



VIA CFTC Portal

16 January 2024

Mr Christopher J. Kirkpatrick

Office of the Secretariat
Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington DC 20581

**Re: Weekly Notification of Rule Amendments for the week ending
January 12th, 2024**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission Regulation 40.6(d), LCH SA submits this Weekly Notification of the following CDS Clearing rule amendments made during the week ending January 12th, 2024:

- Revised markup of Appendix A of the LCH SA self-certification filed on 9th November 2023 with respect to the LCH SA CDSClear Fee Grid for 2024.¹

The CDSClear Fee Grid is available at: <https://www.lch.com/services/cdsclear/fees>.

Should you have any questions regarding this submission, please contact me at the information below.

Yours sincerely,

Anne Favé

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¹ The CFTC self-certification pertaining to the LCH SA CDSClear Fee Grid for 2024 is available here: [Microsoft Word - LCHSA CDSClear Fees 2024 CFTC SelfCert Draft 7 Nov 2023](#).



APPENDIX A

Proposed CDSClear Fee Grid effective from January 4, 2024*

Self-Clearing Tariff for Corporates, Financials and Sovereign Index and Single Name CDS

Membership	Annual Fixed Fee	Self-Clearing/Variable Fees				Details
		EUR Indices	EUR Single Names	US Indices [^]	US Single Names [^]	
General Member Unlimited Tariff	€1,350,000 <u>charged 1/12th for each month the Member Group is live (****)</u>	No Variable Fee				Covers all self-clearing: —Corporate and Financials Index and Single Name activity - Sovereign Index activity All indices and all non-Sovereign Single Names activity for a Financial Group of a Clearing Member
General Member Unlimited Tariff - Single Name Sovereign CDS	€180,000 <u>charged 1/12th for each month the Member Group is live (****)</u>	N/A	No Variable Fee	N/A	No Variable Fee	<u>General Members – Unlimited can choose between the Fixed Fee Tariff and the Variable Fees for their Sovereign Single Name CDS clearing activity.</u>
Single Name Sovereign CDS Variable Fees	N/A	NA	€10 Per € million gross notional cleared	NA	\$13 Per \$ million gross notional cleared	<u>In-year switches permitted once per year between the Fixed Fee Tariff and the Variable Fees one, and effective from the start of the next month following a 15 business days’ notice period.</u> The Fixed Fee Tariff covers all self-clearing Sovereign Single Name activity for a Financial Group of a Clearing Member.
<u>Full discount of Sovereign Single Names variable fees from 14-Dec-2022 to 14-Dec-2023 included</u>						
General Member Introductory Tariff	€200,000 <u>if the total annual gross notional cleared is under €10 billion (**)</u> €400,000 <u>if the total annual gross notional cleared is over €10 billion</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	Covers all self-clearing Corporate, Financial and Sovereign Index and Single Names activity <u>The fixed fee is charged assuming more than €10bn notional will be cleared. Any amount</u>



	<u>(**)charged (**) 1/12th for each month the Member is live (***)</u>					<u>overdue (for GMs having cleared less than €10bn will be returned to the Member in the last bill of the year)</u>
Full discount of variable fees for Sovereign Single Names from 14-Dec-2022 to 14-Dec-2023 included						
Select Member	<u>€250,000 if the total annual gross notional cleared is under €10billion (**)</u>					Covers all self-clearing Corporate, Financials and Sovereign Index and Single Names activity <u>The fixed fee is charged at €450,000 assuming more than €10bn notional will be cleared. Any amount overdue {for SMs having cleared less than €10bn and live for the whole calendar year (January 1st – December 31st) will be returned to the Member in the last bill of the year}</u>
	<u>€450,000 if the total annual gross notional cleared is strictly over €10billion (**) 1/12th for each month the Member is live (***)</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	

^ The fees will be calculated in USD and billed in EUR

Clearing Members can select General Membership (Unlimited and Introductory tariffs) or Select Membership.

New CDSClear Clearing Members will be billed the first fixed tariff ~~installment~~instalment and variable fees starting the month following their ~~go-live~~go live.

