



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105357; File No. 600-36]

Self-Regulatory Organizations; LCH SA; Notice of an Application for an Exemption Pursuant to Section 36 of the Securities Exchange Act of 1934 Relating to Rule Filing Requirements and Request for Comment

May 4, 2026.

On December 22, 2025, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), filed an application with the Securities and Exchange Commission (“Commission”) to amend exemptive relief granted to it by the Commission on December 29, 2016 (“Request for Exemptive Relief”)¹ pursuant to Section 36 of the Securities Exchange Act of 1934 (“Act”),² in accordance with the procedures set forth in Rule 0-12 under the Act.³ As part of the Commission’s 2016 order granting LCH SA’s application for registration as a clearing agency, the Commission granted LCH SA exemptions from certain requirements of the Act and the rules thereunder, including an exemption from Section 19(b) of the Act⁴ and Rule 19b-4⁵ thereunder with respect to filing certain proposed rule changes relating to its business

¹ Letter from Nicolas Dot, Chief Compliance Officer, LCH SA, dated December 22, 2025 (“Application”).

² 15 U.S.C. 78mm. Section 36(a)(1) of the Exchange Act gives the Commission the authority to exempt any person, security or transaction or any class or classes of persons, securities or transactions, conditionally or unconditionally, from any Exchange Act provision or any rule or regulation thereunder by rule, regulation or order, to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors. 15 U.S.C. 78mm(a)(1).

³ 17 CFR 240.0-12. Exchange Act Rule 0-12 sets forth procedures for filing applications for orders for exemptive relief pursuant to Section 36. The Application will not appear in the *Federal Register*. The Application is available on the Commission’s internet website at www.sec.gov. Defined terms in this notice are the same as used in the Application, unless we note otherwise.

⁴ 15 U.S.C. 78s(b).

⁵ 17 CFR 240.19b-4.

lines operating outside of the U.S (“Current Exemptive Relief”).⁶ LCH SA’s Request for Exemptive Relief would amend the Current Exemptive Relief as it relates to Section 19(b) of the Act⁷ and Rule 19b-4⁸ thereunder relating to LCH SA’s clearing services. The Commission is publishing this notice to provide interested persons with an opportunity to comment.

I. Background

LCH SA is a clearing agency registered with the Commission for the purpose of clearing security-based swaps. LCH SA clears security-based swaps for persons in the U.S. and abroad.⁹ LCH SA clears security-based swaps through its CDSClear business line.¹⁰

In addition to the CDSClear business line, at the time of issuance of the Current Exemptive Relief, LCH SA also offered clearing services for other financial instruments through other business lines. These other business lines operated entirely outside of the U.S., did not have any U.S. persons as Clearing Members, and LCH SA did not seek to offer them to any U.S. persons (“Non-U.S. Business”).¹¹ LCH SA’s Non-U.S. Business included (i) EquityClear for clearing equities, debt instruments, and futures contracts; (ii) CommodityClear for clearing futures and options for agricultural and energy products; and (iii) RepoClear for clearing repurchase and cash transactions on Euro-denominated government and supranational debts.¹²

⁶ Order Granting Application for Registration as a Clearing Agency and Request for Exemptive Relief, Exchange Act Release No. 79707 (Dec. 29, 2016), 82 FR 1398, 1412 (Jan. 5, 2017) (File No. 600-36) (“Order”).

⁷ 15 U.S.C. 78s(b).

⁸ 17 CFR 240.19b-4.

⁹ Order, 82 FR at 1398.

¹⁰ *Id.*

¹¹ *Id.* at 1398, 1411.

¹² *Id.* at 1410 n.188; Application, at 3 n.12.

Because LCH SA operated these business lines outside of the U.S. and neither had nor intended to have U.S. persons as Clearing Members, as part of its application for registration as a clearing agency, LCH SA requested, and the Commission granted, the Current Exemptive Relief with respect to the Non-U.S. Business. Specifically, the Current Exemptive Relief exempts LCH SA from filing a proposed rule change under Section 19 of the Act¹³ and Rule 19b-4¹⁴ thereunder if the proposed rule change (i) primarily affects LCH SA’s clearing operations with respect to its Non-U.S. Business, and (ii) does not significantly affect any CDSClear operations or any rights or obligations of LCH SA with respect to the CDSClear services or persons using such services (“Non-U.S. Business Rule Change”).¹⁵ Even if a proposed rule change primarily affects the Non-U.S. Business, the Current Exemptive Relief does not apply if it would significantly affect CDSClear operations, services, or persons using those services. Further, as a condition to the Current Exemptive Relief, LCH SA must provide Commission staff with notice of its Non-U.S. Business Rule Changes within three business days following approval by LCH SA’s national competent authorities.¹⁶

Since the issuance of the Current Exemptive Relief, LCH SA has discontinued its EquityClear and CommodityClear services.¹⁷ LCH SA has also added a new Non-U.S. Business, DigitalAssetClear.¹⁸ Because the EquityClear and CommodityClear business lines have both closed, the Non-U.S. Business currently consists of RepoClear and

¹³ 15 U.S.C. 78s(b).

