

VIA CFTC Portal

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

1 October 2021

LCH Limited Self-Certification: Revised Margin Collateral Haircut Schedule

Dear Mr. Kirkpatrick,

LCH Limited (“LCH”), a derivatives clearing organisation registered with the Commodity Futures Trading Commission (“CFTC”), is submitting for self-certification, pursuant to CFTC Regulation §40.6(a), a new schedule of securities acceptable for margin cover purposes (“Schedule”). This new Schedule will take effect on or after 18 October 2021.

Part I: Explanation and Analysis

LCH proposes to add two new securities from existing Issuers. The two new securities are:

- Sweden International Bond; and
- European Union T Bills.

Part II: Description of Rule Changes

LCH proposes to add two new securities from existing Issuers. These are the Sweden International Bond and European Union T Bills (“New Securities”).

A copy of the Schedule is attached as confidential Appendix I with the updates highlighted.¹

Please note that no changes have been made to the haircuts in the Schedule, the only change is the addition of the New Securities from existing Issuers.

This submission does not require any changes to the LCH Rulebook.

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 D (Risk Management).

¹ The Schedule will be shared with Clearing Members in a secure website area and then made publicly available on the LCH website two months after the implementation date.

The changes described in this filing ensure that LCH meets the objectives of Core Principle D, including that LCH possess the ability to manage the risks associated with discharging its responsibilities through the use of appropriate tools and procedures. Core Principle D also requires LCH to limit the assets it accepts as initial margin to those that have minimal credit, market, and liquidity risks. LCH believes the New Securities from existing issuers have minimal credit, market, and liquidity risks and are therefore appropriate collateral types to accept as margin.

LCH considered its risk management requirements, specifically those related to the types of assets that LCH may accept as margin, and determined that the changes outlined in this filing will not impact LCH's compliance with Core Principle D. As a result, LCH believes these changes are consistent with the requirements of Core Principle D on Risk Management under CFTC Regulation §39.13.

Part IV: Public Information

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

Part V: Opposing Views

There have been 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 rule submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Please contact me if you have any questions regarding this submission (saber.doha@lseg.com).

Yours sincerely,



Saber Doha
Senior Compliance Officer

Confidential Appendix I

Margin Collateral Haircut Schedule