

VIA CFTC PORTAL

30 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: EMTA Template Amendment**

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 the LCH rules to accommodate updates to templates provided by the trade association for emerging markets ("EMTA"). These templates include terms for inclusion in non-deliverable FX forward ("NDF Contract") transactions and non-deliverable currency option ("NDO Contract") transactions (each, an "EMTA Template").

**Part I: Explanation and Analysis**

On December 3, 2021 EMTA will update a term of certain of its EMTA Templates (to align them with other EMTA Templates). The purpose of this rule change is to enable the updated EMTA Templates to apply to existing, as well as new ForexClear NDF and NDO Contracts denominated in Brazilian Real (BRL), Colombian Peso (COL), Chilean Peso (CLP) and Peruvian Sol (PEN). The rule change is currency agnostic, therefore it will also accommodate any future changes affecting any other relevant currencies.

Consequently, LCH is submitting for self-certification revisions to its rules, as described in Part II below. These revisions are in the Product Specific Contract Terms and Eligibility Criteria Manual ("Product Manual") and FCM Product Specific Contract Terms and Eligibility Criteria Manual ("FCM Product Manual").

**Part II: Description of Rule Changes**

The following is a summary of the revisions to be made to the Product Manual and FCM Product Manual. Section references below refer to the Product Manual, however the changes described are equivalent to the changes in the FCM Product Manual.

Schedule 6 (The ForexClear Regulations) of the Product Manual is updated as follows:

- In Part A (ForexClear NDF Contract Terms; ForexClear Contracts Arising from ForexClear NDF Transactions); Section 1 (Interpretation), Item 1.11 is added. Item 1.11 provides that in relation to any amendment by EMTA to an EMTA Template, the LCH may from time to time, by notice to ForexClear clearing members, give directions that such amendment

shall apply in respect of, and to, ForexClear NDF Contracts that arise from a ForexClear NDF Contract transaction or FCM ForexClear NDF Contract transaction with a trade date that falls before the effective date of such amendment.

- In Part L (ForexClear NDO Contract Terms; ForexClear Contracts Arising from ForexClear NDO Transactions); Section 1 (Interpretation), Item 1.11 is added. Item 1.11 provides that in relation to any amendment by EMTA to an EMTA Template, LCH may from time to time, by notice to ForexClear clearing members, give directions that such amendment shall apply in respect of, and to, ForexClear NDO Contracts that arise from a ForexClear NDO Contract transaction or FCM ForexClear NDO Contract transaction with a trade date that falls before the effective date of such amendment.

The changes to the rules are included as **Appendices I and II** in black line form. The changes will be effective not earlier than October 15, 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 the requirements and standards set forth therein.

Specifically, these rule changes have potential relevance to Core Principle C (Participant and Product Eligibility).

The changes described in this filing ensure that LCH meets the objectives of Core Principle C, including that LCH have appropriate requirements for determining the eligibility of agreements, contracts, or transactions submitted for clearing, taking into account LCH's ability to manage the risks associated with such agreements, contracts, or transactions. Core Principle C also requires LCH to have rules providing that all swaps with the same terms and conditions established under LCH's rules are economically equivalent and may be offset with each other. Consistent with EMTA's updated EMTA Template, these rule changes provide for ongoing economic equivalence between products of the same type.

LCH considered its product eligibility requirements, specifically those related to the maintenance of product terms and conditions, and determined that the changes outlined in this filing will not impact LCH's compliance with Core Principle C. As a result, LCH believes these changes are consistent with the requirements of Core Principle C on Participant and Product Eligibility under CFTC regulation §39.12.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Julian Oliver', enclosed in a light blue rectangular box.

Julian Oliver  
Chief 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*