

For all the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change will rather facilitate the listing and trading of an additional ETP that will enhance competition among both market participants and listing venues, to the benefit of investors and the marketplace.

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

No written comments were either solicited or received.

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 Exchange 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2025-042 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-NASDAQ-2025-042. 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-NASDAQ-2025-042 and should be submitted on or before July 1, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Stephanie Fouse,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103194; File No. SR-NASDAQ-2025-016]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt Nasdaq Rule 5712 To Provide for the Listing and Trading of Commodity- and/or Digital Asset-Based Investment Interests and To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF Under Proposed Nasdaq Rule 5712

June 4, 2025.

I. Introduction

On February 18, 2025, The Nasdaq Stock Market LLC ("Exchange" or "Nasdaq") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt new Nasdaq Rule 5712 to provide for the listing and trading of Commodity- and/or Digital Asset-Based Investment Interests and to list and trade shares ("Shares") of the Hashdex Nasdaq Crypto Index US ETF ("Trust") under proposed Nasdaq Rule 5712. On February 27, 2025, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the original filing in its entirety. The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on March 7, 2025.³

On April 17, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change, as modified by Amendment No. 1.⁵ This order institutes proceedings under Section

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 102513 (Mar. 3, 2025), 90 FR 11563 ("Notice"). Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nasdaq-2025-016/srnasdaq2025016.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102885, 90 FR 17092 (Apr. 23, 2025) (designating June 5, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change, as modified by Amendment No. 1).

¹⁷ 17 CFR 200.30-3(a)(12).

19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

II. Summary of the Proposal, as Modified by Amendment No. 1

A. Proposed Listing Standards for Commodity- and/or Digital Asset-Based Investment Interests

As described in more detail in the Notice,⁷ the Exchange proposes to adopt new Nasdaq Rule 5712 to provide for the listing and trading of Commodity- and/or Digital Asset-Based Investment Interests. Proposed Nasdaq Rule 5712(c)(1) defines “Commodity- and/or Digital Asset-Based Investment Interests” to mean “a security (a) that is issued by a trust, limited liability company, or other similar entity (the ‘Fund’) that holds (1) specified commodities and/or digital assets deposited with the Fund, or (2) specified commodities and/or digital assets and, in addition to such specified commodities and/or digital assets, derivative securities products⁸ deposited with the Fund and/or cash; (b) that is issued by such Fund in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity(ies), digital asset(s), derivative securities products, and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Fund which will deliver to the redeeming holder the quantity of the underlying commodity(ies), digital asset(s), derivative securities products, and/or cash.”⁹

Proposed Nasdaq Rule 5712(c)(2) states that “commodity,” for purposes of this rule, “means commodities as defined in Section 1a(9) of the Commodity Exchange Act.”¹⁰ Proposed Nasdaq Rule 5712(c)(3) defines the term “digital asset,” for purposes of this rule, to mean “any digital representation of value recorded on a cryptographically secured, distributed ledger (*i.e.*, blockchain) or similar technology.”¹¹

Proposed Nasdaq Rule 5712 sets forth certain listing requirements specific to Commodity- and/or Digital Asset-Based Investment Interests, as described in more detail in the Notice and Exhibit 5

thereto.¹² Among other things, proposed Nasdaq Rule 5712(e)(1)(ii) would provide that there shall be no limitation on the percentage of a Fund’s portfolio that may be invested in commodity and/or digital asset holdings, “except that, in the aggregate, at least 90% of the weight of such holdings shall, on both an initial and continuing basis, consist of commodities and/or digital assets concerning which the Exchange is able to obtain information via the Intermarket Surveillance Group (‘ISG’) from other members of the ISG or via a comprehensive surveillance sharing agreement.”¹³

The Exchange also proposes to amend Nasdaq Rule 5615(a)(6)(B) (Exemptions from Certain Corporate Governance Requirements) to include Commodity- and/or Digital Asset-Based Investment Interests in the definition of “Derivative Securities,” the issuers of which are exempt from certain enumerated corporate governance requirements.¹⁴ In addition, the Exchange proposes to amend its existing trading halt rules related to exchange-traded products (“ETPs”) to add references to Commodity- and/or Digital Asset-Based Investment Interests to make clear that such products will be subject to those rules.¹⁵

¹² See Notice, *supra* note 3. See also Exhibit 5 to the proposed rule change, available at <https://www.sec.gov/files/rules/sro/nasdaq/2025/34-102513-ex5.pdf>.

¹³ See Notice at 11564.