¹⁴ 17 CFR 240.19b-4.

¹⁵ Order, 82 FR at 1414. Pursuant to Section 19(b)(1) of the Act, self-regulatory organizations, including registered clearing agencies like LCH SA, are required to file with the Commission copies of any proposed rule, or any addition to or deletion from their existing rules. *See* 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4(a)(4) (defining “proposed rule change”).

¹⁶ Order, 82 FR at 1412.

¹⁷ Application, at 3 n.10 and 11.

¹⁸ LCH SA will provide clearing services through DigitalAssetClear for cash-settled Bitcoin index futures and options contracts traded on Global Futures and Options Limited, a UK-based digital asset derivatives trading venue. Application, at 3 n.13.

DigitalAssetClear, as well as any future business line that LCH SA operates entirely outside of the U.S. and does not include U.S. persons as Clearing Members.¹⁹ CDSClear is the only service currently offered in the U.S. or to U.S. persons. Thus, as of the date of the Request for Exemptive Relief, LCH SA operates three business lines: (i) CDSClear; (ii) RepoClear; and (iii) DigitalAssetClear.

LCH SA plans to permit U.S. persons to join RepoClear as Clearing Members. In doing so, LCH SA proposes to create a new category for RepoClear, which LCH SA refers to as its “Non-Registrable Business.”²⁰ Because such a change would allow RepoClear to onboard U.S. Clearing Members, RepoClear would no longer be a Non-U.S. Business under the Current Exemptive Relief.

II. Request for Exemptive Relief

LCH SA requests an amendment to the Current Exemptive Relief as it relates to its Non-Registrable Business to provide limited, conditional relief for RepoClear while allowing LCH SA to onboard U.S. Clearing Members to RepoClear. Specifically, LCH SA requests that, for as long as the Non-Registrable Business has U.S. Clearing Members, the Commission allow LCH SA to file with the Commission proposed rule changes related to the Non-Registrable Business pursuant to Section 19(b)(3)(A) of the Act²¹ and paragraph (f)(6) of Rule 19b-4 thereunder,²² provided that, consistent with the Current Exemptive Relief, any such proposed rule change (i) primarily affects LCH SA’s clearing operations with respect to the Non-Registrable Business and (ii) does not significantly affect any CDSClear operations or any rights or obligations of LCH SA with

¹⁹ Order, 82 FR at 1398, 1410 n.188.

²⁰ LCH SA notes that the Non-Registrable Business does not include any clearance and settlement services pertaining to any purchase or sale transaction in U.S. Treasury securities or repurchase or reverse repurchase agreement collateralized by U.S. Treasury securities; any other transaction involving U.S. Treasury securities; or any clearance and settlement services pertaining to any securities meeting the definition of “government securities” in Section 3(a)(42) of the Act. Application, at 2 n.7.

²¹ 15 U.S.C. 78s(b)(3)(a).

²² 17 CFR 240.19b-4(f)(6).

respect to the CDSClear services or persons using the CDSClear services (“Non-Registrable Business Rule Change”).²³ LCH SA further proposes that this relief would end following written notice from LCH SA to the Commission that the Non-Registrable Business no longer has any U.S. Clearing Members. After such a notice, all Non-Registrable Business Rule Changes would be treated like Non-U.S. Business Rule Changes under the Current Exemptive Relief.²⁴

LCH SA’s requested relief would have several additional conditions.

- LCH SA’s obligation to file with the Commission the Non-Registrable Business Rule Changes would begin on the effective date that the first U.S. Clearing Member is admitted as a member of the Non-Registrable Business.
- LCH SA will continue to comply with the terms of the Current Exemptive Relief in respect of the Non-U.S. Business (including DigitalAssetClear) by providing notice to Commission staff of its Non-U.S. Business Rule Changes within three (3) business days of such rules taking effect pursuant to the requirements of the European Market Infrastructure Regulation or LCH SA’s national competent authorities.
- LCH SA must provide prompt written notice to the Commission in the event that the Non-Registrable Business onboards U.S. Clearing Members or ceases to have U.S. Clearing Members.