~~(4) Unlimited Tariff~~

- ~~• One twelfth of this fee (EUR 112 500) is charged each month~~
- ~~• General Members Unlimited can choose between the Fixed Fee Tariff and the Variable Fees for their Sovereign Single Name CDS clearing activity. The Clearing House defaults General Members Unlimited to the Annual Fixed Fee tariff. In-year switch is permitted once per year between the Fixed Fee Tariff and the Variable Fees one~~

() Introductory Tariff**

- ~~• An annual Membership and clearing fixed fee of €400,000 is charged by the Clearing House to cover all self-clearing Corporate, Financials and Sovereign Index and Single Names activity, if the total annual gross notional cleared is over €10bn.~~
- ~~• One twelfth of this fee will be charged each month in addition to the variable fee~~
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~~1. An annual Membership and clearing fixed fee of EUR 200,000 is charged by the Clearing House to cover all self-clearing Corporate, Financials and Sovereign Index and Single Names activity, if the total annual gross notional cleared is under €10bn. The annual EUR fixed fee is charged assuming that more than €10bn notional will be cleared within the year. Any amount overdue (for General Members having cleared less than €10bn) will be returned to the Member in the last bill of the year.~~

(*) Select Membership**

- ~~• An annual Membership and clearing fixed fee of €450,000 is charged by the Clearing House to cover all self-clearing Corporate, Financials and Sovereign Index and Single Names activity if the total annual gross notional cleared is over €10bn, charged 1/12th for each month the Member is live****.~~
- ~~• An annual Membership and clearing fixed fee of EUR 250,000 is charged by the Clearing House to cover all self-clearing Corporate, Financials and Sovereign Index and Single Names activity if the total annual gross notional cleared is under €10bn and the Member is live for the whole calendar year (January 1st – December 31st), the Clearing House will provide a €200,000 rebate in the December bill.~~
- ~~• The annual EUR fixed fee is charged assuming that more than €10bn notional will be cleared within the year. Any amount overdue (for Select Members having cleared less than €10bn) will be returned to the Member in the last bill of the year. One twelfth of this fee will be charged each month in addition to the variable fee~~

(**) Live Members**

- ~~• A Member is considered live for the whole month regardless of the go-live date or the membership termination date within the considered month.~~

High Turnover Fee Plan

- ~~• Variable fee grid based on notional cleared to make clearing more attractive by decreasing the marginal variable fee past predefined notional thresholds as detailed below.~~
- ~~• Credit index option trades are excluded from the Plan.~~
- ~~• CCP Switch trades and trades subject to credit notes as part of the CCP Switch Programme are excluded from the Plan.~~
- ~~• This Plan is not subject to registration : Select Members automatically benefit from it.~~
- ~~• When a Select Member reaches a new threshold, the new variable fees apply from the following month. The HTFP applies on the notional cleared in a calendar year but excludes from the determination of the total cleared notional:~~
 - ~~○ the notional cleared for which a CCP Switch credit note was used to zero out the clearing fees~~
 - ~~○ the notional cleared part of a CCP Switch that thus did not attract any clearing fees~~
 - ~~○ the trades not charged under the CCP Switch Programme~~
- ~~• Options are excluded from the High Turnover Fee plan~~
- ~~• The High Turnover Fee plan does not apply to General Members~~

Client Clearing Tariff for Corporate, Financials and Sovereign Index and Single Names CDS

Client Clearing	Self-Clearing / Variable Fees			
	EUR Indices	EUR Single Names	USD Indices	USD Single Names



Variable Fees	€4 Per million gross notional cleared	€12 Per million gross notional cleared	\$5 Per million gross notional cleared	\$17 Per million gross notional cleared	Covers all self-clearing Corporate, Financials and Sovereign Index and Single Names activity.
<u>Intraday Trading Fee Plan</u>	<u>Only the maximum notional of buys and sells per contract per day per trading account will be charged and where trade date is equal to clearing date -(excludes backloads and options exercises).</u>				

Annual Account Fees

A yearly fee is charged for each ISA or OSA account as indicated in the table below.

