

Via CFTC Portal

20 June 2019

Ms. Abigail S. Knauff / Mr. August Imholtz

Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington, DC 20581

Re: CDSClear Client Fees for Non Cash Collateral

Dear Ms. Abigail S. Knauff / Mr. August Imholtz,

Pursuant to CFTC regulation §40.6(a), LCH SA (“**LCH SA**”), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the “**CFTC**”), is submitting for self-certification the amendments to the CDSClear fee grid in order to extend to CDSClear clients the current fee applicable by LCH SA on the amount of allocated securities collateral.

The new fee grid is supposed to be effective as of 5th July 2019 but in no event, it will be implemented earlier than 10 business days after it is filed with the CFTC.

Part I: Explanation and Analysis

As specified in Appendix A, the current LCH SA fee grid charges a 10bp fee on the amount of allocated securities collateral, except for clients of LCH SA CDSClear service, which are free of charge.

The purpose of the proposed fee change is to align the CDSClear fee grid with other LCH SA business lines and introduce a new fee amount for securities collateral posted by CDSClear clients.

Part II: Description of Rule Changes

No amendments to the LCH SA CDS Clearing Rules are required to effect these changes.

As specified in Appendix A, the proposed rule change is for LCH SA CDSClear to charge a 10bp fee on the amount of allocated securities posted as collateral by the clients using CDSClear service.

Part III: Core Principle Compliance

LCH SA will continue to comply with all Core Principles following the introduction of this change and has concluded that its compliance with the Core Principles would not be adversely affected by this change.

Part IV: Public Information

LCH SA has posted a notice of pending certifications with the CFTC and a copy of the submission on LCH's website at: <http://www.lch.com/rules-regulations/proposed-rules-changes>

Part V: Opposing Views

There were no opposing views expressed to LCH SA by governing board or committee members, members of LCH SA that were not incorporated into the rule.

Certification

LCH SA hereby certifies to the CFTC, pursuant to the procedures set forth in the Commission regulation § 40.6, that attached changes submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

Should you have any questions please contact me at: françois.faure@lch.com.

A handwritten signature in blue ink, appearing to read 'Faure', is written over a horizontal line.

Francois Faure
Chief Compliance Officer
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APPENDIX A

Current collateral fee

Currency	Unsecured overnight index	Cash Collateral fee / Spread	
		House	Client
EUR	EONIA	30 bps	15 bps
GBP	SONIA	35 bps	20 bps
USD	FEDFUND	30 bps	15 bps
Allocated securities collateral fee / spread		House	Client
		10 bps	Free of charge

Proposed LCH SA CDS Clear Free Grid on Clients' non-cash collateral*

Currency	Unsecured overnight index	Cash Collateral fee / Spread	
		House	Client
EUR	EONIA	30 bps	15 bps
GBP	SONIA	35 bps	20 bps
USD	FEDFUND	30 bps	15 bps
Allocated securities collateral fee / spread		House	Client
		10 bps	10 bps

* Subject to regulatory review/approval process