

will not cause any unnecessary or inappropriate burden on intermarket competition, as the proposed incentive program applies uniformly to any purchaser of Historical Depth Reports.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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-4¹⁷ thereunder. 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.

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-CboeBYX-2024-038 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-CboeBYX-2024-038. 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-CboeBYX-2024-038 and should be submitted on or before November 25, 2024.

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

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-101469; File No. SR-LCH SA-2024-004]

Self-Regulatory Organizations; LCH SA; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Cash Spreads and Fees on Securities Collateral

October 29, 2024.

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 23, 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 ("Proposed Rule Change") described in Items I, II and III below, which Items have been

primarily prepared by LCH SA. LCH SA filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(2)⁴ 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 from interested persons.

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

LCH SA is proposing to amend the fees it charges clearing members for cash and securities collateral posted as initial margin for its clearing services including CDSClear (the "Proposed Rule Change").

The text of the Proposed Rule Change has been annexed as Exhibit 5 to File No. SR-LCH SA-2024-004.⁵ The implementation of the Proposed Rule Change will be contingent on LCH SA's receipt of all necessary regulatory approvals.

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

LCH SA currently applies a spread for clearing member cash collateral and charges fees on securities collateral posted to cover initial margin requirements for its CDSClear business. Cash collateral spreads are primarily based on underlying market conditions for a given currency and are subtracted from a reference index to determine a total rate to be applied to CDSClear house and client accounts. Securities collateral fees are primarily based on a combination of factors, including, but not limited to operational costs to manage a specific non-cash collateral type, the liquidation profile and

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ All capitalized terms not defined herein have the same definition as in the CDS Clearing Rule Book available at https://www.lch.com/system/files/media_root/CDSClear_Rule_Book_01.02.2024.pdf.

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f).

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

subsequent impact on LCH SA's liquidity coverage ratio of the securities collateral and commercial considerations such as competitive landscape. The securities collateral fees charged to clearing members varies based on the instrument type (e.g., government securities), whether the securities collateral is posted on behalf of the CDSClear house account or on behalf of CDSClear clients and the method of posting the collateral (i.e., full title transfer, pledge or tri-party).

The purpose of the Proposed Rule Change is for LCH SA to amend the cash spreads and securities collateral fees for margin collateral posted by clearing members.

i. Changes to Cash Collateral Spreads

LCH SA currently accepts euro, GBP and USD cash to satisfy initial margin requirements for its CDSClear business. Clearing members that post these eligible currencies as margin may receive interest on these balances based

on an associated benchmark index and cash collateral spreads applied by LCH SA. The total rate that clearing members and their clients may be eligible for is the difference between the value of the underlying benchmark index and the spreads applied by LCH SA. Interest earned on cash collateral is based on daily balances by account and posted monthly to clearing member accounts.

LCH SA currently applies the following cash collateral spreads for CDSClear house and client accounts:

Currency	Unsecured overnight index	Cash collateral fee/spread (bps)		
		All markets	CDSClear clients	Default funds
EUR	€STR	21.5	6.5	11.5
GBP	SONIA	35	20	
USD	FEDFUND	30	15	

LCH SA is proposing to decrease the cash collateral spread for EUR, GBP and USD by 2bps. Accordingly, LCH SA will apply a revised spread of 19.5bps, 33bps and 28bps for EUR, GBP and USD cash collateral balances, respectively, posted for initial margin. In addition, LCH SA is proposing to add a column reflecting the current Default Fund spread for purposes of transparency, however LCH SA is not proposing any changes to this spread. LCH SA is also not proposing any changes to the cash collateral spread for CDSClear clients. LCH SA is proposing these changes primarily to encourage members to post more cash collateral, as non-cash collateral deposited has become a larger proportion of all margin collateral on deposit. An increase in the proportion of cash collateral on deposit will enhance LCH SA's Liquidity Coverage Ratio, provide LCH SA with the required operational liquidity to inject into the settlement and payment networks and to ensure there is no disruption in clearing services, should LCH SA liquidate the portfolio of a defaulted clearing member.

non-cash collateral has become a greater portion of all margin collateral on deposit. LCH SA believes this will enhance its liquidity risk management processes by ensuring it maintains sufficient liquid resources (i.e., cash) to facilitate the timely settlement of its payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios. In addition, an increase in cash collateral will support LCH SA's ability to manage the ongoing operational liquidity needs for the purposes of injecting liquidity into the various settlement and payment networks and will further support LCH SA's default management process (e.g., during the liquidation of a member portfolio). LCH SA does not believe any changes are necessary to the cash collateral spreads for CDSClear Clients or with respect to cash posted to satisfy Default Fund requirements. CDSClear Clients will continue to benefit from a larger spread than CDSClear House accounts and the Default Fund cash collateral spread will remain unchanged, as clearing members must continue to meet their Default Fund obligations in cash collateral.

