

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2017 - * 002
 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 * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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) * <input type="checkbox"/>	Section 806(e)(2) * <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 filing a proposal to retroactively apply its recently-revised fee schedule beginning January 1, 2017

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 * Francois Last Name * FAURE
 Title * Chief Compliance Officer
 E-mail * francois.faure@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 03/30/2017 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 *

Add Remove View

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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Exhibit Sent As Paper Document

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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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 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

Add Remove View

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

Add Remove View

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

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”) is filing a proposal to retroactively apply its recently-revised fee schedule¹ beginning January 1, 2017, as described in greater detail below.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

The proposal was approved by LCH SA’s Local Management Committee on December 5th 2016. No other action is necessary for the filing of this proposed rule change.

Questions should be addressed to François Faure, Chief Compliance Officer, at françois.faure@lch.com or +33 1 70 37 65 96; or Mohamed Meziane, Senior Regulatory Advisor, Compliance Department, at mohamed.meziane@lch.com or +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

¹ Changes to the fee schedule included (1) a modification of the annual fixed fee that covers all self-clearing activity for a Clearing Member and its affiliates under the Unlimited Tariff, (2) addition of an annual fixed fee for all General Members that participate in the CDS Clearing Services under the Introductory Tariff, and (3) removal of the volume-based discounts previously in effect for the client clearing activities of the CDS Clearing Service. See Securities Exchange Act Release No. 34-80114 (February 27, 2017), 82 FR 12481 (March 3, 2017).

The purpose of the proposed rule change is to retroactively apply LCH SA's recently-revised fee schedule from January 1, 2017 through February 17, 2017, the date that the revised schedule became effective.

The purpose of the CDSClear fee grid revisions was to: (1) modify the annual fixed fee that covers all self-clearing activity for a Clearing Member and its affiliates under the Unlimited Tariff, (2) establish an annual fixed fee for all General Members that participate in the CDS Clearing Services under the Introductory Tariff, and (3) remove the volume-based discounts previously in effect for the client clearing activities of the CDS Clearing Service.

LCH SA was registered with the Commission as a clearing agency on December 29, 2016 but had long-standing plans to revise the fee schedule, with an intended effective date of January 1st, 2017.

The need to apply the fees retroactively results from being granted registration on December 29, 2016, only one (1) full business day prior to the expected effective date on January 1, which, when coupled with technological difficulties (including purchase of a digital certificate) associated with the filing process, resulted in LCH SA not being able to submit the filing on December 30, 2016, as LCH SA initially anticipated.

Because LCH SA had also intended the fee change to become effective by January 1st, 2017 it had already gone through the member consultation process, meaning that members were aware of the pending change in fee structure, including the proposed effective date of January 1, 2017.

Additionally, LCH SA's national competent authorities had been advised of the proposed fee change that had already gone through the regulatory review process with the Commodity Futures Trading Commission ("CFTC") in a manner that would have permitted the fee change to take effect on January 1, 2017. (see <http://www.cftc.gov/filings/orgrules/rule121516lchsadco001.pdf>).

The proposed fee change was published on LCH SA's website no later than December 14, 2016, when the amendments to the fee schedule were self-certified to the CFTC pursuant to CFTC Rule 40.6.

B. Statutory Basis

The proposal is consistent with the provisions of Section 17A of the Act in general and in particular, with Section 17A(b)(3)(D) of the Act, requiring the equitable allocation of reasonable dues, fees and other charges.²

Applying the fees retroactively is reasonable. The fees would have been applicable on January 1, 2017 absent the year end Commission registration as well as the technological difficulties LCH SA encountered with the submission of the filing. The members of LCH SA were consulted in advance and were fully aware that such fees were intended to be applicable by January 1st 2017.

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 With respect to the

² 15 U.S.C. 78q-1(b)(3)(D).

³ 15 U.S.C. 78q-1(b)(3)(D).

Unlimited Tariff, LCH SA has determined that the reduction in the Unlimited Tariff fixed fee for General Members with respect to self-clearing activity on behalf of the Clearing Member and its affiliates is reasonable and appropriate given the costs and expenses to LCH SA. With CDSClear now reaching a maturity stage in its development and the introduction of mandatory clearing of OTC derivatives in 2017, which will result in an increase in CDS client clearing activities, it is appropriate that the costs and expenses that LCH SA will incur in providing the CDS Clearing Service are shared more broadly among General Members and their clients that participate in the service. For the same reasons, LCH SA has determined that the cap on self-clearing fees, inclusive of the annual fixed fee, applicable to General Members electing the Introductory Tariff, should be lowered to the same amount as the revised Unlimited Tariff.

