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For the Commission, by the Division of Investment Management, under delegated authority.

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-614, OMB Control No. 3235-0682]

### Submission for OMB Review; Comment Request; Extension: Rule 13h-1 and Form 13H

*Upon Written Request, Copies Available*

From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the existing collection of information provided for in Rule 13h-1 (17 CFR 240.13h-1) and Form 13H—registration of large traders<sup>1</sup> submitted pursuant to section 13(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

Rule 13h-1 and Form 13H under section 13(h) of the Exchange Act established a large trader reporting framework.<sup>2</sup> The framework assists the Commission in identifying and obtaining certain baseline information about traders that conduct a substantial amount of trading activity, as measured by volume or market value, in the U.S. securities markets.

The identification, recordkeeping, and reporting framework provides the Commission with a mechanism to identify large traders and obtain additional information on their trading activity. Specifically, the rule requires large traders to identify themselves to

<sup>1</sup> Rule 13h-1(a)(1) defines "large trader" as any person that directly or indirectly, including through other persons controlled by such person, exercises investment discretion over one or more accounts and effects transactions for the purchase or sale of any NMS security for or on behalf of such accounts, by or through one or more registered broker-dealers, in an aggregate amount equal to or greater than the identifying activity level or voluntarily registers as a large trader by filing electronically with the Commission Form 13H.

<sup>2</sup> See Securities Exchange Act Release No. 64976 (July 27, 2011), 76 FR 46959 (August 3, 2011).

the Commission and file certain interim updates with the Commission on Form 13H. Upon receipt of Form 13H, the Commission issues a unique identification number to the large trader, which the large trader then provides to its registered broker-dealers. Certain registered broker-dealers are required to maintain transaction records for each large trader and are required to report that information to the Commission upon request.<sup>3</sup> In addition, certain registered broker-dealers are required to adopt procedures to monitor their customers for activity that would trigger the identification requirements of the rule.

The respondents to the collection of information required by Rule 13h-1 and Form 13H are large traders and registered broker-dealers. The Commission estimates that the total annual time burden associated with Rule 13h-1 and Form 13H is approximately 131,415 hours per year. This burden is comprised of 31,140 hours for initial filings by large traders on Form 13H, 75,300 hours for updates by large traders, 22,200 hours for broker-dealer reporting, and 2,775 hours for broker-dealer monitoring.

Compliance with Rule 13h-1 is mandatory. The information collection under Rule 13h-1 is considered confidential subject to the limited exceptions provided by the Freedom of Information Act.<sup>4</sup>

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed

<sup>3</sup> The Commission, pursuant to Rule 17a-25 (17 CFR 240.17a-25), currently collects transaction data from registered broker-dealers through the Electronic Blue Sheets ("EBS") system to support its regulatory and enforcement activities. The large trader framework added two new fields, the time of the trade and the identity of the trader, to the EBS system. Additionally, pursuant to Rule 613 (17 CFR 242.613), the Commission requires each national securities exchange and national securities association to collect transaction data from registered broker-dealers through the consolidated audit trail, to which the agency has access, to support regulatory and enforcement activities. This data includes the time of each trade and the LTID number of the person exercising investment discretion over the trade, the latter of which is assigned by the Commission pursuant to Rule 13h-1.

<sup>4</sup> See 5 U.S.C. 552 and 15 U.S.C. 78m(h)(7).

information collection should be sent by April 29, 2024 to (i) [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain); and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 25, 2024.

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-99850; File No. SR-NYSEARCA-2024-28]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Connectivity Fee Schedule

March 22, 2024.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on March 14, 2024, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Connectivity Fee Schedule ("Fee Schedule") regarding colocation services and fees to update the list of included data products. The proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change*

1. Purpose

The Exchange proposes to amend the Connectivity Fee Schedule ("Fee Schedule") regarding colocation services and fees to update the list of included data products ("Included Data Products").