securities from select countries, select European supranational debt, government agency debt issued by Rentenbank (Germany), Kreditanstalt für Wiederaufbau (Germany) and CADES (France) and select equities listed on the EURO STOXX 50 index. The fees charged on each securities collateral type varies based on the mechanism of how the clearing member posts the collateral. For example, securities collateral may be deposited via Full Title Transfer (FTT) to an account opened by LCH SA at various central securities depositories (CSDs). Clearing members may also pledge securities collateral directly to LCH SA, whereby it will deposit securities via a Single Pledgor Pledged Account (SPPA) opened by LCH SA at Euroclear Bank. LCH SA also offers a Tri-Party solution whereby LCH SA and a Clearing member may appoint Euroclear Bank and/or Euroclear France as a triparty agent and authorize such triparty agent to enter settlement instructions on their behalf into the securities settlement system to affect movements of securities between a giver account and a taker account opened with the relevant triparty agent on a full title transfer basis for the purposes of transferring Collateral to LCH SA or releasing such collateral. LCH SA currently applies the following fees for securities collateral for CDSClear house and client accounts:

ii. Changes to Securities Collateral Fees

LCH SA is also proposing to amend the fees it charges clearing members for securities collateral posted as initial margin. Eligible securities collateral currently includes government

LCH SA is proposing to reduce the spreads for eligible cash collateral balances to encourage CDSClear clearing members to post more cash as initial margin for clearing and to better diversify the mix of collateral posted as initial margin from clearing members, as

	Securities	House			Client
		Full title transfer	Pledge	Triparty	CDSClear clients
Government Securities	Australia	13	NA	NA	10
	Austria	11	15	9.5	10

	Securities	House			Client
		Full title transfer	Pledge	Triparty	CDSClear clients
	Belgium	11	15	9.5	10
	Canada	13	NA	NA	10
	Denmark	13	NA	NA	10
	Finland	11	15	9.5	10
	France	11	15	9.5	10
	Germany	11	15	9.5	10
	Italy	11	15	9.5	10
	Japan	13	NA	NA	10
	Netherlands	11	15	9.5	10
	Norway	13	NA	NA	10
	Portugal	11	NA	9.5	10
	Spain	11	15	9.5	10
	Sweden	13	NA	NA	10
	Switzerland	13	NA	NA	10
	UK	11	15	NA	10
	USA	11	15	NA	10
Supranationals	European Financial Stability Facility	13	15	11.5	10
	European Stability Mechanism	13	15	11.5	10
	European Investment Bank	13	15	11.5	10
	European Union	13	15	11.5	10
	Investment Bank for Reconstruction and Development.	13	15	11.5	10
Agencies	Rentenbank	13	15	11.5	10
	Kreditanstalt für Wiederaufbau	13	15	11.5	10
	CADES	13	15	NA	10
Equities	All (as listed in Haircut Schedule)	13	NA	NA	NA

LCH SA is proposing to increase the fees for securities collateral posted via FTT or tri-party for clearing members by 1bp and by 10bps for securities collateral posted via pledge. LCH SA is also proposing to remove the second footnote to the securities collateral fee table, as the Triparty fees are now currently effective for all services. LCH SA is not proposing any changes to the fees charged to CDSClear Clients or for other non-cash collateral types. As previously noted, LCH SA charges different fees depending on the type of securities, the way that such securities are deposited, as well as the type of activity these cover. As a reminder, LCH SA has the capacity to raise euro liquidity by:

- pledging euro securities posted via FTT in the Banque de France 3G Pool; and
- executing cross-currency repo trades to borrow euro cash, collateralized by U.S. Treasuries and GBP Gilts posted via FTT.

However, securities posted by clearing members via pledge cannot be used for liquidity risk management purposes, and as such, are not considered liquid assets. LCH SA believes the increase in the fees for securities collateral and concurrent decrease in the spread for cash collateral will create an additional incentive for clearing members to post cash as initial margin. Consequently, this will strengthen LCH SA's Liquidity Coverage

Ratio and further enhance LCH SA's liquidity risk profile.

2. Statutory Basis

LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Exchange Act⁶ and the regulations thereunder applicable to LCH SA. Section 17A(b)(3)(D) of the Act⁷ requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees and other charges among its participants.