With respect to the annual fixed fee for General Members under the Introductory Tariff, LCH SA has determined that implementing an annual fixed fee for all General Members that participate in the CDS Clearing Service under the Introductory Tariff (which fee is separate from and in addition to the self-clearing and client clearing variable fees currently assessed), is reasonable and appropriate given the costs and expenses to LCH SA in providing the services to General Members. The fee assures that all General Members that benefit from the CDS Clearing Service pay an appropriate fee for such services, such as being consulted on potential rules, product and service changes, as well as benefiting from unlimited support for product and system training and testing, without regard to whether such General Members engage in CDS clearing activities. The proposed rule changes, therefore, are consistent with the requirements of Section

17A of the Act⁴ and regulations thereunder applicable to it, because they provide for the equitable allocation of reasonable fees, dues, and other charges among clearing members and market participants by ensuring that General Members and their clients pay reasonable fees and dues for the services that LCH SA provides.

With respect to the removal of volume-based discounts, LCH SA has determined that removing the volume-based discounts for CDS client clearing activities is reasonable and appropriate given the costs and expenses to LCH SA in providing such services. The elimination of volume-based discounts will assure that clients pay an appropriate proportionate share of the costs and expenses that LCH SA will incur in providing the CDS Clearing Service.

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 retroactive application of the fee changes from January 1st 2017 would impose any burden on competition. LCH SA believes that the reduction in the annual Tariffs assessed on General Members (Unlimited Tariff) with respect to self-clearing activity are reasonable and appropriate, as the Tariffs will apply equally to all General Members that self-clear CDS under this Tariff. Additionally, LCH SA believes that an annual fixed fee for all General Members that participate in the CDS Clearing Service under the

⁴ 15 U.S.C. 78q-1.

⁵ 15 U.S.C. 78q-1(b)(3)(I).

Introductory Tariff, which fee is separate from and in addition to the self-clearing and client clearing variable fees currently assessed, is appropriate in light of the expenses incurred by LCH SA in providing its services. Further, LCH SA believes that removing the volume-based discounts for CDS client clearing activities is reasonable and appropriate, as the clearing fees will apply equally to all clients that participate in the CDS Clearing Service.

The retroactive application of the fee changes will apply to all CDSClear members and will not adversely affect their ability to engage in cleared transactions or to access 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. LCH SA will notify the Commission of any written comments received.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)⁶ of the Act and Rule 19b-4(f)(6)⁷ in that it effects a change that: (i) does not significantly affect the

⁶ 15 U.S.C. § 78s(b)(3)(A).

⁷ 17 C.F.R. § 240.19b-4(f)(6).

protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposed retroactive application of the recently-revised fees does not significantly affect the protection of investors or the public interest because LCH's members, by virtue of notices posted on its website and filings made with the CFTC, expected the fee changes to be effective on January 1st, 2017 and no US members or customers would be impacted by the retroactive fees, as LCH SA still has not onboarded any US member or customer.

Similarly, the proposed change does not impose a significant burden on competition because the retroactive application of the fee changes from January 1st would be applied in the same manner to all members.

Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. LCH SA has provided such notice.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be

approved or disapproved.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. LCH SA requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that LCH SA may immediately apply the retroactive fee schedule to January 1, 2017. As mentioned above, the proposed rule change would consist in applying the new fees retroactively as the members have already been made aware of. The fee change has gone through the regulatory review process with LCH SA's national regulator and the CFTC as well but because of the SEC registration being granted on 29 December 2016 and the subsequent technical difficulties, the filing of the new CDSClear fee change could not have been submitted to the SEC on or before 30 December 2016. Not waiving the operative delay will create unnecessary costs and trouble in managing the billing process. Accordingly, LCH SA believes that waiving the 30-day operative delay would be consistent with the protection of investors and the public interest. Thus, LCH SA respectfully requests waiver of the operative delay so that it may assess the retroactive fee changes immediately.

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.

