

VIA CFTC PORTAL

April 1, 2022

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

LCH Limited Self-Certification: SwapClear Products

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 swaps and to add additional swaps. The tenor extensions are in swaps referencing the Czech Koruna (“CZK”) and New Zealand Dollar (“NZD”); the new products are swaps referencing the Hong Kong Dollar (“HKD”), Norwegian Krone (“NOK”) and Thai Baht (“THB”) (collectively, the “Relevant Swaps”).

Part I: Explanation and Analysis

Tenor Extensions

LCH is revising its rules in order to extend the maximum tenor for:

1. CZK IRS / Basis Swaps referencing the PRIBOR index
2. NZD IRS / Basis swaps referencing the BKBM FRA index

New RFR Indices

Additionally, LCH is revising its rules to add the following products:

1. HKD OIS / Basis swaps referencing the HONIA index
2. NOK OIS referencing the NOWA index
3. THB Non-Deliverable swaps referencing the THOR index

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 Sections 1.2(a) and (d) of Part B of the Product Specific Contract Terms and Eligibility Criteria Manual (SwapClear Product Eligibility Criteria for a SwapClear Transaction) and Sections 1.1(a) and (d) of the FCM Product Specific Contract Terms and Eligibility Criteria Manual (FCM SwapClear Product Eligibility Criteria for an FCM SwapClear Transaction) to include the following tenor extensions and new products for the Relevant Swaps:

An LSEG Business

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LCH Group Holdings Limited | LCH Limited | Banque Centrale de Compensation | LCH.Clearnet LLC

LCH Limited. Registered in England No. 25932 Registered Office: 10 Paternoster Square, London, EC4M 7LS

Tenor Extensions

Currency	Current Maximum Tenor	Revised Maximum Tenor
CZK	4,050 days (11 years)	5,875 days (16 years)
NZD	7,700 days (21 years)	11,375 days (31 years)

New RFR Indices

<i>Instrument</i>	<i>Currency</i>	<i>Leg 1</i>	<i>Leg 2</i>	<i>Variable Notional</i>	<i>Maximum Tenor</i>	<i>Notional Amount</i>
OIS	HKD	Fixed	HKD-HONIX-OIS-COMPOUND	Yes	4,050 days	0.01-99,999,999,999.99
OIS	HKD	Fixed	HKD-HONIX-OIS Compound	Yes	4,050 days	0.01-99,999,999,999.99
Basis Swap	HKD	HKD-HONIX-OIS-COMPOUND	HKD-HIBOR-HKAB	Yes	4,050 days	0.01-99,999,999,999.99
Basis Swap	HKD	HKD-HONIX-OIS Compound	HKD-HIBOR	Yes	4,050 days	0.01-99,999,999,999.99
OIS	NOK	Fixed	NOK-NOWA-OIS Compound	Yes	5,875 days	0.01-99,999,999,999.99
OIS	THB	Fixed	THB-THOR-COMPOUND	No	4,050 days	0.01-99,999,999,999.99
OIS	THB	Fixed	THB-THOR-OIS Compound	No	4,050 days	0.01-99,999,999,999.99

The changes to the rules are included as **Appendices I - II** in black line form. The changes will be effective not earlier than April 25, 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 and clearing 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 determined that the tenor extensions and new products 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 and new products will not require changes to LCH's risk management framework, margin methodology, or margin requirements. As explained above, LCH will clear the new products and tenor extensions for the Relevant Swaps consistent with its current operational, risk management, and default management tools. LCH considered its risk management requirements and believes clearing the new products and 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 and the new products 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.

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