¹⁴ See *id.* at 11565. Nasdaq Rule 5615(a)(6)(A) provides that for issuers whose only securities listed on Nasdaq are non-voting preferred securities, debt securities, or Derivative Securities, such issuers are exempt from the requirements relating to independent directors (Nasdaq Rule 5605(b)), compensation committees (Nasdaq Rule 5605(d)), director nominations (Nasdaq Rule 5605(e)), codes of conduct (Nasdaq Rule 5610), and meetings of shareholders (Nasdaq Rule 5620(a)). In addition, these issuers are exempt from the requirements relating to audit committees (Nasdaq Rule 5605(c)), except for the applicable requirements of Exchange Act Rule 10A–3. If, on the other hand, the issuer lists on Nasdaq its common stock or voting preferred stock, or their equivalent, it will be subject to all the requirements of the Nasdaq 5600 Rule Series. See Nasdaq Rule 5615(a)(6)(A).

¹⁵ See Notice at 11565. Specifically, the Exchange proposes to (i) amend Equity 4, Nasdaq Rule 4120(a)(9) to add Commodity- and/or Digital Asset-Based Investment Interests to the list of ETPs for which the Exchange may halt trading under certain circumstances and (ii) amend Equity 4, Nasdaq Rule 4120(b)(4)(A) to add Commodity- and/or Digital Asset Based Investment Interests to the definition of “Derivative Securities Product” to make clear that this product type will be subject to the Exchange’s authority to halt Derivative Securities Products pursuant to Nasdaq Rule 4120(a)(10) if the net asset value (“NAV”) is not being disseminated to all market participants at the same time. See *id.*

B. Hashdex Nasdaq Crypto Index US ETF

As described in more detail in the Notice,¹⁶ the Exchange also proposes to list and trade Shares of the Trust under proposed Nasdaq Rule 5712.¹⁷

According to the Exchange, the investment objective of the Trust will be to ensure that the daily changes in the NAV of the Shares correspond to the daily changes in the price of the Nasdaq Crypto Settlement Price Index (“Index”),¹⁸ less expenses and liabilities of the Trust, by investing in the digital asset constituents of the Index (“Index Constituents”).¹⁹ The assets of the Trust will consist of the Index Constituents, cash, and cash equivalents.²⁰ The weighting of each Index Constituent in

¹⁶ See *supra* note 3.

¹⁷ The Commission previously approved the listing and trading of the Shares of the Trust under Nasdaq Rule 5711(d) (Commodity-Based Trust Shares) on December 19, 2024. See Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF and Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Franklin Crypto Index ETF, a Series of the Franklin Crypto Trust, Securities Exchange Act Release No. 101998 (Dec. 19, 2024), 89 FR 106707 (Dec. 30, 2024) (SR–NASDAQ–2024–028; SR–CboeBZX–2024–091). See also Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF Under Nasdaq Rule 5711(d), Securities Exchange Act Release No. 101218 (Sept. 30, 2024), 89 FR 80970 (Oct. 4, 2024) (SR–NASDAQ–2024–028) (“Amendment No. 1”); and Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Update Certain Representations Relating to Service Providers and Basket Size of the Hashdex Nasdaq Crypto Index US ETF, Securities Exchange Act Release No. 102309 (Jan. 29, 2025), 90 FR 8961 (Feb. 4, 2025) (SR–NASDAQ–2025–006) (updating certain representations made in Amendment No. 1 and, together with Amendment No. 1, the “Original Trust Filing”). The Exchange states that the current filing amends representations regarding the investment objective and strategy of the Trust made in the Original Trust Filing and proposes to list and trade the Shares under proposed Nasdaq Rule 5712 instead of Nasdaq Rule 5711(d). The Exchange states that the Original Trust Filing will remain in effect until this proposal is approved by the Commission, at which time the Exchange would transfer the Trust from its current listing under Nasdaq Rule 5711(d) to a new listing under proposed Nasdaq Rule 5712, and the Trust would implement its amended investment strategy as described in this filing upon such approval. See Notice at 11563.

¹⁸ The Index, which is designed to measure the performance of a portion of the overall crypto asset market, is owned and administered by Nasdaq, Inc. and is calculated by CF Benchmarks Limited. See *id.* at 11567.

¹⁹ See *id.* at 11566. The Trust is managed and controlled by the Hashdex Asset Management Ltd. (“Sponsor”) and administered by U.S. Bancorp Fund Services, LLC (“Administrator”). Coinbase Custody Trust Company, LLC and BitGo Trust Company, Inc. will be responsible for the custody of the Trust’s digital assets. See *id.* at 11565–66.

²⁰ See *id.* at 11571.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See *supra* note 3.