Item 11. Exhibits

Exhibit 1A. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. CDSClear Fee Grid, effective as of January 1st, 2017

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. 34-_____ ; File No. SR-LCH SA-2017-002)

March 30, 2017

Self-Regulatory Organizations; LCH SA; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Retroactively Apply Recently-Revised Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 30, 2017, 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 primarily prepared by LCH SA. LCH SA filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6)⁴ thereunder. 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, Security-Based Swap Submission, or Advance Notice

The proposed rule change will retroactively apply LCH SA’s recently-revised fee schedule⁵ from January 1, 2017 through February 17, 2017, the date that the revised schedule became effective.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ Changes to the fee schedule included (1) a modification of the annual fixed fee that covers all self-clearing activity for a Clearing Member and its affiliates under the Unlimited Tariff, (2) addition of an annual fixed fee for all General Members that participate in the CDS Clearing Services under the Introductory Tariff, and

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

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 such statements.

A. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

1. Purpose

The purpose of the proposed rule change is to retroactively apply LCH SA's recently-revised fee schedule beginning January 1, 2017.

The purpose of the CDSClear fee grid revisions was to: (1) modify the annual fixed fee that covers all self-clearing activity for a Clearing Member and its affiliates under the Unlimited Tariff, (2) establish an annual fixed fee for all General Members that participate in the CDS Clearing Services under the Introductory Tariff, and (3) remove the volume-based discounts previously in effect for the client clearing activities of the CDS Clearing Service.

LCH SA was registered on December 29, 2016 but had long-standing plans to revise the fee schedule with an intended effective date of January 1st, 2017.

The need to apply the fees retroactively results from being granted registration on December 29, 2016, only one (1) full business day prior to the expected

(3) removal of the volume-based discounts previously in effect for the client clearing activities of the CDS Clearing Service. See Securities Exchange Act Release No. 34-80114 (February 27, 2017), 82 FR 12481 (March 3, 2017).

effective date on January 1, which, when coupled with technological difficulties (including purchase of a digital certificate) associated with the filing process, resulted in LCH SA not being able to submit the filing on December 30, 2016, as LCH SA initially anticipated.

Because LCH SA had also intended the fee change to become effective by January 1st, 2017 it had already gone through the member consultation process, meaning that members were aware of the pending change in fee structure, including the proposed effective date of January 1, 2017.

Additionally, LCH SA's national competent authorities had been advised of the proposed fee change that had already gone through the regulatory review process with the Commodity Futures Trading Commission ("CFTC") in a manner that would have permitted the fee change to take effect on January 1, 2017. (see <http://www.cftc.gov/filings/orgrules/rule121516lchsadco001.pdf>).

In that way, the proposed fee change was published on LCH SA's website no later than December 14, 2016, when it was self-certified to the CFTC pursuant to CFTC Rule 40.6.

2. Statutory Basis

The proposal is consistent with the provisions of Section 17A of the Act, in general and in particular with Section 17A(b)(3)(D) of the Act requiring the equitable allocation of reasonable dues, fees and other charges.⁶

Applying the fees retroactively is reasonable. The fees would have been applicable absent the year end Commission registration as well as the technological

⁶ 15 U.S.C. 78q-1(b)(3)(D).

difficulties LCH SA encountered with the submission of the filing. The members of LCH SA were consulted in advance and were fully aware that such fees were intended to be applicable by January 1st 2017.

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.⁷ With respect to the Unlimited Tariff, LCH SA has determined that the reduction in the Unlimited Tariff fixed fee for General Members with respect to self-clearing activity on behalf of the Clearing Member and its affiliates is reasonable and appropriate given the costs and expenses to LCH SA. With CDSClear now reaching a maturity stage in its development and the introduction of mandatory clearing of OTC derivatives in 2017, which will result in an increase in CDS client clearing activities, it is appropriate that the costs and expenses that LCH SA will incur in providing the CDS Clearing Service are shared more broadly among General Members and their clients that participate in the service. For the same reasons, LCH SA has determined that the cap on self-clearing fees, inclusive of the annual fixed fee, applicable to General Members electing the Introductory Tariff, should be lowered to the same amount as the revised Unlimited Tariff.

With respect to the annual fixed fee for General Members under the Introductory Tariff, LCH SA has determined that implementing an annual fixed fee for all General Members that participate in the CDS Clearing Service under the Introductory Tariff (which fee is separate from and in addition to the self-clearing and client clearing variable fees currently assessed), is reasonable and appropriate given the costs and expenses to

⁷ 15 U.S.C. 78q-1(b)(3)(D).

