

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102211; File No. SR-MRX-2025-01]

### Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish Fees for Industry Members Related to Reasonably Budgeted CAT Costs of the National Market System Plan Governing the Consolidated Audit Trail for 2025

January 16, 2025.

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 January 2, 2025, Nasdaq MRX, LLC (“MRX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. The Exchange has designated this proposal for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f) thereunder.<sup>4</sup> 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 a rule change to establish fees for Industry Members<sup>5</sup>

related to reasonably budgeted CAT costs of the National Market System Plan Governing the Consolidated Audit Trail for 2025.

The proposed rule change, including the Exchange’s statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings>, at the principal office of the Exchange, and on the Commission’s website at [https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-MRX-2025-01](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-MRX-2025-01).

#### II. 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.<sup>6</sup> Comments may be submitted electronically by using the Commission’s internet comment form ([https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-MRX-2025-01](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-MRX-2025-01)) or by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-MRX-2025-01 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-MRX-2025-01. 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/self-regulatory-organization-rulemaking/national-securities-exchanges?file\\_number=SR-MRX-2025-01](https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-MRX-2025-01)). Do not include personal identifiable information in submissions; you should submit only information

used in this rule filing are defined as set forth in the CAT NMS Plan and/or the CAT Compliance Rule. Nasdaq MRX Rule General 7 (Consolidated Audit Trail Compliance).

<sup>6</sup> 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 SRO.

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-MRX-2025-01 and should be submitted on or before February 13, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Sherry R. Haywood,**

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102217; File No. SR-LCH SA-2024-005]

### Self-Regulatory Organizations; LCH SA; Order Granting Approval of Proposed Rule Change by LCH SA Relating to Dealer Status

January 16, 2025.

#### I. Introduction

On November 21, 2024, 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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (the “Proposed Rule Change”) to amend its CDS Clearing Rule Book (“Rule Book”) and CDS Clearing Procedures (“Procedures”) (collectively “CDS Clearing Rules”) to accept transactions entered into by affiliates of a Clearing Member (“CDS Dealers”) registered in the name of the Clearing Member, as well as various technical amendments. The Proposed Rule Change was published for comment in the **Federal Register** on December 6, 2024.<sup>3</sup> 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 registered with the Commission.

<sup>7</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.

<sup>3</sup> Securities Exchange Act Release No. 101790 (Dec. 2, 2024), 89 FR 97142 (Dec. 6, 2024) (File No. SR-LCH SA-2024-005) (“Notice”).

<sup>7</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.

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

<sup>4</sup> 17 CFR 240.19b-4(f). 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

<sup>5</sup> An “Industry Member” is defined as “a member of a national securities exchange or a member of a national securities association.” See Nasdaq Rule General 7(u) (MRX General 7 incorporates The Nasdaq Stock Market LLC Rule General 7 by reference); See also Section 1.1 of the CAT NMS Plan. Unless otherwise specified, capitalized terms

Through its CDSClear business unit, LCH SA provides central counterparty services for security-based swaps, including credit default swaps and options on credit default swaps. LCH SA is an affiliate of LCH Ltd, through common ownership by LCH Group.<sup>4</sup> LCH SA's ultimate parent company is London Stock Exchange Group ("LSEG").<sup>5</sup>

Currently, LCH SA's Clearing Members<sup>6</sup> may submit transactions to LCH SA for clearing for their own account (*i.e.*, House transactions). Clearing Members may submit House transactions using an Approved Trade Source System ("ATSS").<sup>7</sup> An ATSS is an entity, such as a trading venue, that allows Clearing Members to agree to transactions and submit those transactions for clearing at LCH SA.

Clearing Members currently submit these House transactions directly to LCH SA through an ATSS. Under the Proposed Rule Change, Affiliates of Clearing Members, under certain conditions, could submit transactions through an ATSS for clearing at LCH SA on behalf of their affiliated Clearing Members, as House transactions of those Clearing Members.