⁸ The Exchange defines “derivative securities products” as securities that meet the definition of “derivative securities product” in Rule 19b–4(e) under the Act. See Notice at 11564.

⁹ See *id.*

¹⁰ See *id.*

¹¹ See *id.*

the Trust’s portfolio is generally expected to match the weighting of the Index Constituents in the Index,²¹ except when the Sponsor determines to exclude or limit the weight of one or more digital assets from the Trust’s portfolio in certain rules-based circumstances, in which case the weightings of the digital assets held by the Trust are generally expected to be calculated proportionally to the respective Index Constituents for the remaining Index Constituents.²² As of the date of the filing, the Index Components and their weightings were as follows:²³

Constituents	Weight (%)
Bitcoin (BTC)	72.70
Ether (ETH)	14.48
Solana (SOL)	4.78
XRP Ledger (XRP)	5.02
Cardano (ADA)	1.50
Chainlink (LINK)	0.51
Avalanche (AVAX)	0.37
Litecoin (LTC)	0.37
Uniswap (UNI)	0.27

For purposes of calculating NAV, the Administrator will value the digital assets held by the Trust based on the settlement price of each Index Constituent (“Index Constituent Settlement Price”),²⁴ unless the Index Constituent Settlement Price is not available or the Administrator determines that the Index Constituent Settlement Price is unreliable.²⁵ The Trust will issue and redeem Shares in cash with authorized participants on a continuous basis in one or more “Baskets” of 10,000 Shares.²⁶

III. Proceedings To Determine Whether To Approve or Disapprove SR–NASDAQ–2025–016 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act²⁷ to determine whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. Institution

²¹ According to the Exchange, crypto assets are eligible for inclusion in the Index if they satisfy the criteria set forth under the Nasdaq Crypto Index methodology, and the Index Constituents are weighted according to their relative free float market capitalizations. The Index adjusts its constituents and weightings on a quarterly basis to reflect changes in the crypto asset markets. *See id.* at 11567.

²² *See id.* at 11566.

²³ *See id.*

²⁴ For additional details regarding the calculation of the Index Constituent Settlement Prices, *see* Notice at 11568.

²⁵ *See id.* at 11571.

²⁶ *See id.* at 11569–70.

²⁷ 15 U.S.C. 78s(b)(2)(B).

of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,²⁸ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposed rule change’s consistency with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be “designed to prevent fraudulent and manipulative acts and practices” and “to protect investors and the public interest.”²⁹

The Commission asks that commenters address the sufficiency of the Exchange’s statements in support of the proposal, which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, with respect to the proposal to allow the listing and trading of Commodity- and/or Digital Asset-Based Investment Interests on the Exchange, the Commission seeks comment on whether the requirements and associated definitions set forth in proposed Nasdaq Rule 5712 are sufficiently clear. The Commission also seeks comment on whether the proposal to list and trade Shares of the Trust, which would hold BTC, ETH, SOL, XRP, ADA, LINK, AVAX, LTC, and UNI, and potentially other commodities, digital assets, and/or derivative securities products, is designed to prevent fraudulent and manipulative acts and practices or raises any new or novel concerns not previously contemplated by the Commission.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal, as modified by Amendment No. 1, is consistent with Section 6(b)(5) or any other provision of the Act, and

²⁸ *Id.*

²⁹ 15 U.S.C. 78f(b)(5).

the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation.³⁰

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved by July 1, 2025. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by July 15, 2025.

Comments may be submitted by any of the following methods:

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. Please include file number SR–NASDAQ–2025–016 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–NASDAQ–2025–016. 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

³⁰ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. *See* Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

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–NASDAQ–2025–016 and should be submitted on or before July 1, 2025. Rebuttal comments should be submitted by July 15, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³¹

Stephanie Fouse,

Assistant Secretary.

[FR Doc. 2025–10442 Filed 6–9–25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103192; File No. SR–LCH SA–2025–003]

Self-Regulatory Organizations; LCH SA; Order Granting Approval of Proposed Rule Change Relating to Revisions to Its Liquidity Risk Modelling Framework

June 4, 2025.

I. Introduction

On April 14, 2025, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), filed with the Securities and Exchange Commission (“Commission” or “SEC”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”) ¹ and Rule 19b–4 thereunder, ² a proposed rule change (the “Proposed Rule Change”) to amend its Liquidity Risk Modelling Framework (the “Framework”), which describes the Liquidity Stress Testing framework that the Collateral and Liquidity Risk Management department (“CaLM”) of LCH SA uses to ensure that LCH SA has enough cash available to meet any financial obligations, both expected and unexpected, that may arise over the liquidation period for each of the clearing services that LCH SA offers. The Proposed Rule Change was published for comment in the

Federal Register on April 22, 2025.³ The Commission has not received any comments on the Proposed Rule Change. For the reasons discussed below, the Commission is approving the Proposed Rule Change.