LCH SA in providing the services to General Members. The fee assures that all General Members that benefit from the CDS Clearing Service pay an appropriate fee for such services, such as being consulted on potential rules, product and service changes, as well as benefiting from unlimited support for product and system training and testing, without regard to whether such General Members engage in CDS clearing activities. The proposed rule changes, therefore, are consistent with the requirements of Section 17A of the Act⁸ and regulations thereunder applicable to it, because they provide for the equitable allocation of reasonable fees, dues, and other charges among clearing members and market participants by ensuring that General Members and their clients pay reasonable fees and dues for the services that LCH SA provides.

With respect to the removal of volume-based discounts, LCH SA has determined that removing the volume-based discounts for CDS client clearing activities is reasonable and appropriate given the costs and expenses to LCH SA in providing such services. The elimination of volume-based discounts will assure that clients pay an appropriate proportionate share of the costs and expenses that LCH SA will incur in providing the CDS Clearing Service.

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.⁹

⁸ 15 U.S.C. 78q-1.

⁹ 15 U.S.C. 78q-1(b)(3)(I).

LCH SA does not believe that the proposed retroactive application of the fee changes from January 1st 2017 would impose any burden on competition. LCH SA believes that the reduction in the annual Tariffs assessed on General Members with respect to self-clearing activity are reasonable and appropriate, as the Tariffs will apply equally to all General Members that self-clear CDS under the Unlimited Tariff. Additionally, LCH SA believes that an annual fixed fee for all General Members that participate in the CDS Clearing Service under the Introductory Tariff, which fee is separate from and in addition to the self-clearing and client clearing variable fees currently assessed, is appropriate in light of the expenses incurred by LCH SA in providing its services. Further, LCH SA believes that removing the volume-based discounts for CDS client clearing activities is reasonable and appropriate, as the clearing fees will apply equally to all clients that participate in the CDS Clearing Service.

The retroactive application of the fee changes will apply to all CDS Clear members and will not adversely affect their ability to engage in cleared transactions or to access 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.

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

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;

- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)¹⁰ of the Act and Rule 19b-4(f)(6) thereunder.¹¹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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:

- 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-2017-002 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.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

All submissions should refer to File Number SR-LCH SA-2017-002. 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 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of LCH SA and on LCH SA's website at <http://www.lch.com/asset-classes/cdsclear>. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-LCH SA-2017-002 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Eduardo A. Aleman
Assistant Secretary

¹² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

APPENDIX - CDSCLEAR current fee grid (as of December 31st, 2016)

CDSClear	General Membership								Select Membership	
	Unlimited Tarrif				Introductory Tarrif					
Per million	Dealer		Client Clearing		Dealer		Client Clearing		Dealer only	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
Fixed fees - Annual ('000)	€ 2 250								€ 250 €450 (if over €25Bio notionals)	
Variable fees	<i>Not applicable</i>		€ 4	\$ 5	€ 3,5	\$ 4,5	€ 4	\$ 5	€ 4,0	\$ 5,0
<i>Index</i>	<i>Not applicable</i>		€ 12	\$ 17	€ 10	\$ 13	€ 12	\$ 17	€ 10	\$ 13
<i>Single Name</i>	<i>Not applicable</i>									
Self-clearing fee cap	€ 2 250									
Discounts for clients			Base fee				Base fee			
Band A - €0 to €2bn			16% discount				16% discount			
Band B - €2+ to €6bn			25% discount				25% discount			
Band C - €6bn+										

CDSCLEAR Revised fee grid (effective as of January 1st, 2017)

CDSClear	General Membership								Select Membership	
	Unlimited Tarrif				Introductory Tarrif					
Per million notional	Dealer		Client Clearing		Dealer		Client Clearing		Dealer only	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD	EUR	USD
Fixed fees - Annual ('000)	€ 2 000								€ 200 €400 (if over €15Bio notionals cleared)	
Variable fees	<i>Not applicable</i>		€ 4	\$ 5	€ 3,5	\$ 4,5	€ 4	\$ 5	€ 4,0	\$ 5,0
<i>Index</i>	<i>Not applicable</i>		€ 12	\$ 17	€ 10	\$ 13	€ 12	\$ 17	€ 10	\$ 13
<i>Single Name</i>	<i>Not applicable</i>									
Self-clearing fee cap	€ 2 000									