

VIA CFTC PORTAL

September 23, 2022

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

LCH Limited Self-Certification: SwapClear Product Change in Eligibility

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 withdraw eligibility for certain swaps denominated in Singapore Dollar (“SGD”).

Part I: Explanation and Analysis

In preparation for cessation of USD LIBOR in June 2023, LCH’s SwapClear Service is proposing to remove eligibility for products that reference indices determined based on United States Dollar (“USD”) London Inter-Bank Offered Rate (“LIBOR”). Therefore, LCH is revising its rules to remove eligibility for SGD denominated Basis Swap products.

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 (SwapClear Product Eligibility Criteria for a SwapClear Transaction) and Section 1.1(a) of Part B of the FCM Product Specific Contract Terms and Eligibility Criteria Manual (FCM SwapClear Product Eligibility Criteria for an FCM SwapClear Transaction) to remove SGD denominated Basis Swap products:

The changes to the rules are included as **Appendices I - II** in black line form. The changes will be effective once all open interest in the SGD denominated Basis Swap products has been closed out, but in no event before October 10, 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 the best way to manage the risks associated with the USD LIBOR cessation, LCH determined that an orderly withdrawal of

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the SGD denominated Basis Swap products that reference induces determined based on USD LIBOR would be prudent. LCH considered the requirements of Core Principle C and determined that withdrawal of SGD denominated Basis Swap products meets aligns with 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 withdrawal of the SGD denominated Basis Swap products will not require changes to LCH's risk management framework, margin methodology, or margin requirements. LCH considered its risk management requirements and believes withdrawing eligibility for the SGD denominated Basis Swap products 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 removing the SGD denominated Basis Swap products from its publicly available Product Terms maintains 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