

satisfy the tier and thus receive a discounted rate. The Exchange also believes notwithstanding the proposed change, RMPL/RMPT Tier 1 still attracts additional midpoint liquidity to the Exchange, resulting in increased price improvement opportunities for orders seeking an execution at the midpoint of the NBBO on the Exchange or elsewhere. The Exchange notes that routing through the Exchange is voluntary. The Exchange also believes that the proposed routing tier change is non-discriminatory because it applies uniformly to all members.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Particularly, the proposed rates and rebates would apply uniformly to all members, and members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing venues to maintain their competitive standing in the financial markets. Further, excessive fees would serve to impair an exchange's ability to compete for order flow and members rather than burdening competition. Moreover, the proposed fee changes are designed to incentivize liquidity, which the Exchange believes will benefit all market participants by encouraging a transparent and competitive market. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)

of the Act¹⁶ and paragraph (f) of Rule 19b-4 thereunder.¹⁷ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-CboeEDGA-2018-017 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-CboeEDGA-2018-017. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of this filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f).

cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeEDGA-2018-017 and should be submitted on or before December 12, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018-25340 Filed 11-20-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84602; File No. SR-LCH SA-2018-005]

Self-Regulatory Organizations; LCH SA; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, as Modified by Amendment No. 1, Relating to a New Fee Incentive Scheme

November 15, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 31, 2018, 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 prepared by LCH SA. On November 15, 2018, LCH SA filed Amendment No. 1 to the proposed rule change.³ LCH SA filed the proposal pursuant to Section 19(b)(3)(A) of the Act,⁴ and Rule 19b-4(f)(2)⁵ thereunder, so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change will introduce a new fee incentive scheme

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, LCH SA added to Item II an additional description of the proposed fees.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(2).

for CDSClear client clearing activities applicable from October 31st, 2018.

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

The purpose of the proposed rule change is for LCH SA to introduce and

specify a clearing fees incentive scheme for clients of CDSClear members, including volume based discounts, in order to encourage the growth of the CDSClear client clearing franchise.

Currently, CDSClear clearing members are charged a fee on their client clearing flows per EUR/USD million of gross notional cleared defined as follows:

VARIABLE FEE

Client Clearing (Per million gross notional cleared)					
EUR indices	EUR single names	Credit index options— EUR indices	US indices	US single names	Credit index option— US indices*
€4	€12	€20	\$5	\$17	[\$20]

* Subject to regulatory approval.

The proposed incentive scheme defines a fee rebate based on volumes in order to make it more attractive for new buy side clients to select CDSClear services and/or CDSClear existing clients to clear more by reducing the marginal cost of clearing past pre-defined volumes thresholds as detailed hereinafter and below in Exhibit 5.

1. QUARTERLY CREDIT INDEX OPTION THRESHOLDS

Notional cleared (quarterly)	Fees
From €0 to €2bn	Full published variable fees apply.
From over €2bn to €10bn.	20% discount on published variable fees (applicable only above €2bn).
Over €10bn	No further fees apply.

2. QUARTERLY CREDIT INDEX THRESHOLDS

Notional cleared (quarterly)	Fees
From €0 to €30bn	Full published variable fees apply.
Over €30bn	No further fees apply.

3. QUARTERLY CORPORATE SINGLE NAME THRESHOLDS

Notional cleared (quarterly)	Fees
From €0 to €4bn	Full published fees variable apply.
Over €4bn	No further fees apply.

The thresholds apply to quarterly notional cleared and the potential resulting rebate will be applied on the bill for the last month of the quarter.

The first quarterly notionals to be reviewed will be the Q4 2018 ones.

The proposed fee discount scheme will be effective until 31st December 2020.

Finally, the proposed incentive scheme will also exempt from clearing fees the registration of clients’ positions at CDSClear resulting from the transfer of such positions from another CCP.

2. Statutory Basis

Section 17A(b)(3)(D) of the Act requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges.⁶

LCH SA has determined that the proposed fees are reasonable and appropriate to charge to offer and maintain CDSClear client clearing services.

In particular, LCH SA believes that the volume-based discounts for CDSClear client clearing activities have been set up at an appropriate level given the costs and expenses to LCH SA in providing such services.

LCH SA believes that imposing such clearing fees is consistent with the requirements of Section 17A of the Act⁷ and the regulations thereunder applicable to it and in particular provides for the equitable allocation of reasonable fees, dues, and other charges among clearing members and market participants by ensuring that Members pay reasonable fees and dues for the

services provided by LCH SA, within the meaning of Section 17A(b)(3)(D) of the Act.

B. Clearing Agency’s Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.⁸ LCH SA does not believe that the proposed rule change would impose any burden on competition.

As noted above, LCH SA believes that the fees and related discounts have been set up at an appropriate level given the costs and expenses to LCH SA in offering and maintaining the relevant client clearing services.

Additionally, the fees and related discounts will apply equally to all clients of all clearing members of CDSClear.

Further, LCH SA does not believe that the proposed rule change would have a burden on competition because it does not adversely affect the ability of such Clearing Members or other market participants generally to engage in cleared transactions or to access clearing services.

C. Clearing Agency’s Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments relating to the proposed rule change have not been solicited or received. LCH SA will notify the Commission of any written comments received by LCH SA.

⁶ 15 U.S.C. 78q-1(b)(3)(D).

⁷ 15 U.S.C. 78q-1.

⁸ 15 U.S.C. 78q-1(b)(3)(I).

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

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)⁹ of the Act and Rule 19b-4(f)(2)¹⁰ thereunder because it establishes a fee or other charge imposed by LCH SA on its Clearing Members. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such proposed rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as modified by Amendment No. 1, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an email to rule-comments@sec.gov. Please include File Number SR-LCH SA-2018-005 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-LCH SA-2018-005. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public

Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of LCH SA and on LCH SA's website at <https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes-0>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LCH SA-2018-005 and should be submitted on or before December 12, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018-25342 Filed 11-20-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84601; File No. SR-CFE-2018-001]

Self-Regulatory Organizations; Cboe Futures Exchange, LLC; Notice of Filing of a Proposed Rule Change Regarding Minor Rule Violations

November 15, 2018.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 31, 2018 Cboe Futures Exchange, LLC ("CFE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission ("CFTC"). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act ("CEA")² on October 31, 2018.

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(7).

² 7 U.S.C. 7a-2(c).

I. Self-Regulatory Organization's Description of the Proposed Rule Change

The Exchange proposes to amend its rules regarding the processing of minor rule violations. The scope of this filing is limited solely to the application of the proposed rule amendments to security futures that may be traded on CFE. Although no security futures are currently listed for trading on CFE, CFE may list security futures for trading in the future. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

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

In its filing with the Commission, CFE 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. CFE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

CFE Rule 714 (Imposition of Fines for Minor Rule Violations) provides for the issuance of letters of caution or summary fines for specified types of minor CFE rule violations instead of addressing these violations through formal disciplinary proceedings. Each violation type under Rule 714 has a summary fine schedule that includes increasing monetary fines for subsequent violations by a party during a specified rolling time period and a referral of that party to the CFE Business Conduct Committee once that party has committed a certain number of violations within that rolling time period. The referral to the BCC is so that a panel of the BCC ("BCC Panel") may determine whether or not to authorize the issuance of a statement of charges against the party and proceed with a formal disciplinary proceeding with regard to the matter.

CFE is making amendments to Rule 714 in conjunction with other rule amendments being made by CFE to its disciplinary rules, including to Rule 714, that are not required to be submitted to the Commission pursuant

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).