13.5bn</i> € 75k <i>if notionals cleared strictly above €13.5bn</i>	
<b>Onboarding Fees</b> <i>(both Introductory &amp; unlimited)</i>	€ 30k	One-off fee per Legal Entity under the Introductory tariff or per Clearing Member Group under Unlimited tariff waived until 30-Apr-2020	
<b>Select Member</b>	<b>Introductory Tariff</b>	Cover only one legal entity (no affiliate coverage) In-year switches are not permitted	
	Clearing Fees	\$ 18	per million of option notional on US

			Indices
		€ 18	per million of option notional on European Indices
	<i>Cap on Clearing fees</i>	€ 400k	<i>Per calendar year (no pro-rating)</i>
	<b>Unlimited Tariff</b>	Cover all affiliates of a given Clearing Member Group Cover all clearing fees for Credit Option House activity for both iTraxx and CDX.NA underlying index families Excludes any potential future EEP usage fees In-year switches are not permitted	
	<i>Fixed fee (annual)</i>	€ 400k	<i>Per calendar year (no pro-rating)</i>
	<i>Discounted Rates*</i>	€ 150k if notionals cleared strictly above €6bn but equal to or below €13.5bn € 75k if notionals cleared strictly above €13.5bn	
	<b>Onboarding Fees</b> <i>(both Introductory &amp; unlimited)</i>	€ 30k	One-off fee per Legal Entity under the Introductory tariff or per Clearing Member Group under Unlimited tariff waived until 30-Apr-2020
*Cumulative conditions for the Fee rebate:			
(i) Application to the Unlimited Tariff only;			
(ii) Application to all Clearing Members registering to the Index Swaptions clearing service (registration letter or application file signature date); and			
(iii) Index Swaptions notional cleared for the determination of the discount rate to be observed from the regulatory effective date of the rebate.			
<b>Client</b>	<b>Clearing Fees</b>	\$ 20	per million of option notional on US Indices
		€ 20	per million of option notional on European Indices

As specified in the new fee grid attached under Exhibit 5, LCH SA is proposing to amend the CDSClear fee grid from January 1<sup>st</sup>, 2021.

The proposed fee changes are driven by the evolution of the CDSClear business and arrangements.

- for the Index and Single Names: the fee change reflects a transition to a more matured phase of development of the CDSClear service, and

- for the Options fee grid: the intent is to adjust the fee conditions and rebate to the new competitive environment as well as encourage the development of options clearing by clients,
- for Affiliates clearing as client, the need to take into consideration the evolution of the corporate structure of dealers and the use of multiple legal entities.

**1) Change the fees under the Unlimited Tariff for General Members**

CDSClear currently offers an Unlimited Tariff for General Members that covers all self-clearing Corporate and Financials CDS Index and Single Names activity for a Financial Group of a Clearing Member for an annual fixed fee of €1,300,000 (no variable fees).

The proposed change consists in increasing the annual fixed fee amount to €1,350,000 per year from January 1, 2021.

**2) Change the fees under the Introductory Tariff for both General and Select Members**

**a) For General Members**

As specified in the new LCH SA CDSClear fee grid attached below in Exhibit 5, from January 1, 2021, the annual fixed fee under the Introductory Tariff will be set for General Members to €200,000 if the total annual gross notional cleared is under €10bn (vs €15bn today) and to €400,000 per year when clearing more than €10bn (vs €15bn today).

LCH SA is also proposing to remove the previous annual cap on total annual fees (fixed + variable) of €1,300,000 under the Introductory Tariff for General Members.

The variable fees remain the same as the current ones.

**b) For Select Members**

From January 1, 2021, the annual fixed fee under the Introductory Tariff will be set for Select Members to €250,000 if the total annual gross notional cleared is under €20bn (vs €25bn today) and to €450,000 per year for Select Members when clearing more than €20bn (vs €25bn today).

The variable fees remain the same as the current ones.