LCH SA thus proposes adding a new source of proprietary trades for Clearing Members, as submitted by their affiliates. The proposed updates comprise two categories. The first category would make changes to the Rule Book and Procedures to allow these Affiliates to submit House transactions on behalf of Clearing Members. LCH SA would do so by onboarding these Affiliates into a new category of participant known as CDS Dealer. The second category includes other miscellaneous changes.

#### A. Dealer Status

##### Proposed Changes to the Rule Book

In the Rule Book, the proposed changes first would amend an existing provision to allow LCH SA to onboard Affiliates of CDS Dealers. As explained

<sup>4</sup> LCH SA, Comprehensive Disclosure As required by SEC Rule 17Ad-22(e)(23), Section 3.2, available at [https://www.lch.com/system/files/media\\_root/LCH%20SA%20Comprehensive%20Disclosure%20Covered%20Clearing%20Agency%20standards%20-%20SEC%20-%202020\\_Final%20version.pdf#:~:text=LCH%20SA%20provides%2C%20on%20its%20website%2C%20a%20comprehensive,elements%20required%20by%20regulation%20EU%20N%20C2%20B0%20575%202F2013%20%28CRR%29](https://www.lch.com/system/files/media_root/LCH%20SA%20Comprehensive%20Disclosure%20Covered%20Clearing%20Agency%20standards%20-%20SEC%20-%202020_Final%20version.pdf#:~:text=LCH%20SA%20provides%2C%20on%20its%20website%2C%20a%20comprehensive,elements%20required%20by%20regulation%20EU%20N%20C2%20B0%20575%202F2013%20%28CRR%29).

<sup>5</sup> *Id.*

<sup>6</sup> Capitalized terms not otherwise defined herein have the meanings assigned to them in the LCH SA CDS Clearing Rule Book or CDS Clearing Procedures, as applicable.

<sup>7</sup> LCH SA CDS Clearing Rule Book, Article 3.1.2.2 and Article 3.1.4.1.

below, a Clearing Member that is a CCM<sup>8</sup> would be allowed to onboard an Affiliate as a CDS Dealer, subject to certain conditions. Current Article 5.1.1.1 provides that, pursuant to EMIR, an Affiliate of a CCM shall be treated as a CCM Client. The Proposed Rule Change would remove this sentence requiring an Affiliate of a CCM to be treated as a CCM Client from Article 5.1.1.1 and instead specify that a CCM Client may include an Affiliate of a CCM. This change would allow LCH SA to onboard an Affiliate of a CCM as a CDS Dealer, instead of as a CCM Client only.

The proposed changes also set out certain requirements for the relationship between a Clearing Member and its Affiliate registered as a CDS Dealer. Specifically, under new Article 2.5.1.1, a CDS Dealer may only submit transactions to LCH SA for a Clearing Member with which the CDS Dealer has entered into a CDS Dealer Clearing Agreement. The proposed changes also modify existing Article 2.3.1.1 to require that each Clearing Member notify LCH SA of any material breach of CDS Clearing Documentation by any CDS Dealer with which the Clearing Member has entered into a CDS Dealer Clearing Agreement. The proposed changes also amend Article 2.3.1.5 (ii) to clarify that Clearing Members will not be in breach of any obligation to provide information to LCH SA if they are prevented by the refusal of a CDS Dealer to provide the information. Finally, the proposed changes would amend Article 4.2.7.2 to authorize Clearing Members to provide Markit LCH Settlement Prices to CDS Dealers.

