

VIA CFTC PORTAL

January 25, 2022

Mr. Christopher Kirkpatrick  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Three Lafayette Centre  
Washington, DC 20581

**LCH Limited Self-Certification: Tenor Extensions**

Dear Mr. Kirkpatrick,

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation §40.6(a), LCH Limited (“LCH”), a derivatives clearing organization registered with the CFTC, is submitting for self-certification revisions to its rules to extend the maximum tenors for certain Canadian Dollar (“CAD”), Hong Kong Dollar (“HKD”) and Norwegian Krone (“NOK”) related swaps (“Relevant Swaps”).

**Part I: Explanation and Analysis**

LCH is revising its rules in order to extend the maximum tenor for CAD swaps referencing the Canadian Overnight Repo Rate Average (“CORRA”) index from 31Y to 41Y. This will match the maturity for CAD Canadian Dollar Offered Rate (“CDOR”) swaps which LCH currently offers. Additionally, LCH will revise its rules to extend the maximum tenor for HKD swaps referencing Hong Kong Interbank Offered Rate (“HIBOR”) from 11Y to 15.5Y and NOK swaps referencing the Norwegian Interbank Offered Rate (“NIBOR”) from 16Y to 31Y. In order to facilitate these changes, LCH plans to revise its rules, specifically the Product Specific Contract Terms and Eligibility Criteria Manual and FCM Product Specific Contract Terms and Eligibility Criteria Manual (jointly, the “Product Terms”).

**Part II: Description of Rule Changes**

LCH will amend Section 1.2(a) of Part B of the Product Specific Contract Terms and Eligibility Criteria Manual (Product Eligibility Criteria for Registration of a SwapClear Contract) and Section 1.1(a) of the FCM Product Specific Contract Terms and Eligibility Criteria Manual (FCM Product Eligibility Criteria for Registration of a SwapClear Contract) to include the following tenor extensions for the Relevant Swaps:

<b>Currency</b>	<b>Current Maximum Tenor</b>	<b>Revised Maximum Tenor</b>
CAD CORRA	11,375 days (31 years)	15,0225 days (41 years)
HKD HIBOR	4,050 days (11 years)	5,700 days (15.5 years)
NOK NIBOR	5,875 days (16 years)	11,375 days (31 years)

The changes to the rules are included as **Appendices I - II** in black line form. The changes will be effective not earlier than February 8, 2022.

**Part III: Core Principle Compliance**

LCH reviewed the proposed rule changes against the requirements of the Core Principles and finds it will continue to comply with all requirements and standards set forth therein. Specifically, this rule change has potential relevance to Core Principles C (Participant and Product Eligibility), D (Risk Management), and L (Public Information).

The changes described in this filing meet the objectives of Core Principle C, including that LCH have appropriate requirements for determining the eligibility of submitted transactions, taking into account LCH's ability to manage the associated risks. In determining whether to offer the tenor extensions for the Relevant Swaps, LCH considered factors that included: trading volume; liquidity; availability of pricing data; and the ability for LCH to manage any associated risks within LCH's existing operational, risk management, and default management tools. LCH carefully considered these factors and feels that the tenor extensions meet LCH's qualifications and the requirements of Core Principle C.

LCH believes the changes described in this filing will not impact LCH's ongoing compliance with the objectives of Core Principle D. The tenor extensions for the Relevant Swaps will not require changes to LCH's risk management framework, margin methodology, or margin requirements. As explained above, LCH will clear the tenor extensions in the Relevant Swaps consistent with its current operational, risk management, and default management tools. LCH considered its risk management requirements and believes clearing the extended tenors for the Relevant Swaps will not impact LCH's ongoing compliance with Core Principle D.

The changes described in this filing also ensure that LCH meets the objectives of Core Principle L, including that, in addition to the specified requirements of §39.21, LCH make available any information that is relevant to participation in the clearing and settlement activities of LCH. LCH considered its public information requirements and believes including the tenor extensions for the Relevant Swaps that LCH plans to make available for clearing in its publicly available Product Terms maintains its compliance with Core Principle L.

LCH believes these changes are consistent with the requirements of Core Principle C on Participant and Product Eligibility under CFTC regulation §39.12, Core Principle D on Risk Management under CFTC regulation §39.13, and Core Principle L on Public Information under CFTC regulation §39.21.

#### **Part IV: Public Information**

LCH has posted a notice of pending certification with the CFTC and a copy of the submission on LCH's website at: <https://www.lch.com/resources/rulebooks/proposed-rule-changes>.

#### **Part V: Opposing Views**

There were no opposing views expressed to LCH by governing board or committee members, members of LCH or market participants.

#### **Certification**

LCH hereby certifies to the CFTC, pursuant to the procedures set forth in CFTC Regulation §40.6, that the attached submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Should you have any questions please contact me at [michelle.weiler@lseg.com](mailto:michelle.weiler@lseg.com).

Yours sincerely,



Michelle Weiler  
US Compliance Officer  
LCH Limited

**Appendix I**  
Product Specific Contract Terms and Eligibility Criteria Manual  
*Changed Pages*

**Appendix II**  
FCM Product Specific Contract Terms and Eligibility Criteria Manual  
*Changed Pages*