II. Description of the Proposed Rule Change

LCH SA is a clearing agency that clears, among other things, credit-default swaps (“CDS”).⁴ LCH SA is registered with the Commission for clearing CDS that are security-based swaps and with the Commodity Futures Trading Commission for clearing CDS that are swaps. As part of its clearing business, LCH SA maintains cash and other liquid financial resources to meet its financial obligations. The Framework and other procedures describe how LCH SA maintains these resources and manages its liquidity risk, meaning the risk that LCH SA will not have enough liquid financial resources to meet its financial obligations.⁵

LCH SA is proposing to (i) enhance details about how LCH SA models for the liquidity needs arising from the daily settlement process in its RepoClear service related to the auto-collateralization feature in its Framework; (ii) amend how LCH SA accounts for non-defaulting members’ excess collateral in the calculation of the Standalone Operational Target and Liquidity Coverage Ratio (“LCR”) in the Framework; (iii) quantify LCH SA’s liquidity needs arising from clearing members replacing liquid resources with non-liquid resources for liquidity needs modelling; (iv) clarify how LCH SA accounts for clearing members switching their respective pledging arrangement for collateral included in LCH SA’s Standalone Operational Target; (v) add descriptions of assumptions that LCH SA makes when conducting one of its reverse stress tests; (vi) clarify descriptions of LCH SA’s sources of liquidity; and (vii) make other non-substantive changes to correct errors and outdated information for the purposes of conformity. These changes are discussed below according to the

³ Securities Exchange Act Release No. 102875 (April 16, 2025), 90 FR 16903 (April 22, 2025) (File No. SR–LCH SA–2025–003) (“Notice”).

⁴ Capitalized terms used but not defined herein have the meanings specified in the LCH SA Rule Book or Framework as applicable.

⁵ LCH SA also manages its liquidity risk pursuant to, among other policies and procedures, the Group Liquidity Risk Policy and the Group Liquidity Plan. These policies apply to LCH SA as a subsidiary of LCH Group and an indirect subsidiary of the London Stock Exchange Group plc. See Securities Exchange Act Release No. 100470 (July 9, 2024), 89 FR 57467 (July 15, 2024) (File No. SR–LCH SA–2023–007).

sections of the Framework where they are found.

A. Section 1 Changes

Section 1 describes the scope, purpose, and use of the Framework.

In subsections 1.6.1, 1.6.1.1, and 1.6.1.3, LCH SA is updating outdated information and references to make the Framework more accurate and better align the Framework with LCH SA’s Liquidity Plan.⁶ For example, in subsection 1.6.1, LCH SA is removing references to financial facilities that are no longer in place and historical references that are outdated and no longer applicable. Specifically, LCH SA is removing a reference to its use of cross-currency bilateral repo contracts because LCH SA no longer uses bilateral repos for such transactions (it uses triparty repos instead). Similarly, LCH SA is deleting reference to a multicurrency overdraft facility and an intraday credit line, because LCH SA no longer maintains those facilities. Instead, LCH SA maintains an uncommitted overdraft facility only. LCH SA is also replacing reference to “FX spot market transaction” with “FX operation” because the revised description more accurately reflects the process. Finally, in subsection 1.6.1.1, LCH SA is deleting reference to an operational process having been tested in 2016, because LCH SA tests the process every year.

Subsection 1.6.1.3 contains a table that summarizes LCH SA’s potential sources for liquidity resources. These sources generally are cash, non-cash collateral from clearing members, and collateral that CaLM obtains through its investment activities. In this table, LCH SA is updating the description of some of these sources to clarify whether LCH SA includes these sources when quantifying its total liquid resources.⁷ LCH SA is amending the table to align with the changes made overall, as well as to remove references to facilities that are no longer in place. For example, LCH SA is removing reference to the Norges bank secured committed facility, because that facility is no longer in place. Instead of the Norges bank secured committed facility, going forward LCH SA will have access to an uncommitted credit line with an international bank to cover overdrafts up to €10mm. Accordingly, in the part of the table describing this source of

⁶ As noted, LCH SA also uses the Group Liquidity Plan to manage its liquidity risk.

⁷ The Framework describes LCH SA’s liquidity in terms of sources and needs. To model its overall liquidity, LCH SA quantifies its liquidity resources and its liquidity needs.

³¹ 17 CFR 200.30–3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.