The proposed changes add a new Chapter 5 in Title II of the Rule Book to explain how a CDS Dealer presents Original Transactions to LCH SA for clearing, novation, and registration in the name of an affiliate Clearing Member. As noted, under new Article 2.5.1.1, a CDS Dealer may only submit transactions to LCH SA for a Clearing Member with which the CDS Dealer has entered into a CDS Dealer Clearing Agreement. Moreover, a CDS Dealer must be admitted by LCH SA into the Register of CDS Dealers, and as explained in new Article 2.5.1.2, an applicant for admission into the Register must satisfy the criteria in Section 1 of the Procedures. The proposed changes state that a CDS Dealer is bound by CDS Clearing Documentation once admitted

<sup>8</sup> The Rule Book defines a CCM as any legal entity admitted as a Clearing Member in accordance with the CDS Clearing Rules at LCH SA and a party to the CDS Admission Agreement, including General Members and Select Members. LCH SA CDS Clearing Rule Book Chapter 1 Article 1.1.1.

to the Register of Dealers. The proposed changes in new Chapter 5 also reference Section 1 of the Procedures, specifying the conditions for admission as a CDS Dealer. The proposed changes specify that LCH SA may suspend or remove a CDS Dealer and the CDS Dealer remains bound by its obligations under the CDS Clearing Documentation and the CDS Dealer Clearing Agreement. The proposed changes also automatically suspend a CDS Dealer if the affiliate Clearing Member is suspended.

With respect to the novation of trades submitted by a CDS Dealer, the proposed changes amend Articles 3.1.6.1(iii) and (iv) to state that a Clearing Member in a CDS Dealer Clearing Agreement with a CDS Dealer will be party to any trade novated from an Original Transaction presented by that CDS Dealer for clearing. The proposed changes replace "Clearing Member concerned" with "Clearing Member in whose Trade Accounts such Cleared Transactions are registered" in Article 3.1.6.7.

In addition to these amendments, the proposed changes add new defined terms, and modify existing defined terms, regarding CDS Dealers. For example, the proposed changes add the term "CDS Dealer" to mean a Person admitted by LCH SA to the Register of CDS Dealers and who has not been removed from the Register of CDS Dealers and is not a Clearing Member. The proposed changes also add the term "Register of CDS Dealers" to refer to LCH SA's list of CDS Dealers eligible to submit transactions for clearing. The proposed changes add the term "CDS Dealer Clearing Agreement" to describe the written agreement a CDS Dealer must execute with LCH SA and a CCM. The proposed changes add a reference to a CDS Dealer in the term "ATSS Participant," add the term "CDS Dealer" to the terms "Clearing Notice," "House Trade Leg," "Index Swaption Clearing Service," and "Procedures," and amends the term "CCM Client" to exclude CDS Dealers. The proposed changes also amend the term "House Trade Account" to include Cleared Transactions resulting from the novation of Original Transactions presented by a CDS Dealer.

Finally, the proposed changes modify existing provisions of the Rule Book to include the term CDS Dealer. For example, the proposed changes specify in Article 1.2.4.1 that LCH SA can waive the time fixed by the CDS Clearing Documentation for actions by a CDS Dealer, as it can for actions by a Clearing Member. Similarly, the proposed changes ensure that CDS Dealers are covered by the Rule Book by adding

references to the term CDS Dealer to the following provisions: Articles 1.2.5.1 (communicating with Clearing Members), 1.2.13.1 and 1.2.13.4 (disclosures on handling personal data of individuals disclosed to LCH SA), 1.2.13.5 (consent to phone recording), 2.2.7.7 (relationship with ATTS); 3.1.6.6 (disclaimer of warranty for use of ATSS), 3.1.6.4 (stipulating no credit event notice occurs before novation), 3.1.10.1 and 3.1.10.2 (removal of Backloading Transactions and Intraday Transactions from the TIW), 3.1.9.1 (notice of Loss Distribution post-default); 4.3.2.3 (suspension of trading privileges following a Clearing Member default); and Section 1.2.10 (liability of Clearing Members and CDS Dealers to LCH SA and disclaimer of liability by LCH SA). The proposed changes also add the term “CDS Dealer” to ensure that CDS Dealers are among the entities notified by LCH SA of an Early Termination Trigger Date in Article 3.1.9.4 and remove a reference to “Clearing Members” at the end of the same article to broaden the scope of trade submitters to include CDS Dealers.