²³ Under the requested relief, the Commission would designate that Non-Registrable Business Rule Changes may become effective under Rule 19b-4(f)(6) earlier than 30 days after the date of the filing, but not sooner than the date of filing, and LCH SA may file Non-Registrable Business Rule Changes even if LCH SA has not given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing the proposed rule change. Application, at 13 n.47.

²⁴ Application, at 4.

- LCH SA must continue to file Non-Registrable Business Rule Changes, and otherwise comply with the terms of the requested relief until LCH SA has, with respect to the Non-Registrable Business, closed all transactions and positions involving U.S. Clearing Members and their clients; completed final settlement of amounts owed to or from U.S. Clearing Members and their clients; returned any collateral, margin, or other property of U.S. Clearing Members and their clients; and provided prompt written notice to the Commission when these conditions are satisfied.
- If LCH SA is no longer required to file Non-Registrable Business Rule Changes because LCH SA no longer has U.S. Clearing Members in the Non-Registrable Business and has otherwise met the above-described conditions, LCH SA may not again onboard U.S. Clearing Members to the Non-Registrable Business without first receiving approval from the Commission.
- Finally, in connection with the statutory and rule provisions discussed throughout the Application, from which exemptive relief is requested, LCH SA represents that, as a condition of such relief, LCH SA shall continue to implement policies and procedures designed to ensure compliance with the terms and conditions described in the Application, and to conduct periodic internal risk-based reviews related to its compliance program.²⁵

The Request for Exemptive Relief would not alter the treatment of either CDSClear or the Non-U.S Business under the Current Exemptive Relief.²⁶ For CDSClear, LCH SA would, as now, file with the Commission proposed rule changes

²⁵ Application, at 12-13.

²⁶ Application, at 5.

pursuant to Section 19(b) of the Act and Rule 19b-4 thereunder. For the Non-U.S. Business (i.e., DigitalAssetClear), LCH SA would, as now, be exempt from filing proposed rule changes that primarily affect its clearing operations with respect to its Non-U.S. Business, and do not significantly affect any CDSClear operations or any rights or obligations of LCH SA with respect to the CDSClear services or persons using such services, subject to the conditions set out in the Current Exemptive Relief.²⁷

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the Request for Exemptive Relief, including whether the Request for Exemptive Relief should be granted. In particular, the Commission solicits comments on the following questions:

1. Do commenters agree that the Commission should grant the Request for Exemptive Relief subject to the conditions described in the Application?
2. Should the Commission add any additional conditions to the requested relief, such as a limit on the overall number of U.S Clearing Members that can join the Non-Registrable Business or a limit on the amount of activity by U.S. Clearing Members in the Non-Registrable Business? If so, please describe what those conditions should be and why. For conditions specific to a membership or activity limit threshold, please describe what the threshold should be and why that threshold would be appropriate. Would the requested relief impact how market participants structure their transactions or access central clearing? If so, please describe the impact and provide any information or data to support this position.
3. Would the requested relief impact competition between different clearing agencies or different types of participants in clearing agencies? If so, please

²⁷ Order, 82 FR at 1410.

describe the impact on competition, as well as any potential mechanism to address that impact and the potential effects thereof.

4. Would the requested relief have any impact on existing U.S regulatory requirements, other than those identified in the Application or otherwise identified above? Please explain.
5. Would the requested relief have any impact on U.S. Clearing Members that join the Non-Registrable Business, or any other U.S. persons, such as clients of these U.S. Clearing Members? Please explain.
6. Please describe how the requested relief would or would not protect investors and the public interest as required by Sections 17A and 36 of the Exchange Act.
7. Please describe how the requested relief would or would not help to facilitate the prompt and accurate clearance and settlement of securities transactions as well as the safeguarding of securities and funds as required by Section 17A of the Exchange Act.

Comments should be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules-regulations/exchange-act-exemptive-notice-orders>); or
- Send an e-mail to rule-comments@sec.gov. Please include file number 600-36 on the subject line.

Paper Comments:

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to file number 600-36. This file number should be included on the subject line if email 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 (<https://www.sec.gov/rules-regulations/exchange-act-exemptive-notice-orders>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

For further information, you may contact Jeffrey Mooney, Associate Director; Moshe Rothman, Assistant Director; Kevin Schopp, Senior Special Counsel; or Joseph Tabler, Special Counsel, Office of Clearance and Settlement, Division of Trading and Markets, at (202) 551-5500, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

By the Commission.

J. Matthew DeLesDernier,

Deputy Secretary.

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