**3) Revise the fees set up for the Options clearing service for both General and Select Members as well as Clients****a) Options Unlimited Tariff for General and Select Members**

From January 1, 2021, the annual fixed fee covering all clearing fees for Credit Index

Options House activity for all Affiliates of a given Financial Group of a Clearing Member is proposed to change from a two tier discount (the first one if the notional cleared is strictly above €6bn and the second one if the notional cleared is strictly above €13.5bn) to a single discount if the notional cleared is strictly above €15bn. The fixed fee would in the new fee grid then be reduced from €375,000 to €115,000 (no prorating) for General Members and from €400,000 to €115,000 (no prorating) for Select Members compared to €150k and €75k for the two tiers currently.

**b) Options Introductory Tariff for General and Select Members**

The current Options Introductory Tariff for both General and Select Members covers only the legal entity that is registering to the service.

The Options Introductory Tariff for a General Member is proposed to be based on the annual floor and conditions below:

- Floor of €115,000 for a single entity (vs €150,000 today per entity)
- Floor of €150,000 for 2 entities of the same Financial Group of a Clearing Member
- Floor of €190,000 for 3 or more entities of the same Financial Group of a Clearing Member
- Removal of the annual cap of €375,000 on Options clearing fees
- Reduction of variable fees from €15/\$15 to €8/\$8 per million of option notional cleared.

The Options Introductory Tariff for a Select Member is proposed to be based on the conditions below:

- Reduction of variable fees from €18/\$18 to €10/\$10 per million of option notional cleared
- Removal of the annual cap on Options clearing fees of €400,000

**c) Options Clearing Members (General Members under Unlimited or Introductory)**

LCH SA is proposing an up to €200,000 fee rebate limited to the total amount of Options clearing fees paid by a Financial Group of a Clearing Member in 2021 for the first two Clearing Members clearing Options for at least one Client by 31 July 2021.

**d) Options Clearing Fees for Clients**

The Options clearing fee grid for Clients is proposed to include the following changes:

- Clients variable clearing fees for Options decreased from €20/\$20 to €5/\$5 per million of option notional cleared.
- Fee holiday for Clients clearing Options in 2021

**4) Introduction of new fee conditions for Affiliates clearing as Client**

As specified in the new LCH SA CDSClear options fee grid attached below in Exhibit 5,



LCH SA CDSClear is proposing to offer a full rebate on client clearing variable fees for Affiliates of a Clearing Member that is clearing as client of that Clearing Member under the following conditions:

- The Clearing Member is a General Member under the Unlimited Tariff,
- The Affiliate is a legal entity part of the same Financial Group as the Clearing Member,
- The rebate applies to 1 trade account per Affiliate and for all clearing services for which the Clearing Member is under the Unlimited Tariff (i.e. Index & Single Names and/or Options),
- The rebate cannot apply to any account opened for CCM Indirect Clients, and
- A fixed annual account fee of €100,000 is charged per Affiliate of a Clearing Member onboarded as a Client and benefiting from the full rebate on variable fees.

## 2. Statutory Basis

Section 17A(b)(3)(D) of the Act requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges.<sup>4</sup>

LCH SA believes that its clearing fee change proposal is consistent with the requirements of Section 17A of the Act<sup>5</sup> and the regulations thereunder applicable to it, and in particular provides for the equitable allocation of reasonable fees, dues, 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.

With respect to the change of the Index and Single Name CDS Unlimited Tariff for General Members, LCH SA has determined in consultation with its clearing members that the slight increase in the annual fixed fee amount for General Members covering

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<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>5</sup> 15 U.S.C. 78q-1.

their Index and Single Name CDS self-clearing activity is reasonable and appropriate as the CDSClear business is now reaching a more mature stage in its development and the likelihood to onboard new General Members under the Unlimited Tariff is small or even negligible given the structure of the CDS market and the limited number of market makers in this space.

With respect to the Index and Single Names CDS Introductory Tariffs for both General and Select Members, both the annual fixed fee and the variable fees remain the same. The removal of the cap as well as the lowering of the notional thresholds aim at reflecting the fact that market participants are now more familiar with the CDSClear service as well as their own activity in the Credit Derivatives space:

- the removal of the cap which was struck at the level of the fixed fee under the Unlimited Tariff incentivizes Clearing Members to select the most appropriate tariff for them at the start of the year
- the lowering of the notional thresholds would constitute an increase of fees for the Members which have cleared less than the current threshold but more than the new one. No member is in that situation.