#### Proposed Changes to CDS Clearing Procedures

The proposed changes amend Section 1, Section 4, and Section 5 of LCH SA’s CDS Clearing Procedures (the “Procedures”).

In Section 1 of the Procedures, the proposed changes establish the application procedure for an Affiliate applying to become a CDS Dealer. The proposed changes first rename the title of Section 1 from “Membership” to “Clearing Member and CDS Dealer Status,” to clarify that the section relates to Clearing Members and CDS Dealers, not just Clearing Members. Similarly, the proposed changes amend Paragraph 1.1 to indicate that it relates to the application procedures for Clearing Member status to distinguish it from the new application procedure for CDS Dealer status, which will be found in Paragraph 1.2. Finally, the proposed changes add references to the status of Clearing Member in 1.1 and deletes the reference to Regulatory Body in Paragraph 1.1(d)(iii).

The proposed changes add a new paragraph 1.2 for the application procedure for CDS Dealer Status. Under new Paragraph 1.2(a), an application for CDS Dealer status must be made in such form and fashion as prescribed by LCH SA from time to time and may be obtained from LCH SA’s CDSClear Business Development & Relationship Management team. Moreover, Applicants approved by LCH SA for the CDS Dealer status must, within six

months of notification of their approval, fulfil all conditions attached to their approval.<sup>9</sup> Paragraph 1.2(b) describes the actions LCH SA can take as part of its due diligence and review process, including making inquiries about the nature of an applicant and asking an applicant to supply additional information.<sup>10</sup> The proposed changes also set out in Paragraph 1.2(c) several criteria a CDS Dealer applicant must satisfy to be considered for admission: be validly incorporated and existing under the laws of its jurisdiction of incorporation in good standing; execute, maintain, and comply with a CDS Dealer Clearing Agreement; accept and comply with the CDS Clearing Documentation by executing the CDS Dealer Clearing Agreement; comply with all Applicable Law relating to its status as CDS Dealer and the performance of obligations from the CDS Clearing Documentation; pay all required fees and amounts in accordance with CDS Clearing Documentation and/or CDS Dealer Clearing Agreement; be an ATSS Participant for submitting Original Transactions; if the applicant specifies branches, require those branches to be the same legal entity as the CDS Dealer; and have a clearing arrangement governing the submission of Original Transactions in place with a Clearing Member within the CDS Dealer’s Financial Group, such as a give-up agreement or agency agreement.

Finally, the proposed changes also clarify the scope of Paragraph 1.3 by adding a reference to the clearing membership, excluding CDS Dealer status.

In Section 4 of the Procedures, the proposed changes amend Paragraph 4.1(c), which specifies certain criteria that a transaction submitted to LCH SA for clearing must satisfy. Among other things, the Clearing Member submitting the transaction must not be suspended, and LCH SA must be permitted to clear the transaction pursuant to Applicable Law. The proposed changes specify that these Eligibility Requirements for the Clearing Member to submit an Original Transaction also apply to a Clearing Member whose CDS Dealers and/or Clients submit Original Transactions, with certain modifications. Specifically,

<sup>9</sup>This provision is similar to existing paragraph 1.1(f), which allows LCH SA to impose limitations on an Applicant for Clearing Member status and requires a Clearing Member to begin operations within six months after LCH SA approves its application.

<sup>10</sup>Such inquiries are nearly identical to the authority LCH SA has in conducting inquiries on Clearing Member applicants and could include obtaining information from third parties.

the proposed changes (i) add new criteria pursuant to which a CDS Dealer presenting an Original Transaction shall not be suspended or removed from the Register of CDS Dealers and (ii) require that LCH SA shall be permitted to clear such Original Transaction, including when a CDS Dealer is presenting the transaction.

