

Via CFTC Portal

22nd September 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 as a consequence of the proposed extension of the CDSClear service to the clearing of options on index credit default swaps (“**CDS options**”).

The intended date of implementation of this new clearing service is October 10th 2017 subject to any relevant regulatory review and/or approval process duly completed and in no event, the new service including the fee grid will be implemented earlier than ten (10) business days after the formal filing with the CFTC.

Part I: Explanation and Analysis

The proposed fee grid for this new Credit Index Options clearing service has been designed with the goal of enabling members to register to this service as well as to incentivize clearing of such non-mandated for clearing products while taking into consideration current market trading conditions for options

The proposed new fee grid is attached hereto as Appendix.

Part II: Description of Rule Changes

The proposed fee grid introduces a fixed onboarding fee payable by every General and Select members that will join the new clearing service. The onboarding fee will be waived for any member whose onboarding for such clearing service is duly confirmed by LCH on or before 31st March 2018.

In addition to the fixed onboarding fee, the clearing fees are due by each General Member, Select Member or Client in accordance with the amount, currency and volume specified in the fee grid attached in Appendix. The fee grid also includes a floor and a cap on clearing fees for General Members and a cap only for Select Members.

All members and clients will benefit from a clearing fee holiday until 31st December 2017.

Two separate self-certifications are also submitted concurrently with respect to amendments to (i) LCH SA's rule book and other relevant procedures to incorporate terms and to make conforming and clarifying changes to allow options on index credit default swaps to be cleared by LCH SA and to (ii) LCH SA CDS Clear Margin Framework and Default Fund Methodology.

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 CDS options fee grid as of October 10th, 2017*

General Member	Onboarding Fees	€30k	one-off fee per Legal Entity waived until 31-Mar-18
	Clearing Fees	€ 15	per million of option notional for US Indices
		\$ 15	per million of option notional for European Indices
	<i>Floor on clearing fees</i>	€150k	<i>Per calendar year (no pro-rating)</i>
	<i>Cap on Clearing fees</i>	€500k	<i>Per calendar year (no pro-rating)</i>
Select Member	Onboarding Fees	€30k	one-off fee per Legal Entity waived until 31-Mar-18
	Clearing Fees	€ 18	per million of option notional for US Indices
		\$ 18	per million of option notional for European Indices
	<i>Cap on Clearing fees</i>	€500k	<i>Per calendar year (no pro-rating)</i>
Client	Clearing Fees	€ 20	per million of option notional for US Indices
		\$ 20	per million of option notional for European Indices
<ul style="list-style-type: none"> • Clearing fee holiday from launch until 31-Dec-2017 for all Members and Clients. • The full CDS Clear pricing grid is up for renewal with CDC Members on 31-Dec-2018 (end of fixed fee agreement extension). 			

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