The main change in the fee grid of the Options clearing service is the decrease of the variable fees for General and Select Members as well as Clients in order to make clearing of options more attractive for all, and in particular for clients to begin clearing options.

Besides, and after discussing with its Clearing Members, LCH SA has elected to maintain a similar volume-based discount fee structure for its Options Unlimited Tariff for both General and Select Members in which the cost of clearing options decreases as

more volumes are cleared. The increase of the notional threshold as well as of the decrease of the discount percentage are reflective of the growth of the Option clearing service over the last year which now is more broadly used by LCH SA Clearing Members and which justifies the increase of total fees paid by the Clearing Members having selected this scheme.

Consequently, the General Member Introductory Tariff has been redesigned to be more appropriate for smaller Options trading members: in particular, the decrease of the annual floor, the introduction of 2 new levels of annual floor depending on the number of legal entities of a given Financial Group of a Clearing Member joining the service as well as the removal of the cap are meant to ease the introduction of new members to the Options clearing service.

Changes following the same principles and rationale have also been made to the Select Members Options fee grid to ensure a consistent access between the 2 membership tiers.

Lastly, and in order to incentivize the development of Options Client clearing, LCH SA is proposing to provide the first 2 Clearing Members clearing options on behalf of at least one of their clients, and before 31 July 2021, with a one-off fee rebate equal to the total amount of Options clearing fees paid in 2021, capped at €200,000, in order to mitigate the cost associated with the systems developments required to enable clients to access the LCH SA Options clearing service. The rationale to limit the number of Clearing Members eligible to this one-off rebate to the first two clearing an option trade on behalf of clients is twofold:

- Further incentivize competition between the Clearing Members which have an

interest in building client clearing capabilities for options by offering a rebate substantial enough to cover some of the build costs that will be incurred by the Clearing Members.

- Mitigate financial risk for LCH SA by predefining the maximum amount of rebate it could have to pay back to its Clearing Members as well as the amount of the rebate they would get, thus maintaining the attractiveness of the rebate for them. All clearing members will have the same opportunity to equally benefit from the proposed incentive rebate according to the specified conditions.

Finally, the introduction of a specific fee structure (full variable fee rebate plus fixed account charge) for Affiliates of a given Financial Group of a Clearing Member clearing as Clients of such Clearing Member and under a set of pre-defined conditions aims at offering Financial Groups of Clearing Members under the General Membership Unlimited Tariff additional, fairly-priced ways for their Affiliates to gain access to LCH SA CDSClear service.

LCH SA CDSClear has thus determined that the proposed new fee structure is more appropriate and takes into account the expected volume of transactions. All the clearing fee conditions remain transparent and equally applicable to any market participant wishing to access the CDSClear clearing service for both Index & Single Names as well as Options.

For all the reasons stated above, LCH SA believes that the proposed fee rates are reasonable and have been set up at an appropriate level so that LCH SA can provide the CDSClear services.

B. Clearing Agency's Statement on Burden on Competition.

Section 17A(b)(3)(I) of the Act 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.<sup>6</sup>

LCH SA does not believe that the proposed rule change would impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act because LCH SA is offering the possibility for CDSClear members and clients to get a more attractive access to the clearing services. It does not affect the ability of such Clearing Members or other market participants generally to engage in cleared transactions or to access clearing services especially to the clearing of credit index swaptions that remains not mandatory.

Additionally, the proposed volume-based discount scheme for the Options Unlimited Tariff will be available to any Financial Group of a Clearing Member using CDSClear services.

Similarly, the proposed Index and Single Names Unlimited Tariff will be available to any Financial Group including an entity registered as a General Member of the CDSClear service.

The annual fixed fee increase does not impact any competition between General and Select Members as the choice of membership tier made by a Clearing Member is mainly driven by the material differences in the obligations of a General Member versus

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<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(I).

those of a Select Member (in terms of price contribution and auction bidding notably) which are reflected in the tariffs available for each tier.

The rebate offered on client clearing fees for Affiliates of a General Member under the Unlimited Tariff relies on the fact that should such Affiliate join as a Clearing Member his fees would be covered by the fixed fee of the Unlimited Tariff whereas this wouldn't be the case for Select Members.

More broadly, none of the proposed changes impacts competition between General and Select Members as they have been designed consistently across both tiers or are more extensions of existing features of the current fee grid.