	ISA	OSA Net	OSA Gross	LSOC
Fee	€3,500	€3,500	€3,500 ¹	\$0

1. CDS Clear Account Charges

¹Gross OSA account charges:

- Main value segregated collateral account operated by the Clearing Member, only one per Clearing Member. The main Gross OSA¹ is charged at €0/€0.
- Each additional Gross OSA will be charged at €1,750 for each 6-month period (comparison annual cost €3,500)

Onboarding Fees

A €15k one-off onboarding fee will be charged per Clearing Member applicable for new onboardings starting in 2024 (application file received after January 1st, 2024).

Options Tariff

General Member	Introductory Tariff	Can cover either one or multiple legal entities under conditions below (no Affiliate coverage) In-year switches are not permitted <i>No EEP usage fees in 20232024</i>
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	Clearing Fees	\$8	per million of option notional on US Indices
		€8	per million of option notional on European Indices
	<i>Floor on clearing fees, charged 1/12th for each month a Member Group is live (****)</i>	€115k	<i>Per calendar year (no pro-rating) for 1 entity</i>
€150k		<i>Per calendar year (no pro-rating) for 2 entities of the same Financial Group of a Clearing Member</i>	
€190k		<i>Per calendar year (no pro-rating) for 3 or more entities of the same Financial Group of a Clearing Member</i>	
	Unlimited Tariff	Cover all Affiliates of a given Financial Group of a Clearing Member Cover all clearing fees for Credit Option House activity for both iTraxx® and CDX™.NA underlying index families In-year switches are not permitted <u>No EEP usage fees in 2023/2024</u>	
	<i>Fixed fee (annual), charged 1/12th for each month a Member Group is live (****)</i>	€375k Per calendar year (no pro-rating)	
	<i>Discounted Rates</i>	<u>€115k if notionals cleared strictly above €15bn and the Member Group is live for the whole calendar year (January 1st – December 31st), the Clearing House will provide a €260k rebate in the December bill</u>	
	New Market Participant Tariff	Can apply to either one or multiple legal entities under conditions below (no affiliate coverage) Available for new joiners only (i.e., no entity of the same Financial Group of a Clearing Member registered to the Option clearing service under the Introductory or the Unlimited tariff in the last 3 calendar years), for 1 calendar year, renewable once only <u>In-year switches are not permitted</u> <u>No EEP usage fees in 2024</u>	
		€10	Per million notional on European Indices
		\$10	Per million notional on US Indices
	Onboarding Fees <i>(both Introductory & unlimited)</i>	€30k <u>15k</u>	One-off fee per Legal Entity under the Introductory tariff or per Financial Group of a Clearing Member under the Unlimited tariff.
Select Member	Introductory Tariff	Cover only one legal entity (no affiliate coverage)	



		In-year switches are not permitted <i>No EEP usage fees in <u>20232024</u></i>	
	Clearing Fees	\$10	per million of option notional on US Indices
		€10	per million of option notional on European Indices
	Unlimited Tariff	Cover all Affiliates of a given Financial Group of a Clearing Member 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 <u>20232024</u></i>	
	<i>Fixed fee (annual), charged 1/12th for each month a Member is live (****)</i>	€400k	<i>Per calendar year (no pro-rating)</i>
	<i>Discounted Rates</i>	<i>€115k if notionals cleared strictly above €15bn and if the Member is live for the whole calendar year (January 1st – December 31st), the Clearing House will provide a €285k rebate in the December bill</i>	
	Onboarding Fees (both Introductory & unlimited)	€ 30 k-15k	One-off fee per Legal Entity under the Introductory tariff or per Financial Group of a Clearing Member under the Unlimited tariff
Client	Options Clearing Fees	\$4	per million of option notional on US Indices
		€4	per million of option notional on European Indices
		<u>20232024</u> : Full discount of client variable fees	

(**) Live Members**

- A Member is considered live for the whole month regardless of the go-live date or the membership termination date within the considered month.



