

Via CFTC Portal

15 December 2017

Mrs. Parisa Abadi

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

Dear Mrs. Abadi,

Pursuant to CFTC regulation §40.6(a), LCH SA (“LCH”), a derivatives clearing organization (“DCO”) registered with the Commodity Futures Trading Commission (the “CFTC”), is submitting for self-certification the new CDSClear fee grid proposed for all account structures, including those introduced to reflect the indirect clearing requirements¹ under EMIR² and MiFIR³ for authorized CCPs.

The intended date of implementation of this new fee grid is January 1st, 2018 subject to any relevant regulatory review and/or approval process duly completed and in no event, the new fee grid will be implemented earlier than ten (10) business days after the formal filing with the CFTC.

Part I: Explanation and Analysis

The objective is to adopt the applicable CDSClear fee grid for all account structures, including the indirect client account structures proposed in accordance with the provisions of MiFIR Article 30.

The proposed fee grid will apply equally to all existing and new client accounts.

The new fee grid is attached hereto as Appendix.

Part II: Description of Rule Changes

The proposed rule change introduces a fixed annual fee payable to CDSClear by its Clearing Members semi annually for the 6-month periods beginning January 1st and July 1st in accordance with the amount and currency specified in the fee grid attached in Appendix.

¹ Commission Delegated Regulation (EU) 2017/2155 of 22 September 2017 amending Delegated Regulation (EU) No. 149/2013 supplementing the European Market Infrastructure Regulation (MiFIR) with regard to regulatory technical standards (RTS) on indirect clearing arrangements.

² Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR)

³ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

The Account structure fees will be calculated on the day immediately preceding each 6-month period, being December 31st and June 30th of each year, based on the number of live accounts at that date. It will apply for existing client accounts from 1st January 2018.

Any Clearing Member will make its own pricing arrangements with its clients.

The Account structure fee does not apply to house accounts.

Part III: Core Principle Compliance

LCH 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 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 by governing board or committee members, members of LCH that were not incorporated into the rule.

Certification

LCH 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.



Francois Faure
Chief Compliance Officer
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APPENDIX
New LCH SA CDSClear Account Structures Fee Grid as of January 1st, 2018*

	ISA	OSA Net	OSA Gross
Business	Fee	Fee	Fee
CDSClear	€3,500	€3,500	€3,500 *

CDSClear Account Charges

Annual Account Fees for CDSClear will only be applicable from 1 January 2018.

CDSClear charges a semi-annual account fee for the 6 month periods beginning 1 January and 1 July. Account fees are calculated on the day immediately preceding each 6 month period, being 31 December and 30 June of each year ('Billing Points'). The account fee is calculated based on the number of Live Accounts[^] of the relevant type within the CDSClear service on the last day of the previous period (i.e. 31 December and 30 June).

*OSA Gross Account Charges - The first OSA Gross is charged at €0/€0, subsequent OSA Gross arrangements will be charged at €1,750 for each 6 month period (comparison annual cost €3,500).

[^] 'Live Account' means any account that has been onboarded and could accept transactions for clearing on the calculation date.

** Subject to any appropriate regulatory review and/or approval process duly completed*