The proposed changes modify Paragraphs 4.2(f)(ii), 4.3(e)(ii), and 4.4(e)(ii). These provisions currently provide that a Clearing Member may submit a transaction to LCH SA for clearing, even where the transaction does not meet the Eligibility Requirements discussed above, if the transaction is a risk reducing transaction. The proposed changes also add that CDS Dealers and Clients will also be able to submit such risk-reducing transactions in those same circumstances.

Finally, the proposed changes amend Section 5 of the Procedures, which relates to the operations of LCH SA’s CDS Clearing services. Paragraph 5.13 currently allows a Clearing Member to reverse a cleared transaction in certain circumstances. The proposed changes add that a Clearing Member may also reverse a transaction submitted on its behalf by a CDS Dealer, in the same circumstances as a transaction submitted directly by the Clearing Member.

#### B. Technical Amendments

LCH SA also proposes several minor formatting changes, typographical corrections, and updates to internal cross references. For example, in the Rule Book, the proposed changes modify the defined term “Trading Venue Transaction” by replacing “[w]ith respect of a Clearing Member” to “[w]ith respect to a Clearing Member.” The proposed changes correct other typos and extraneous spaces in Articles 2.2.3.1, 2.2.1.1(iv), 2.2.2.1(iv), 2.4.1.1, 4.2.7.7., 5.1.1.3(xviii), the second paragraph of Article 5.3.3.2 and Articles 5.3.5.1, 5.3.5.2, 5.3.5.4 and 6.1.1.3(xvi). Similarly, the proposed changes replace references to a “person” with the defined term “Person” in Article 1.0.1.2, Section 1.1.1, Articles 1.2.12.1, 1.2.12.2, 2.1.1.2, 4.2.7.5, 6.1.1.2, and the Annex of Appendix 1. The proposed changes also remove “CCM” before “House Cleared Transactions” in the term “CCM House Margin Account.”

In the Procedures Section 1, LCH proposes new numbering of subparagraphs of paragraphs 1.1 and new paragraph 1.2 and the use of the defined term “Person.” The proposed changes

also correct a typo in the reference to the “Access Agreement.”

In the Procedures Section 5, the proposed changes replace “LCH Website” with defined term “Website” in paragraphs 5.2(a)(iii), 5.5(a), 5.18.3, 5.18.4, 5.18.5(a), 5.6(a) and 5.8(a), and remove reference to the “CDSClear Margin And Product Flows Document” in Paragraph 5.16(a)(iii)(G)(1).

Finally, the proposed changes update references to certain laws applicable to LCH SA. Specifically, the proposed changes update the term “Data Protection Law” to the latest EU and French regulations. Similarly, the proposed changes add a new Article 1.1.3.10 to Section 1.1.3 to state that nothing in the CDS Clearing Documentation shall compel LCH SA to act in contravention of Applicable Law or other regulatory obligations.

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act requires the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the Proposed Rule Change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the organization.<sup>11</sup> Under the Commission’s Rules of Practice, the “burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization [‘SRO’] that proposed the rule change.”<sup>12</sup>

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,<sup>13</sup> and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the applicable rules and regulations.<sup>14</sup> Moreover, “unquestioning reliance” on an SRO’s representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.<sup>15</sup>

After carefully considering the Proposed Rule Change, the Commission

finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to LCH SA. More specifically, for the reasons given below, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(A) and (F) of the Act<sup>16</sup> and Rule 17Ad–22(e)(18)(i).<sup>17</sup>

#### A. Consistency With Section 17A(b)(3)(A) of the Act

Section 17A(b)(3)(A) of the Act requires, among other things, that LCH SA has the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements and has the capacity to be able to comply with the provisions of the Act and the rules and regulations thereunder.<sup>18</sup> Based on review of the record, and for the reasons discussed below, LCH SA’s changes are consistent with LCH SA having the capacity to facilitate prompt and accurate clearance and settlement of derivatives agreements and having the capacity to be able to comply with provisions of the Act and rules thereunder.