LCH SA believes the amendments to the spread applied to cash collateral and fees applied to securities collateral for the CDSClear business are reasonable. To ensure it continues to maintain sufficient liquid resources to meet the minimum liquid resource requirement as set forth in Exchange Act Rule 17Ad-22(e)(7)(i),⁸ LCH SA is proposing to increase the fees for securities collateral posted as margin to strengthen its Liquidity Coverage Ratio and further enhance LCH SA's liquidity risk profile. Concurrent with the increase in fees for securities collateral, LCH SA is proposing to decrease the spread for cash collateral. LCH SA assessed the impact of the Proposed Rule Change by applying the proposed cash spreads and securities collateral fees against the current portfolio of margin collateral for

CDSClear members and concluded these changes will not have a significant impact on expected revenues and are thus reasonable for CDSClear clearing members.

In addition, LCH SA believes the Proposed Rule Change is equitable for all participants. All CDSClear Members will continue to have the choice to post either securities collateral or cash collateral to satisfy initial margin requirements. Clearing members wishing to post securities collateral via FTT will continue to face a lower fee than posting via a pledge arrangements. Likewise, clearing members may continue to post securities collateral via the tri-party option at a lower fee rate than FTT or via pledge. LCH SA believes the change in securities collateral fees are equitable for all clearing members and enables LCH SA to strengthen its liquidity risk profile.

LCH SA also believes the amendments to the spreads applied to cash collateral and fees applied to securities collateral for the CDSClear business are consistent with the requirements set forth in Exchange Act Rule 17Ad-22(e)(7)(i).⁹ Exchange Act Rule 17Ad-22(e)(7)(i) requires clearing agencies to, *inter alia*, establish, implement, maintain and enforce written policies and procedures reasonably designed to . . . maintain sufficient liquid resources at the

⁶ 15 U.S.C. 78a *et seq.*

⁷ 15 U.S.C. 78q-1(b)(3)(D).

⁸ 17 CFR 240.17Ad-22(e)(7)(i).

⁹ *Id.*

minimum in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios that includes, but is not limited to, the default of the participant family that would generate the largest aggregate payment obligation for the covered clearing agency in extreme but plausible market conditions.¹⁰ As previously noted, LCH SA anticipates the Proposed Rule Change will strengthen its Liquidity Coverage Ratio and further enhance its liquidity risk profile by incentivizing clearing members to increase the amount of cash to satisfy margin requirements. The additional cash will add to LCH SA's total liquid resources, which can be used for the settlement of daily payment obligations, including with respect to the default of the participant family generating the largest aggregate payment obligation for LCH SA.

For these reasons, LCH SA believes the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(D) of the Act¹¹ in that the amendments to the cash spreads and securities fees are reasonable and equitable among its participants. In addition, LCH SA believes that the Proposed Rule Change is consistent with the requirements of Exchange Act Rule 17Ad-22(e)(7)(i)¹² by enhancing LCH SA's liquidity risk profile.

B. Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹³ 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. LCH SA does not believe that the Proposed Rule Change would impose any burden on competition. The Proposed Rule Change will enhance LCH SA's ability to manage the liquidity risks and related costs associated with converting securities collateral to cash and will apply equally to all participants. LCH SA also believes the proposed increase in fees for securities collateral will not be burdensome for participants, as participants will continue to have the option of posting securities collateral as initial margin or instead post cash collateral subject to the decreased spread. Therefore, LCH SA does not believe that the Proposed Rule Change

would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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.

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 Act and paragraph (f) of Rule 19b-4 thereunder. 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 (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-LCH SA-2024-004 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-2024-004. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). 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 such filings will also be available for inspection and copying at the principal office of LCH SA and on LCH SA's website at <http://www.lch.com/resources/rules-and-regulations/proposed-rule-changes-0>. 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-LCH SA-2024-004 and should be submitted on or before November 25, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35351A; 812-15580]

Institutional Investment Strategy Fund and Buena Capital Advisors, LLC

October 29, 2024.

AGENCY: Securities and Exchange Commission ("Commission" or "SEC").

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 18(a)(2), 18(c) and 18(i) of the Act, under sections 6(c) and 23(c) of the Act for an exemption from rule 23c-3 under the Act, and for an order pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered closed-end investment companies to issue multiple classes of shares and to impose asset-based

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁰ *Id.*

¹¹ 15 U.S.C. 78q-1(b)(3)(D).

¹² 17 CFR 240.17Ad-22(e)(7)(i).

¹³ 15 U.S.C. 78q-1(b)(3)(I).