

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2019 - * 010
 WASHINGTON, D.C. 20549
 Form 19b-4 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) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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 proposing to amend the current fee grid applied to Non Cash Collateral across all clearing services including CDSClear.

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 10/31/2019 Chief Compliance Officer
 By Francois Faure
 (Name *)

Francois Faure, francois.faure@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 EFFF website.

Form 19b-4 Information *

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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 *

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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 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

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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

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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

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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

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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

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 fee grid applied by LCH SA for Non Cash Collateral (NCC) across all clearing services including CDSClear. 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 September 16th, 2019. No further approvals to authorize this proposed rule change are necessary.

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

francois.faire@lch.com /+33 1 70 37 65 96 or Mohamed Meziane, Senior Regulatory Advisor,

Compliance Department, at mohamed.meziane@lch.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

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

<u>Collateral type</u>	<u>FFT</u>		<u>PLEDGE</u>	
	<u>House</u>	<u>Client</u>	<u>House</u>	<u>Client</u>
Government Bonds	10bps	10bps	10bps	10bps
Supranational Bonds	N/A	N/A	N/A	N/A
Agency Bonds	10bps	10bps	10bps	10bps

From November 1st, 2019, LCH SA is proposing to extend the scope of instruments eligible to margin collateral to EUR denominated bonds issued by a number of supranational and agency institutions. LCH SA is also proposing to extend the possibility to use the pledge solution in Euroclear Bank for the other LCH SA clearing services (namely RepoClear and EquityClear the “Non US Business”¹). In this context, LCH SA is moving to apply more differentiation in its collateral fee grid and thus CDSClear has decided to harmonize its existing non-cash collateral fee grid for house collateral with that of the other LCH SA clearing services.

1 See the definition under Order Granting Application for Registration as a Clearing Agency and Request for Exemptive Relief, Order, Securities Exchange Act Release No. 34-79707; File No. 600-36 (Dec. 29, 2016), 82 FR 1398 (Jan. 5, 2017) (available at <https://www.federalregister.gov/documents/2017/01/05/2016-31940/self-regulatory-organizations-lch-sa-order-granting-application-for-registration-as-a-clearing>)

The objective of the proposed fee change is to differentiate the pricing by type of non-cash collateral accepted by LCH SA and deposit facility. These changes will be applicable across all LCH SA clearing services with the exception of CDSClear's client collateral fees that will differ from house fees and remain at their current level for all non-cash securities.

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

As specified in the fee grid attached under Exhibit 5, the proposed house collateral fee change is for CDSClear to:

- (i) increase the fee rate from 10 bps to 11 bps for full title transfer of Government issued bonds²;
- (ii) introduce a fee rate of 13 bps for full title transfer of Supranational issued bonds;
- (iii) increase the fee rate from 10bps to 13bps for full title transfer of Agency issued bonds;
- (iv) increase the fee rate from 10bps to 15bps for all pledged securities.

For CDSClear clients, a fee rate of 10 bps will be introduced for full title transfer of Supranational bonds. No other changes will be made to CDSClear's client collateral 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.³

LCH SA believes that its clearing fee change proposal is consistent with the requirements of Section 17A of the Act⁴ and the regulations thereunder applicable to it, and in particular provides

2 To become effective on April 1st, 2020

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

4 15 U.S.C. 78q-1.

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.

The extension of the non-cash eligible securities along with the extension of the pledge facility is an improvement of service that offers all LCH SA's members and clients more choice and therefore more opportunities to better tailor their collateral management to their needs but it also does bear consequences on LCH SA's balance sheet as a whole and therefore on its liquidity ratio management.

Currently the pledge facility is only available to LCH SA CDSClear members and clients with a very limited use. However, as a result of the broadening of the pledge facility to Non US-Business, the expected overall impact on LCH SA's liquidity ratio now needs to be carefully monitored and managed. Further, in order to offer this enhanced collateral management service, LCH SA has also invested in the development of a number of additional systems and controls leading to the review and changes of the applicable fee grid.

Additionally, today, CDSClear members mainly post cash collateral currently and we do not foresee that the fee changes will alter current market practice amongst CDSClear's members and clients.

As an illustration, from January 2018 to September 2019, the percentage of collateral posted in securities was less than 20% on average for house activity, supporting the assessment that these fee changes will not have any material impact on CDSClear's revenues.

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 given the costs, expenses and revenues generated to LCH SA in providing these improved collateral management 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.⁵

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.

LCH SA is offering the possibility for CDSClear members and clients to post a greater scope of instruments as eligible margin collateral. Additionally, the proposed fee change will apply equally to all CDSClear clearing members. Finally, the fee rate changes will not adversely affect the ability of such members or other market participants generally to engage in cleared transactions or to access LCH SA’s clearing services.

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 feedback sought from CDSClear members. No

5 15 U.S.C. 78q-1(b)(3)(I).

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)⁶ of the Act and Rule 19b-4(f)(2).⁷

(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.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(2).

