

Member Notification

LCH SA EquityClear Cash Equities: Updates to New clearing fee discount schedule

21st July 2022

Dear LCH SA Clearing Members,

LCH SA EquityClear has updated today its **clearing fee discount schedule** for the **Cash Equities clearing service**, available to all Clearing Members that would qualify, **effective from 1st of July 2022**.

The initial discounted clearing fee schedule was published in December 2021 and amended per 1 April 2022, to consider a larger number of Clearing Members as eligible to additional clearing fee benefits. Today we announce that effective 1 July 2022, the discounted fee schedule will also be applied to **all non-BC trades cleared by LCH SA as preferred CCP**.

The fee schedule will be updated as follows:

LCH SA charges a reduced clearing fee in respect of all Blue Chip volumes (including the list of additional ISINs as published per 1 January 2018), **and non-Blue Chip volumes cleared by LCH SA as preferred CCP**, for any clearing member (including 'family members' as communicated on 13 June 2019) who fulfills the following conditions and eligibility criteria:

1. The clearing member is an active clearing member with both LCH SA and LCH LTD Cash Equities clearing services;
2. The clearing member has a combined Average Daily Volume ⁽¹⁾ of at least 30,000 trades cleared with LCH LTD, settling in ESES, Interbolsa, or both and trades cleared with LCH SA, settling in those same CSDs, and for which the trade source is not a market where LCH SA is the primary CCP as of the publication date of this fee schedule;
3. The clearing member agrees to appoint LCH SA as its preferred CCP, or if LCH SA is the primary CCP, not to appoint another CCP as its preferred CCP, for each of the trading venues and other platforms listed for this purpose on LCH's website, as amended from time to time;
4. The clearing member sends to LCH SA a duly signed copy of the Request Letter, as provided by LCH SA, pursuant to which the clearing member notably confirms its compliance with

the aforementioned eligibility criteria and requests to benefit from the reduced clearing fees accordingly.

Average Daily Volume ⁽¹⁾ : For the purpose of this paragraph A2 indent (02) only, the Average Daily Volume (ADV) shall be calculated by dividing the total cleared volume of the relevant trades within the last 12 months preceding a given monthly billing date, by the number of business days in those 12 months.

In the case of:

a clearing member that has not been admitted to EquityClear for more than 12 months yet, the ADV shall be calculated based on the period of time starting from the first calendar month following the onboarding date of such clearing member;

a clearing member that has confirmed his decision to consolidate its clearing flows with the LCH CCPs, the ADV shall be calculated from the first month following the consolidation.

The reduced clearing fee for clearing members meeting such eligibility criteria will be as follows:

Reduced tiered fee grid for Blue Chips and eligible Non-Blue Chips – Average Daily Volume						
	Combined ADV of trades cleared by LCH Ltd in ESES and Interbolsa and trades cleared by LCH SA in those same CSDs for which the trade source is not a market where LCH SA is the primary CCP as of the publication date of this fee schedule					
	from	to	30k to 70k	70k+1 to 120k	120k+1 to 150k	>150k
Tier 1	1	2,500	€ 0.0400	€ 0.0400	€ 0.0400	€ 0.0400
Tier 2	2,501	12,500	€ 0.0300	€ 0.0300	€ 0.0300	€ 0.0300
Tier 3	12,501	45,000	€ 0.0300	€ 0.0290	€ 0.0280	€ 0.0270
Tier 4	45,001	250,000	€ 0.0230	€ 0.0205	€ 0.0175	€ 0.0155
Tier 5	250,001	400,000	€ 0.0150	€ 0.0135	€ 0.0125	€ 0.0115
Tier 6	400,001	550,000	€ 0.0100	€ 0.0090	€ 0.0085	€ 0.0080
Tier 7	550,001	1,200,000	€ 0.0075	€ 0.0070	€ 0.0065	€ 0.0055
Tier 8	1,200,001	1,500,000	€ 0.0050	€ 0.0050	€ 0.0047	€ 0.0045
Tier 9	1,500,001		€ 0.0040	€ 0.0040	€ 0.0037	€ 0.0035

When applying such reduced clearing fees, LCH SA shall :

1. Determine the applicable Tier by taking into account the total volume of trades cleared across LCH SA and LCH LTD (on-book and off-book) of all the family members of a given Clearing Member to calculate the Average Daily Volume for the month; and

2. Multiply the corresponding fee for that Tier by the clearing member's Blue Chips **and eligible non-Blue Chips** monthly Average Daily Volume to calculate the reduced clearing fees for that month.

The reduced clearing fees will not be subject to any cap.

The first bill, in which the clearing members meeting the eligibility criteria will benefit from the reduced clearing fees, will be for the calendar month in which the Request Letter is fully executed and accepted by LCH SA.

Please contact your LCH SA Relationship Manager, or the Head of LCH SA EquityClear Cash Equities Product for more information.

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Kind regards,
LCH SA EquityClear

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