CCP switch <u>Incentive</u> Programme	<ul style="list-style-type: none">• CCP switch programme now available to market participants <u>and applicable to live CCP trades only from January 4, 2024, onwards.</u>• Members and Clients can benefit from the programme by closing out existing CDS transactions at their current CDS CCP and clearing new transactions at LCH SA CDSClear.• After registration, no variable fees will be charged for new transactions cleared at LCH SA CDSClear under the Programme during a 6-month period and a credit note will be applied to Members' and Clients' clearing accounts, covering the fees associated with closing out positions at another CDS CCP. The credit note will be applicable towards fees associated with future transactions cleared at LCH SA CDSClear.• The amount of the credit notes issued will be calculated using the published variable fees at the Clients' current CDS CCP.• To benefit from CDSClear's CCP switch programme, please contact CDSClear@lch.com for more information.	
High Turnover Fee plan	<ul style="list-style-type: none">• Variable fee grid based on notional cleared to make clearing more attractive by decreasing the marginal variable fee past predefined notional thresholds as detailed below.• Credit index option trades are excluded from the Plan.• CCP Switch trades and trades subject to credit notes as part of the CCP Switch Programme are excluded from the Plan.• This Plan is not subject to registration : Select Members automatically benefit from it.• When a client reaches a new threshold, the new variable fees apply from the following month <p><u>The HTFP applies on the notional cleared in a calendar year but excludes from the determination of the total cleared notional:</u></p> <ul style="list-style-type: none">- <u>the notional cleared for which a CCP Switch credit note was used to zero out the clearing fees</u>- <u>the notional cleared part of a CCP Switch that thus did not attract any clearing fees</u>- <u>the trades not charged under the Intraday Trading Fee Plan or the CCP Switch Programme</u> <p><u>Options are excluded from the High Turnover Fee plan</u></p> <p><u>The High Turnover Fee plan does not apply to General Members</u></p>	
	Bucket 1	<p>Standard fee for EUR Indices if the total annual gross notional cleared of EUR Indices is strictly below €60billion</p> <p>Standard fee for EUR Single Names if the total annual gross notional cleared of EUR Single Names is strictly below €5billion</p> <p>Standard fee for USD Indices if the total annual gross notional cleared of USD Indices is strictly below \$60billion</p> <p>Standard fee for USD Single Names if the total annual gross notional cleared of USD Single Names is strictly below \$5billion</p>



	Bucket 2	<p>€3 per million of EUR Indices gross notional cleared if the total annual gross notional cleared of EUR Indices is above €60billion and strictly below €120billion</p> <p>€9 per million of EUR Single Names gross notional cleared if the total annual gross notional cleared of EUR Single Names is above €5billion and strictly below €10billion</p> <p>\$4 per million of USD Indices gross notional cleared if the total annual gross notional cleared of USD Indices is above \$60billion and strictly below \$120billion</p> <p>\$12 per million of USD Single Names gross notional cleared if the total annual gross notional cleared of USD Single Names is above \$5billion and strictly below \$10billion</p>
	Bucket 3	<p>€2 per million of EUR Indices gross notional cleared if the total annual gross notional cleared of EUR Indices is above €120billion and strictly below €240billion</p> <p>€6 per million of EUR Single Names gross notional cleared if the total annual gross notional cleared of EUR Single Names is above €10billion and strictly below €20billion</p> <p>\$3 per million of USD Indices gross notional cleared if the total annual gross notional cleared of USD Indices is above \$120billion and strictly below \$240billion</p> <p>\$7 per million of USD Single Names gross notional cleared if the total annual gross notional cleared of USD Single Names is above \$10billion and strictly below \$20billion</p>
	Bucket 4	<p>€1 per million of EUR Indices gross notional cleared if the total annual gross notional cleared of EUR Indices is above €240billion and strictly below €480billion</p> <p>€3 per million of EUR Single Names gross notional cleared if the total annual gross notional cleared of EUR Single Names is above €20billion and strictly below €40billion</p> <p>\$2 per million of USD Indices gross notional cleared if the total annual gross notional cleared of USD Indices is above \$240billion and strictly below \$480billion</p> <p>\$2 per million of USD Single Names gross notional cleared if the total annual gross notional cleared of USD Single Names is above \$20billion and strictly below \$40billion</p>
	Bucket 5	<p>Free of charge if the total annual EUR Indices gross notional cleared of EUR Indices is above €480billion</p> <p>Free of charge if the total annual EUR Single Names gross notional cleared of EUR Single Names is above €40billion</p> <p>Free of charge if the total annual USD Indices gross notional cleared of USD Indices is above \$480billion</p>