Currently, the table of Included Data Products in Colocation Note 4 sets forth the market data feeds that Users<sup>4</sup> can connect to at no additional cost when

they purchase a service that includes access to the LCN or IP network.<sup>5</sup>

Each of the Exchange and the Affiliate SROs has filed to establish an "Aggregated Lite" market data feed (the "Aggregated Lite Feeds").<sup>6</sup> Accordingly, the Exchange proposes to update the table of Included Data Products to include the Aggregated Lite Feeds. To implement the change, the Exchange proposes to update the table of Included Data Products of the NYSE, NYSE American and NYSE Arca as follows (proposed additions underlined):

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<p>NYSE:  <u>NYSE Aggregated Lite</u>                  NYSE Alerts                  NYSE BBO                  NYSE Integrated Feed                  NYSE OpenBook                  NYSE Order Imbalances                  NYSE Trades</p>
<p>NYSE American:  <u>NYSE American Aggregated Lite</u>                  NYSE American Alerts                  NYSE American BBO                  NYSE American Integrated Feed                  NYSE American OpenBook                  NYSE American Order Imbalances                  NYSE American Trades</p>
<p>NYSE American Options</p>
<p>NYSE Arca:  <u>NYSE Arca Aggregated Lite</u>                  NYSE ArcaBook                  NYSE Arca BBO                  NYSE Arca Integrated Feed                  NYSE Arca Order Imbalances                  NYSE Arca Trades</p>

When NYSE Chicago and NYSE National were added to the Included

Data Products, the individual market data feeds offered were not broken out.<sup>7</sup>

Accordingly, in addition to adding the Aggregated Lite Feeds, the Exchange

<sup>4</sup> For purposes of the Exchange's colocation services, a "User" means any market participant that requests to receive colocation services directly from the Exchange. See Securities Exchange Act Release No. 76010 (September 29, 2015), 80 FR 60197 (October 5, 2015) (SR-NYSEArca-2015-82). As specified in the Fee Schedule, a User that incurs colocation fees for a particular colocation service pursuant thereto would not be subject to colocation fees for the same colocation service charged by the Exchange's affiliates the New York Stock Exchange LLC ("NYSE"), NYSE American LLC ("NYSE American"), NYSE Chicago, Inc. ("NYSE Chicago"), and NYSE National Inc. ("NYSE National" and together, the "Affiliate SROs"). Each Affiliate SRO

has submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSE-2024-17, SR-NYSEAMER-2023-20, SR-NYSECHX-2024-13, and SR-NYSENAT-2024-11.

<sup>5</sup> See Securities Exchange Act Release No. 79729 (January 4, 2017), 82 FR 3061 (January 10, 2017) (SR-NYSEArca-2016-172) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Options Fee Schedule and the NYSE Arca Equities Schedule of Fees and Charges Related to Co-Location Services To Increase LCN and IP Network Fees and Add a Description of Access to Trading and Execution Services and Connectivity to Included Data Products).

<sup>6</sup> See Securities Exchange Act Release No. 99713 (March 12, 2024) (SR-NYSEArca-2024-22).

<sup>7</sup> See Securities Exchange Act Releases No. 87408 (October 28, 2019), 84 FR 58778 (November 1, 2019) (SR-NYSECHX-2019-12) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fee Schedule of NYSE Chicago, Inc.), and 83351 (May 31, 2018), 83 FR 26314 (June 6, 2018) (SR-NYSENAT-2018-07) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Co-Location Services and Fees In Connection With the Re-Launch of Trading on the Exchange and To Amend Its Schedule of Fees and Rebates To Provide for Such Co-Location Services).

proposes to break out the NYSE Chicago and NYSE National market data feeds in Included Data Products, as follows (proposed additions underlined):

NYSE Chicago <u>NYSE Chicago Aggregated Lite</u> <u>NYSE Chicago BBO</u> <u>NYSE Chicago Integrated Feed</u> <u>NYSE Chicago Trades</u>
NYSE National <u>NYSE National Aggregated Lite</u> <u>NYSE National BBO</u> <u>NYSE National Integrated Feed</u> <u>NYSE National Trades</u>

#### BILLING CODE 8011-01-C

The Exchange expects that the present filing will become operative immediately upon the filings to establish a fee for the Aggregated Lite Feed becoming operative. The Exchange expects such operative date or dates to be no later than the second quarter of 2024. It will announce the date or dates through a customer notice.

The Exchange does not charge for connectivity to the Included Data Feeds. Accordingly, it would not charge for connectivity to the Aggregated Lite Feeds.

#### General

The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Users equally. As is currently the case, the purchase of any colocation service, including connectivity to the Aggregated Lite Feeds, would be completely voluntary and the Fee Schedule would be applied uniformly to all Users. FIDS does not expect that the proposed rule change will result in new Users.

