

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 the filing also will 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 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-CBOE-2020-025 and should be submitted on or before May 4, 2020.

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

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

[FR Doc. 2020-07652 Filed 4-10-20; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88578; File No. SR-LCH SA-2020-001]

### Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to Amendments to the Wind Down Plan

April 7, 2020.

#### I. Introduction

On February 24, 2020, Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), filed with the Securities and Exchange Commission ("Commission") 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> a proposed rule change updating its wind down plan ("WDP"). The proposed rule change was published for comment in the **Federal Register** on March 4, 2020.<sup>3</sup> The

Commission did not receive comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change<sup>4</sup>

The purpose of the WDP is to ensure an orderly wind down of LCH SA under extreme circumstances and to limit market impact as much as possible, should its recovery plan or the resolutions measures that could have been taken by the authorities fail to allow LCH SA to obtain the resources required to return to business as usual conditions. The WDP sets out the steps that LCH SA would follow to close its clearing services and shut down the company. In addition, the WDP reflects LCH SA's estimate of the costs that it would incur to conduct a wind-down, thereby allowing LCH SA to ensure that it maintains capital sufficient to cover such costs.<sup>5</sup>

In 2018, LCH SA conducted a review of its WDP and is proposing to update it to clarify the circumstances under which LCH SA could determine to wind down. More specifically, these revisions would make clear that LCH SA generally could not make such a determination on its own initiative. Instead, if LCH SA is no longer deemed viable after consultation with its regulatory authorities<sup>6</sup> (either while operating under its current governance or once it has been put under resolution), the ACPR could require LCH SA to wind down.<sup>7</sup> Further, the proposal would clarify that only in the case where all business lines have been closed and LCH SA no longer has any clearing activity, could LCH SA make the decision to wind down on its own initiative and without the direction of its regulator.

LCH SA is also proposing to update the WDP with new estimates of the costs that it would incur to wind-down. Such costs would still be lower than the amount that LCH SA holds as liquid resources corresponding to 6 months of

Amendments to the Wind Down Plan; Exchange Act Release No. 88297 (February 27, 2020); 85 FR 12814 (March 4, 2020) ("Notice").

<sup>4</sup> The description herein is substantially excerpted from the Notice, 85 FR 12814.

<sup>5</sup> For more information regarding LCH SA's WDP, please see Securities Exchange Act Release No. 34-83451 (June 15, 2018), 83 FR 28886 (June 21, 2018) (SR-LCH SA-2017-013).

<sup>6</sup> LCH SA is regulated as a credit institution and central counterparty by its National Competent Authorities: l'Autorité des marchés financiers, l'Autorité de Contrôle Prudentiel et de Résolution (ACPR), and Banque de France.

<sup>7</sup> ACPR can act as either the prudential authority or the resolution authority for LCH SA.

expenses that are the minimum required by the European Market Infrastructure Regulation ("EMIR").

Additionally, the proposed rule change would update the 'assessment of key member, exchange, and IT contract termination provisions' section of the WDP to add (i) contracts that LCH SA recently entered with particular platforms and (ii) the contract governing the LCH SA staff layoff processes.<sup>8</sup>

#### III. Commission Findings

Section 19(b)(2)(C) of the Act directs 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>9</sup> For the reasons given below, the Commission finds that the proposed rule change is consistent with Rules 17Ad-22(e)(3)(ii), 17Ad-22(e)(15)(i) and (ii).<sup>10</sup>

##### A. Consistency With Rule 17Ad-22(e)(3)(ii)

Rule 17Ad-22(e)(3)(ii) requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures that are reasonably designed, as applicable, to ensure that it maintains plans for the orderly wind-down of the covered clearing agency necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.<sup>11</sup> As described above, the proposed rule change would revise the WDP to clarify that it is the ACPR and not LCH SA that can decide to wind-down. Additionally, LCH SA would also update the list of key contractual provisions reflected in the WDP to add contracts for services providers and an employment contract.

The Commission believes that these clarifications and updates allow LCH SA to maintain the WDP with current and relevant information. In particular, the Commission believes that more precise specification of the role of the ACPR should clarify which entity has the authority to trigger the WDP. The Commission also believes that by updating the list of contracts with wind-down provisions, LCH SA can maintain current and relevant information in its WDP. Therefore, for the above reasons

<sup>8</sup> However, the conditions of this employment contract would not apply in case of wind down, and only legal conditions, which are less demanding for LCH SA, would be applicable for staff layoffs.

<sup>9</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>10</sup> 17 CFR 240.17Ad-22(e)(3)(ii), (e)(15)(i), and (e)(15)(ii).

<sup>11</sup> 17 CFR 240.17Ad-22(e)(3)(ii).

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

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

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

<sup>3</sup> Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to

the Commission finds that the proposed rule change is consistent with Rule 17Ad-22(e)(3)(ii).