Further, as explained above, LCH SA believes that the fee rates have been set up at an appropriate level given the costs and expenses to LCH SA in offering the relevant clearing services.

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 but a consultation has been conducted with and verbal 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.

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

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)9 of the Act and Rule 19b-4(f)(2)10 thereunder because it establishes

a fee or other charge imposed by LCH SA on its Clearing Members. 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-LCH SA-2020-007 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-2020-007. 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-2020-007 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.<sup>7</sup>

Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).



**EXHIBIT 3**

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## EXHIBIT 5

Proposed CDSClear fee grid effective from January 1<sup>st</sup>, 2021\*Self-Clearing Tariff for Corporates and Financials Index and Single Name CDS

Membership	Annual Fixed Fee	Self-Clearing / Variable Fees				
		EUR Indices	EUR Single Names	USD Indices	USD Single Names	
<b>General Member – Unlimited Tariff</b>	€ <del>1,300,000</del> <u>1,350,000</u>	No Variable Fee				Covers all self-clearing Corporate and Financials Index and Single Name activity for a <del>Clearing Member and its affiliates</del> <u>Financial Group of a Clearing Member</u> .
<b>General Member – Introductory Tariff</b>	€200,000 if the total annual gross notional cleared is under € <del>15billion</del> <u>10billion</u>	€3.5 Per million gross notional cleared	€10 Per million gross notional cleared	\$4.5 Per million gross notional cleared	\$13 Per million gross notional cleared	<del>Cap on total annual fees (fixed + variable) of EUR 1,300,000 after which all further trades cleared in the calendar year are subject to a fee holiday for self-clearing activity only</del>
	€400,000 if the total annual gross notional cleared is over € <del>15billion</del> <u>10billion</u>	€3.5 Per million gross notional cleared	€10 Per million gross notional cleared	\$4.5 Per million gross notional cleared	\$13 Per million gross notional cleared	
<b>Select Member</b>	€250,000 if the total annual gross notional cleared is under € <del>25billion</del> <u>20billion</u>	€4 Per million gross notional cleared	€10 Per million gross notional cleared	\$5 Per million gross notional cleared	\$13 Per million gross notional cleared	
	€450,000 if the total annual gross notional cleared is over € <del>25billion</del> <u>20billion</u>					

Options Tariff including fee rebate

<b>General Member</b>	<b>Introductory Tariff</b>	Can cover <del>either only one or multiple</del> legal entities <u>under conditions below</u> (no Affiliate coverage) In-year switches are not permitted
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		<i>No EEP usage fees in <del>2020</del>2021</i>	
Clearing Fees	<del>\$ 15.8</del>	per million of option notional on US Indices	
	<del>€ 15.8</del>	per million of option notional on European Indices	
<i>Floor on clearing fees</i>	<del>€115k</del>	<i>Per calendar year (no pro-rating) for 1 entity</i>	
	<del>€-150k</del>	<del>Per calendar year (no pro-rating) for 2 entities for 1 entity of the same Financial Group of a Clearing Member Group<sup>(4)</sup></del>	
		<del>Group<sup>(4)</sup></del>	
	<del>€190k</del>	<i>Per calendar year (no pro-rating) for 3 or more entities of the same Financial Group of a Clearing Member Group</i>	
<i>Cap on Clearing fees</i>	<del>€ 375k</del>	<i>Per calendar year (no pro-rating)</i>	
<b>Unlimited Tariff</b>	Cover all <del>affiliates</del> <u>Affiliates</u> of a given <del>Clearing Member</del> <u>Financial</u> Group <u>of a Clearing Member</u> Cover all clearing fees for Credit Option House activity for both iTraxx and CDX.NA underlying index families In-year switches are not permitted <i>No EEP usage fees in <del>2020</del>2021</i>		
<i>Fixed fee (annual)</i>	<del>€-375k</del> <i>Per calendar year (no pro-rating)</i>		
<i>Discounted Rates*</i>	<del>€ 150k if notionals cleared strictly above €6bn but equal to or below €13.5bn</del> <del>€ 75k-115k if notionals cleared strictly above €13.5-15bn</del>		
<b>Onboarding Fees</b> <i>(both Introductory &amp; unlimited)</i>	<del>€-30k</del>	One-off fee per Legal Entity under the Introductory tariff or per <del>Clearing Member</del> <u>Financial</u> Group <u>of a Clearing Member</u> under <u>the</u> Unlimited tariff. <u>waived until 30-Apr-2020</u>	
<b>Select Member</b>	<b>Introductory Tariff</b>	Cover only one legal entity (no affiliate coverage) In-year switches are not permitted <i>No EEP usage fees in <del>2020</del>2021</i>	
Clearing Fees	<del>\$ 18.10</del>	per million of option notional on US Indices	
	<del>€ 18.10</del>	per million of option notional on European Indices	
<i>Cap on Clearing fees</i>	<del>€ 600k-400k</del>	<i>Per calendar year (no pro-rating)</i>	