Item 11. Exhibits

- Exhibit 1. Not Applicable.
- Exhibit 1A. Completed Notice of Proposed Rule Change for publication in the Federal Register.
- Exhibit 2. Not Applicable.
- Exhibit 3. Not Applicable.
- Exhibit 4. Not Applicable.
- Exhibit 5. LCH SA's proposed fee changes applicable to CDSClear.

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-2019-010)

[DATE]

Self-Regulatory Organizations; LCH SA; Proposed Rule Change Relating to amendments to LCH SA's fee grid for Non Cash Collateral (NCC).

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder² notice is hereby given that on _____, 2019, 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

Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), is proposing to review and modify its current fee grid applied for Non Cash Collateral (NCC) across all clearing services including CDSClear.

The text of the proposed rule change has been annexed as Exhibit 5.³

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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 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

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

<u>Collateral type</u>	<u>FFT</u>		<u>PLEDGE</u>	
	<u>House</u>	<u>Client</u>	<u>House</u>	<u>Client</u>
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Agency Bonds	10bps	10bps	10bps	10bps

From November 1st, 2019, LCH SA is proposing to extend the scope of instruments eligible to margin collateral to EUR denominated bonds issued by a number of supranational and agency institutions. LCH SA is also proposing to extend the possibility to use the pledge solution in Euroclear Bank for the other LCH SA clearing services (namely RepoClear and EquityClear the “Non US Business”⁴). In this context, LCH SA is moving to apply more differentiation in its collateral fee grid and thus

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CDSClear has decided to harmonize its existing non-cash collateral fee grid for house collateral with that of the other LCH SA clearing services.

The objective of the proposed fee change is to differentiate the pricing by type of non-cash collateral accepted by LCH SA and deposit facility. These changes will be applicable across all LCH SA clearing services with the exception of CDSClear's client collateral fees that will differ from house fees and remain at their current level for all non-cash securities.

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

As specified in the fee grid attached under Exhibit 5, the proposed house collateral fee change is for CDSClear to:

- (i) increase the fee rate from 10 bps to 11 bps for full title transfer of Government issued bonds⁵;
- (ii) introduce a fee rate of 13 bps for full title transfer of Supranational issued bonds;
- (iii) increase the fee rate from 10bps to 13bps for full title transfer of Agency issued bonds;
- (iv) increase the fee rate from 10bps to 15bps for all pledged securities.

For CDSClear clients, a fee rate of 10 bps will be introduced for full title transfer of Supranational bonds. No other changes will be made to CDSClear's client collateral 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.⁶

⁵ To become effective on April 1st, 2020

⁶ 15 U.S.C. 78q-1(b)(3)(D).

LCH SA believes that its clearing fee change proposal is consistent with the requirements of Section 17A of the Act⁷ 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.

The extension of the non-cash eligible securities along with the extension of the pledge facility is an improvement of service that offers all LCH SA's members and clients more choice and therefore more opportunities to better tailor their collateral management to their needs but it also does bear consequences on LCH SA's balance sheet as a whole and therefore on its liquidity ratio management.

Currently the pledge facility is only available to CDSClear members and clients with a very limited use. However, as a result of the broadening of the pledge facility to Non US-Business, the expected overall impact on LCH SA's liquidity ratio now needs to be carefully monitored and managed. Further, in order to offer this enhanced collateral management service, LCH SA has also invested in the development of a number of additional systems and controls leading to the review and changes of the applicable fee grid.

Additionally, today, CDSClear members mainly post cash collateral and we do not foresee that the fee changes will alter current market practice amongst CDSClear's members and clients.

⁷ 15 U.S.C. 78q-1.

As an illustration, from January 2018 to September 2019, the percentage of collateral posted in securities was less than 20% on average for house activity, supporting the assessment that these fee changes will not have any material impact on CDSClear's revenues.

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 given the costs, expenses and revenues generated to LCH SA in providing these improved collateral management 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.⁸

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.

LCH SA is offering the possibility for CDSClear members and clients to post a greater scope of instruments as eligible margin collateral. Additionally, the proposed fee change will apply equally to all CDSClear clearing members. Finally, the fee rate changes will not adversely affect the ability of such members or other market participants generally to engage in cleared transactions or to access LCH SA's clearing services.

⁸ 15 U.S.C. 78q-1(b)(3)(I).

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. LCH SA will notify the Commission of any written comments received by LCH SA.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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. Please include File Number SR-LCH SA-2019-010 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-2019-010. 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/rules-and-regulations/proposed-rule-changes-0>

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-2019-010

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.⁹

Secretary

⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Proposed LCH SA Collateral Fee Grid applicable to CDSClear members effective as of 1 November 2019*

<u>Collateral type</u>	<u>FFT</u>		<u>PLEDGE</u>	
	<u>House</u>	<u>Client</u>	<u>House</u>	<u>Client</u>
Government Bonds	11bps**	10bps	15bps	10bps
Supranational Bonds	13bps	10bps	15bps	10bps
Agency Bonds	13bps	10bps	15bps	10bps

* Subject to regulatory review/approval process

** This fee increase will only be applicable in a second phase on April 1st 2020