*B. Consistency With Rule 17Ad-22(e)(15)(i)-(ii)*

Rule 17Ad-22(e)(15)(i) requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed, as applicable, to, among other things, (i) determine the amount of liquid net assets funded by equity based upon its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services if such action is taken, and (ii) provide for holding liquid net assets funded by equity equal to the greater of either six months of its current operating expenses or the amount determined by the board of directors to be sufficient to ensure a recovery or orderly wind-down of critical operations and services of the covered clearing agency, as contemplated by the plans established under Rule 17Ad-22(e)(3)(ii).

As noted above, LCH SA proposes to update its WDP with new estimated wind-down costs, which are less than the amount that LCH SA holds as liquid resources corresponding to 6 months of expenses that are the minimum required by EMIR. The Commission believes that by updating its WDP with this information after its annual review allows LCH SA to maintain procedures reasonably designed to determine wind-down costs and to ensure they remain under the amount of capital held for that purpose. Therefore, the Commission believes that this aspect of the proposed rule change is consistent with Rule 17Ad-22(e)(15)(i).

Similarly, the Commission believes that by updating these costs, LCH SA would be able to assess whether it holds liquid net assets sufficient to ensure an orderly wind-down of critical operations and services. Therefore, the Commission believes that the proposed rule change is consistent with Rule 17Ad-22(e)(15)(ii).

#### 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, with the requirements of Rules 17Ad-22(e)(3)(ii), 17Ad-22(e)(15)(i) and (ii).<sup>12</sup>

<sup>12</sup> 17 CFR 240.17Ad-22(e)(3)(ii), (e)(15)(i), and (e)(15)(ii).

It is therefore ordered pursuant to Section 19(b)(2) of the Act<sup>13</sup> that the proposed rule change (SR-LCH SA-2020-001), be, and hereby is, approved.<sup>14</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-07651 Filed 4-10-20; 8:45 am]

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#### OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Number USTR-2020-0011]

#### Hearing Cancellation and Extension of Comment Period on Negotiating Objectives for a United States- Republic of Kenya Trade Agreement

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Cancellation of public hearing and extended deadline to submit comments.

**SUMMARY:** On March 23, 2020, the Office of the U.S. Trade Representative (USTR) solicited comments and announced that the Trade Policy Staff Committee would hold a public hearing on a proposed U.S.-Republic of Kenya trade agreement. Consistent with guidance issued by the Centers for Disease Control and Prevention concerning COVID-19, USTR is cancelling the public hearing. USTR is extending the deadline for written comments.

**DATES:**

*Hearing:* The hearing scheduled for April 28, 2020, is cancelled.

*Comments:* USTR is extending the deadline for written comments until April 28, 2020, and encourages interested persons to file comments and supporting documentation via [www.regulations.gov](http://www.regulations.gov), using docket number USTR-2020-0011. The instructions for submission are in sections II and III of the notice published on March 23, 2020 (85 FR 16450). For alternatives to on-line submissions, please contact Yvonne Jamison at (202) 395-3475 in advance of the deadline and before transmitting a comment.

**FOR FURTHER INFORMATION CONTACT:** For procedural questions concerning written

<sup>13</sup> 15 U.S.C. 78s(b)(2).

<sup>14</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. <sup>15</sup> U.S.C. 78c(f).

<sup>15</sup> 17 CFR 200.30-3(a)(12).

comments, please contact Yvonne Jamison at (202) 395-3475. Direct all other questions to Alan Treat, Deputy Assistant U.S. Trade Representative for Africa, at (202) 395-9514.

**Edward Gresser,**

*Chair of the Trade Policy Staff Committee,  
Office of the United States Trade  
Representative.*

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#### DEPARTMENT OF TRANSPORTATION

#### Federal Motor Carrier Safety Administration

[Docket No. FMCSA-2019-0239]

#### Hours of Service of Drivers: Application for Exemption; Small Business in Transportation Coalition

**AGENCY:** Federal Motor Carrier Safety Administration (FMCSA), DOT.

**ACTION:** Application for exemption; final determination.

**SUMMARY:** FMCSA announces its decision to deny the Small Business in Transportation Coalition's (SBTC) request for reconsideration of its application for exemption from the electronic logging device (ELD) rule that was denied by the Agency on July 17, 2019. SBTC has resubmitted its application for exemption from the ELD requirements for all motor carriers with fewer than 50 employees, including, but not limited to, one-person private and for-hire owner-operators of commercial motor vehicles used in interstate commerce. SBTC believes that the exemption would not have any adverse impacts on operational safety as motor carriers and drivers would remain subject to the hours-of-service (HOS) regulations, as well as the requirements to maintain paper records of duty status (RODs). FMCSA has analyzed SBTC's petition for reconsideration and the public comments received and has determined that neither the applicant nor the commenters provided information that would change the Agency's previous decision to deny the exemption.

**FOR FURTHER INFORMATION CONTACT:** Ms. La Tonya Mimms, Chief, FMCSA Driver and Carrier Operations Division; Office of Carrier, Driver and Vehicle Safety Standards; Telephone: (202) 366-4325; Email: [MCPSD@dot.gov](mailto:MCPSD@dot.gov). If you have questions on viewing or submitting material to the docket, contact Docket Services, telephone (202) 366-9826.

**SUPPLEMENTARY INFORMATION:**