The proposed changes are not otherwise intended to address any other issues relating to co-location services and/or related fees, and the Exchange is not aware of any problems that customers would have in complying with the proposed change.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and

coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange further believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>10</sup> because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

#### The Proposed Change Is Reasonable

The Exchange believes that the proposed rule change is reasonable and would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest, because adding the Aggregated Lite Feeds would increase the number of Included Data Products available to Users for no additional charge. All Users that voluntarily select to access the LCN or IP network would not be subject to a charge above and beyond the fee paid for the relevant LCN or IP network access. Accordingly, the Exchange believes that the proposed change is reasonable because the change would mean that a User would have the option of adding connectivity to additional market data feeds without paying additional charges.

Adding the proposed additional Included Data Products would allow a User to connect to any of the Aggregated

Lite Feeds that it wished, but would not require it to do so. As now, a User would be able to determine which Included Data Products, if any, to which it connects, based on what would best serve its needs, tailoring the service to the requirements of its business operations.

The Exchange believes that the proposed rule change is reasonable because, as with the other Included Data Products, it believes it is not the exclusive method to connect to the Aggregated Lite Feeds. As alternatives to connecting to the Aggregated Lite Feeds as Included Data Products, a User may connect to the market data feeds through another User or through a connection to an Exchange access center outside the data center, third party access center, or third party vendor.

By adding the Aggregated Lite Feeds and setting forth the NYSE Chicago and NYSE National feeds already offered, the proposed change would ensure that the list of Included Data Products was up to date and consistent in the level of detail. Accordingly, the Exchange believes that the proposed rule change is reasonable and would perfect the mechanisms of a free and open market and a national market system and, in general, protect investors and the public interest, as it would ensure that the description of Included Data Products was complete, ensuring that it is accessible and transparent, and providing market participants with clarity as to what connectivity is included in the purchase of access to the LCN and IP networks.

#### The Proposed Change Is Equitable and Not Unfairly Discriminatory

The Exchange believes that the proposed change provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78f(b)(4).

using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers because adding the Aggregated Lite Feeds would increase the number of Included Data Products available to Users for no additional charge. All Users that voluntarily select to access the LCN or IP network would not be subject to a charge above and beyond the fee paid for the relevant LCN or IP network access. Accordingly, the Exchange believes that the proposed change is equitable and not unfairly discriminatory because the change would mean that a User would have the option of adding connectivity to additional market data feeds without paying additional charges.

Further, the Exchange believes that the proposed change is equitable and not unfairly discriminatory since, as is true now, the proposed change would not apply differently to distinct types or sizes of Users but would apply to all Users equally. Moreover, adding the proposed additional Included Data Products would allow a User to connect to any of the Aggregated Lite Feeds that it wished, but would not require it to do so. As now, a User would be able to determine which Included Data Products, if any, to which it connects, based on what would best serve its needs, tailoring the service to the requirements of its business operations.

By adding the Aggregated Lite Feeds and setting forth the NYSE Chicago and NYSE National feeds already offered, the proposed change would ensure that the list of Included Data Products was up to date and consistent in the level of detail. Accordingly, the Exchange believes that the proposed rule change is equitable and not unfairly discriminatory, as it would ensure that the description of Included Data Products was complete, ensuring that it is accessible and transparent, and providing market participants with clarity as to what connectivity is included in the purchase of access to the LCN and IP networks.

For the reasons above, the proposed changes do not unfairly discriminate between or among market participants that are otherwise capable of satisfying any applicable co-location fees, requirements, terms, and conditions established from time to time by the Exchange.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange believes that the proposal will not impose any burden on

competition that is not necessary or appropriate in furtherance of the purposes of Section 6(b)(8) of the Act.<sup>11</sup>

The Exchange believes that the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because adding the Aggregated Lite Feeds would increase the number of Included Data Products available to Users for no additional charge. All Users that voluntarily select to access the LCN or IP network would not be subject to a charge above and beyond the fee paid for the relevant LCN or IP network access. Accordingly, the change would mean that a User would have the option of adding connectivity to additional market data feeds without paying additional charges.