As described above, the proposed changes allow affiliates of Clearing Members to submit trades on behalf of those Clearing Members after being admitted as CDS Dealers. Having more trade sources available to a Clearing Member can help facilitate clearing where a Clearing Member wants to clear house trades from an affiliate without having to go through a client onboarding process. Expanding trade sources for Clearing Members will also facilitate clearing by providing Clearing Members with additional options for conducting house business as well as managing risk offsets for customer business. The proposed changes also require a potential CDS Dealer to go through a formal application process and secure documentation formalizing the relationship between the Affiliate, Clearing Member, and LCH SA. This formalized application process should help facilitate accurate clearance and settlement by ensuring that only qualified CDS Dealers are approved. The proposed changes also add flexibility for more efficient access to cleared markets, which could help encourage and facilitate clearing. Additionally, Clearing Members accepting House trades from an Affiliate may also benefit from more efficient margin by having all

trades for the same financial group in a single margin account which would also facilitate prompt and accurate clearance and settlement.

Based on the foregoing, the Proposed Rule Change is consistent with the requirements of Sections 17A(b)(3)(A) of the Act.<sup>19</sup>

#### B. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that LCH SA’s rules be designed to promote the prompt and accurate clearance and settlement of securities transactions, and, to the extent applicable, derivatives agreements, and foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.<sup>20</sup> Based on review of the record, and for the reasons discussed below, LCH SA’s changes are consistent with LCH SA having rules designed to promote the prompt and accurate clearance and settlement of securities transactions and derivatives agreements and fostering cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

As discussed above, the proposed change would allow an Affiliate of a Clearing Member to submit House transactions on behalf of that Clearing Member. By allowing more trade origination sources, the Proposed Rule Change helps facilitate prompt and accurate clearance of security-based swaps. Having more trade sources for a Clearing Member could lead to more trades being cleared. Moreover, the Proposed Rule Change helps foster cooperation and coordination between CDS Dealers and Clearing Members because a Clearing Member may want to consolidate risk with an Affiliate or allow the Affiliate to handle some trading or risk offsetting strategies for a common margin account for a financial group. The Proposed Rule Change also fosters cooperation between CDS Dealers and customers by allowing CDS Dealers to submit for clearing on behalf of their affiliated Clearing Members transactions where the counterparties are Clients of another Clearing Member. This may foster cooperation and promote clearance of transactions, given that some customers may choose to enter into transactions with CDS Dealers instead of a Clearing Member directly.

Based on the foregoing, the Proposed Rule Change is consistent with the

<sup>11</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>12</sup> Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Susquehanna Int’l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

<sup>16</sup> 15 U.S.C. 78q–1(b)(3)(A) and 15 U.S.C. 78q–1(b)(3)(F).

<sup>17</sup> 17 CFR 240.17Ad–22(e)(18)(i).

<sup>18</sup> 15 U.S.C. 78q–1(b)(3)(A).

<sup>19</sup> *Id.*

<sup>20</sup> 15 U.S.C. 78q–1(b)(3)(F).

requirements of Sections 17A(b)(3)(F) of the Act.<sup>21</sup>

*C. Consistency With Rule 17Ad-22(e)(18)(i) Under the Act*

Rule 17Ad-22(e)(18)(i) requires covered clearing agencies to, among other things, establish objective and publicly disclosed criteria for participation which permit fair and open access by indirect participants.<sup>22</sup>

The proposed changes will facilitate LCH SA's ability to permit fair and open access by indirect participants by applying the same public and objective membership standards to potential CDS Dealers as are applied to regular Clearing Members, and by creating a new category of CDS Dealer, which will allow eligible indirect participants to place trades as a CDS Dealer into an affiliate Clearing Member's house account.