	<b>Unlimited Tariff</b>	Cover all <del>affiliates</del> <u>Affiliates</u> of a given <del>Clearing Member</del> <u>Financial</u> Group <u>of a Clearing Member</u>							
		Cover all clearing fees for Credit Option House activity for both iTraxx and CDX.NA underlying index families							
		In-year switches are not permitted							
		<i>No EEP usage fees in <del>2020</del> <u>2021</u></i>							
	<i>Fixed fee (annual)</i>	€-400k	<i>Per calendar year (no pro-rating)</i>						
	<i>Discounted Rates*</i>	<del>€ 150k if notionals cleared strictly above €6bn but equal to or below €13.5bn</del>							
		€-75k <del>115k</del> <u>if notionals cleared strictly above €13.5</u> <u>15bn</u>							
	<b>Onboarding Fees</b> (both <i>Introductory &amp; unlimited</i> )	€-30k	One-off fee per Legal Entity under the Introductory tariff or per <del>Clearing Member</del> <u>Financial</u> Group <del>of a Clearing Member</del> under <u>the</u> Unlimited tariff <del>waived until 30-Apr-2020</del>						
* <del>Cumulative conditions for the Fee rebate: application to the Unlimited Tariff only; and Index Swaptions notional cleared for the determination of the discount rate to be observed from the regulatory effective date of the rebate.</del>									
	<b>Clearing Member (Options only)</b>	<u>Up to €200,000 fee rebate limited to the total amount of Options clearing fees paid in 2021 for the first two Clearing Members clearing Options for at least one client by 31-July-2021</u>							
	<b>Client</b>	<u>Options</u> Clearing Fees	<table border="1"> <tr> <td><del>\$-20-5</del></td> <td>per million of option notional on US Indices</td> </tr> <tr> <td><del>€-20-5</del></td> <td>per million of option notional on European Indices</td> </tr> <tr> <td colspan="2"><u>2021: Full discount of client variable fees</u></td> </tr> </table>	<del>\$-20-5</del>	per million of option notional on US Indices	<del>€-20-5</del>	per million of option notional on European Indices	<u>2021: Full discount of client variable fees</u>	
<del>\$-20-5</del>	per million of option notional on US Indices								
<del>€-20-5</del>	per million of option notional on European Indices								
<u>2021: Full discount of client variable fees</u>									

**Affiliates clearing as Client (all products)**

<b><u>Affiliates clearing as Clients</u></b>	<p><u>Full rebate on variable clearing fees for the Affiliate of a Clearing Member onboarded as client of such Clearing Member under the following conditions:</u></p> <ul style="list-style-type: none"> <li><u>The Clearing Member is a General Member under the Unlimited Tariff;</u></li> <li><u>The Affiliate is a legal entity part of the same Financial Group as the Clearing Member;</u></li> <li><u>The rebate applies to 1 trade account per affiliate and for all clearing services for which the Clearing Member is under the Unlimited Tariff (i.e. Index &amp; Single Names and/or Options);</u></li> <li><u>The rebate cannot apply to any account opened for CCM Indirect Clients; and</u></li> </ul>
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	<ul style="list-style-type: none"><li>• <u>A fixed annual account fee of €100,000 is charged per affiliate of a Clearing Member onboarded as a client and benefiting from the full rebate on variable fees.</u></li></ul>
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*\*Subject to any appropriate regulatory review and/or approval process duly completed*