Adding the proposed additional Included Data Products would allow a User to connect to any of the Aggregated Lite Feeds that it wished, but would not require it to do so. In this way, the proposed changes would enhance competition by, as now, enabling a User to determine to which Included Data Products, if any, it connects, based on what would best serve its needs, tailoring the service to the requirements of its business operations.

The Exchange believes that the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because, as with the other Included Data Products, it believes it is not the exclusive method to connect to the Aggregated Lite Feeds. As alternatives to connecting to the Aggregated Lite Feeds as Included Data Products, a User may connect to the market data feeds through another User or through a connection to an Exchange access center outside the data center, third party access center, or third party vendor.

By adding the Aggregated Lite Feeds and setting forth the NYSE Chicago and NYSE National feeds already offered, the proposed change would ensure that the list of Included Data Products was up to date and consistent in the level of detail. Accordingly, the Exchange believes that the proposed additions to the description of Included Data Products would make the description more accessible and transparent. In this manner, the proposed change would provide market participants with clarity as to what connectivity is included in the purchase of access to the LCN and IP networks, thereby enhancing competition by ensuring that all Users

have access to the same information regarding the Included Data Products.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>12</sup> and Rule 19b-4(f)(6) thereunder.<sup>13</sup> Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.<sup>14</sup>

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>15</sup> of the Act to determine whether the proposed rule change should be approved or 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:

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange to give 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 of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>15</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>11</sup> 15 U.S.C. 78f(b)(8).

*Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NYSEARCA-2024-28 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-NYSEARCA-2024-28. 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/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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. 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. All submissions should refer to file number SR-NYSEARCA-2024-28 and should be submitted on or before April 18, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2024-06583 Filed 3-27-24; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-99847; File No. SR-LCH SA-2024-002]

**Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to the CDSClear Select Membership Model**

March 22, 2024.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 13, 2024, 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. 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**

LCH SA is proposing to amend its CDS Clearing Rule Book ("Rule Book") and CDS Clearing Procedures ("Procedures") to incorporate new terms and to make conforming, clarifying and clean-up changes to implement the new model of CDSClear select membership (the "Proposed Rule Change").

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

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****1. Purpose**

In accordance with the current Rule Book, Select Members can provide clearing services in respect of credit default swaps ("CDS") and options on CDS (collectively, the "CDSClear Clearing Services") to Affiliates only. LCH SA is proposing to extend the

possibility for Select Members to provide CDSClear Clearing Services to any client, including Affiliates (the "New Select Membership") to allow some prospective clearing members that wish to provide clearing services to non-affiliated clients without becoming General Members. General Members must participate in Competitive Bidding for Auction Packages and submit prices to LCH SA, and thus the New Select Membership would allow some clearing members to provide clearing services to non-affiliated clients even if they do not have the capacity to participate in competitive bidding or to submit prices to LCH SA.

Pursuant to the New Select Membership, LCH SA is proposing to remove the requirement for Select Members to participate in Competitive Bidding for Auction Packages, including trades belonging to the Product Families they have elected to clear with LCH SA. Indeed, as part of the competitive auction process applicable in the context of the default management process implemented in respect of the default of a Clearing Member, each non-defaulting Clearing Member is required to submit bids in respect of any portfolio of trades reflecting the Cleared Transactions of the Defaulting Clearing Member, subject to exceptions provided for in the Rule Book; among them, a non-defaulting Clearing Member which is a Select Member shall submit bids only in respect of a portfolio of trades that does not include any trade which does not belong to the relevant Select Member's Products Families, currently defined as the categories of credit default swaps ("CDS") and options on CDS in respect of which LCH SA provides clearing services and that may be selected by a Select Member in the relevant form (the "Product Family Form"). Instead, LCH SA is proposing to add the option for Select Members to elect to participate in Competitive Bidding for Auction Packages at their own discretion, in addition to participating in the CDS Default Management Group and CDS Default Management Committee. Unlike Clearing Members admitted as General Members, Select Members will not benefit from the possibility to subscribe to the unlimited tariff allowing them to clear an unlimited number of trades for their own account for an annual fixed fee set out in the CDSClear fee grid.<sup>3</sup>

Pursuant to the New Select Membership, LCH SA also is proposing to change the method by which Select

<sup>3</sup> The CDSClear fee grid is available on LCH SA's website at the following link: <https://www.lch.com/services/cdsclear/fees>.

<sup>16</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.