

VIA CFTC PORTAL

08 September 2021

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

**LCH Limited Self-Certification: Extension of SwapClear Business Hours**

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 related to extension of the opening hours for the SwapClear Service.

**Part I: Explanation and Analysis**

LCH is revising its rules in order to extend the opening hours of the SwapClear Service. The extension of the opening hours for the SwapClear Service will occur in phases. These rule changes are the first phase. There are also minor amendments to simplify the wording relating to opening hours and days. These revisions are in Section 2C (SwapClear Clearing Service) of the LCH Procedures (“Procedures”) and Section 2 (SwapClear) of the LCH FCM Procedures (“FCM Procedures”).

**Part II: Description of Rule Changes**

The following is a summary of the revisions to be made to the Procedures and FCM Procedures.

Procedures

- Update wording to clarify that SwapClear Transactions presented to LCH for clearing via an Approved Trade Source System will (subject to all requirements prescribed by LCH being met) be cleared by the SwapClear clearing system to create two SwapClear Contracts (or one SwapClear Contract and one FCM SwapClear Contract) (Section 1.1.1)

- Specify that the SwapClear Service will be open every day, except weekends, Christmas Day, New Year's Day and Good Friday<sup>1</sup>, rather than rely on a published circular (Section 1.2.1)
- Revise the opening hours to provide that the SwapClear Service will be operational on each business day that is (a) a Monday from 02:00 London time to 19:00 New York time; and (b) not a Monday from 06:00 London time to 19:00 New York time. LCH will continue to accept Necessary Consents until one minute after closure of the SwapClear Service. Additionally, the SwapClear Service may, in LCH's absolute discretion, be operational beginning (a) 00:00 London time on a business day that is a Monday (Section 1.2.2); or (b) 04:00 London time on a business day that is not a Monday.
- Clarify rules related to SwapClear Contracts denominated in Israeli Shekel to confirm that LCH will not recognize Sunday as a Business Day for the purposes of the SwapClear Contract Terms (Section 1.2.3)
- Remove Schedule 1 (SwapClear Processing Schedule) as content is redundant with rule text

#### FCM Procedures

- Update wording to clarify that FCM SwapClear Transactions presented to LCH for clearing via an FCM Approved Trade Source System will (subject to all requirements prescribed by LCH being met) be cleared by the FCM SwapClear clearing system to create two FCM SwapClear Contracts (or one FCM SwapClear Contract and one SwapClear Contract) (Section 2.1.1)
- Specify that the FCM SwapClear service will be open every day, except weekends, Christmas Day, New Year's Day and Good Friday<sup>2</sup>, rather than rely on a published circular (Section 2.1.2(a))
- Revise the opening hours to provide that the FCM SwapClear service will be operational on each Business Day that is (A) a Monday from 02:00 London time to 19:00 New York time; and (B) not a Monday from 06:00 London time to 19:00 New York time. LCH will continue to accept FCM Acceptances until one minute after closure of the FCM SwapClear service. Additionally, the FCM SwapClear service may, in LCH's absolute discretion, be operational beginning (a) 00:00 London time on a Business Day that is a Monday (Section 2.1.2(b)), or (b) 04:00 London time on a Business Day that is not a Monday
- Clarify rules related to FCM SwapClear Contracts denominated in Israeli Shekel to confirm that LCH will not recognize Sunday as a Business Day for the purposes of the FCM SwapClear Contract Terms (Section 2.1.2(c))
- Remove Schedule 2.1A (SwapClear Processing Schedule) as content is redundant with rule text

The changes to the rules are included as **Appendices I and II** in black line form. The changes will be effective not earlier than September 27, 2021.

#### **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 Principle L (Public Information).

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<sup>1</sup> While the SwapClear Service is generally closed on Good Friday, LCH may, by prior written notice to SwapClear Clearing Members, open the SwapClear Service on such day, in which case it will be a business day.

<sup>2</sup> While the FCM SwapClear service is generally closed on Good Friday, LCH may, by prior written notice to FCM Clearing Members within such service, open the FCM SwapClear service on such day, in which case it will be a Business Day.

The changes described in this filing 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 continuing to include its revised business hours in its Procedures and FCM Procedures maintains its compliance with Core Principle L. The changes provided for in this submission will be included in LCH's publicly available Procedures and FCM Procedures. As a result, LCH believes these changes are consistent with the requirements of 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 that were not incorporated into this proposal.

#### **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 [julian.oliver@lch.com](mailto:julian.oliver@lch.com).

Yours sincerely,



Julian Oliver  
Chief Compliance Officer  
LCH Limited

**Appendix I**  
Procedures Section 2C (SwapClear Clearing Service)  
*Changed Pages*

**Appendix II**  
FCM Procedures Section 2 (SwapClear)  
*Changed Pages*