Based on the foregoing, the Proposed Rule Change is consistent with the requirements of Rule 17Ad-22(e)(18)(i) under the Act.<sup>23</sup>

#### IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act, and in particular, Sections 17A(b)(3)(A) and (F) of the Act<sup>24</sup> and Rule 17Ad-22(e)(18)(i).<sup>25</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Act that the Proposed Rule Change (SR-LCH SA-2024-005) be, and hereby is, approved.<sup>26</sup>

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-01546 Filed 1-22-25; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102215; File Nos. SR-NYSE-2024-81, SR-NYSEAMER-2024-80, SR-NYSEARCA-2024-113, SR-NYSECHX-2024-37, SR-NYSEAT-2024-33]

#### Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE American LLC; NYSE Arca, Inc.; NYSE Chicago, Inc.; NYSE National, Inc.; Notice of Withdrawal of Proposed Rule Change To Amend the Connectivity Fee Schedule

January 16, 2025.

On December 17, 2024, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE Chicago, Inc., and NYSE National, Inc. (the "Exchanges") each filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend the connectivity fee schedule to add fees for connectivity from the Mahwah Data Center to one or more trading floors. The proposed rule changes were published for comment in the **Federal Register** on January 3, 2025.<sup>3</sup>

On December 31, 2024, the Exchanges withdrew the proposed rule changes (SR-NYSE-2024-81, SR-NYSEAMER-2024-80, SR-NYSEARCA-2024-113, SR-NYSECHX-2024-37, SR-NYSEAT-2024-33).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>4</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102239; File No. SR-CboeBZX-2025-004]

#### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 21.15(b) (Exchange Data Products) To Adopt Cboe Timestamping Service, Which Is a Market Data Service Comprised of Two Distinct Market Data Reports

January 17, 2025.

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 January 10, 2025, Cboe BZX Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Item I below, which Item has been substantially prepared by the Exchange. 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 Rule 21.15(b) (Exchange Data Products) to adopt the Cboe Timestamping Service, which is a market data service comprised of two distinct market data reports.<sup>3</sup> The Cboe Timestamping Service will provide timestamp information for orders, quotes and cancels for market participants. More specifically, the Cboe Timestamping Service reports will provide various timestamps relating to the message lifecycle throughout the exchange system. The first report—the Missed Liquidity Report—will cover order and quote messages and the second report—Cancels Report—will cover cancel messages. The proposed reports are optional products that will be available to all Members and Members may opt to choose both reports, one report, or neither report. Corresponding fees will be assessed based on the number of

<sup>21</sup> *Id.*

<sup>22</sup> 17 CFR 240.17Ad-22(e)(18)(i).

<sup>23</sup> *Id.*

<sup>24</sup> 15 U.S.C. 78q-1(b)(3)(A) and 15 U.S.C. 78q-1(b)(3)(F).

<sup>25</sup> 17 CFR 240.17Ad-22(e)(18)(i).

<sup>26</sup> In approving the Proposed Rule Change, the Commission considered the proposal's impacts on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>27</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.

<sup>3</sup> See Securities Exchange Act Release Nos. 102043 (December 27, 2024), 90 FR 351 (SR-NYSE-2024-81); 102042 (December 27, 2024), 90 FR 360 (SR-NYSEAMER-2024-80); 102041 (December 27, 2024), 90 FR 347 (SR-NYSEARCA-2024-113); 102040 (December 27, 2024), 90 FR 356 (SR-NYSECHX-2024-37); 102039 (December 27, 2024), 90 FR 342 (SR-NYSEAT-2024-33).

<sup>4</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.

<sup>3</sup> The Exchange previously submitted the proposed rule change on December 13, 2024 (SR-CboeBZX-2024-124). See Securities Exchange Act Release No. 102044 (December 27, 2024), 90 FR 342, (January 3, 2025) (SR-CboeBZX-2024-124). The Exchange is withdrawing SR-CboeBZX-2024-124 and submitting this filing to make clarifying, non-substantive changes to more clearly reflect the excluded trades in the Missed Liquidity Report, which the Exchange believes will avoid potential confusion.