



VIA CFTC PORTAL

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

06 December 2023

Subject: Weekly Notification of changes to the LCH Limited Rulebook on Net Capital Requirements

Dear Mr Kirkpatrick,

Please accept this notification, pursuant to CFTC regulations §40.6(d) of a minor revision to the LCH Limited's ("LCH") Rulebook.

LCH has amended Procedure 1 (*Clearing Member, Non-Member Market Participant and Dealer Status*) to correct a previously incorrect references to clearing member's status in the different categories for net capital requirements. LCH has clarified that Category O and P is no longer in use, as well as that Category N is referred to in the FCM Rulebook.

Should you have any questions regarding this submission please contact me at ebba.andersson1@lseg.com.

Yours sincerely,

Ebba Andersson
Regulatory Advisor



LCH LIMITED

PROCEDURES SECTION 1

**CLEARING MEMBER, NON-MEMBER MARKET
PARTICIPANT AND DEALER STATUS**

by the Clearing House, the terms of, and applicable to, each and every registered Contract, the Rulebook and all amendments to any of the foregoing.

- 1.6.4 The Clearing Membership Agreement, the terms of any other agreement to which the Clearing House and the Polish Clearing Member are party which relates to the provision of central counterparty and other services by the Clearing House, the terms of, and applicable to, each and every registered Contract, the Rulebook and all amendments to any of the foregoing shall together constitute a master agreement (*umowa ramowa*) in the meaning of the Polish Bankruptcy Law (*ustawa z dnia 28 lutego 2003 roku Prawo upadłościowe*) and Polish Restructuring Law (*ustawa z dnia 15 maja 2015 r. Prawo restrukturyzacyjne*) between the Clearing House and the Polish Clearing Member and both parties acknowledge that all registered Contracts are entered into in performance of that master agreement. If that master agreement is terminated by the Polish Clearing Member or by the relevant bankruptcy or restructuring representative and such termination is enforceable under the relevant laws, this does not prejudice the Clearing House's rights under Rule 3 of the Default Rules.

1.7 Net Capital Requirements

1.7.1 *Categories of Clearing Member Status*

There are ten categories of Clearing Member status currently in use. These are as follows:

Category B

Rates Exchange - Clearing Member (clearing own business)

~~FCM Listed Interest Rates
Clearing Member~~

Category C

FCM Listed Interest Rates - (refer to FCM Rulebook)
Clearing Member

Rates Exchange - (clearing own business and/or the business of NCPs and/or Listed

Interest Rates Client Clearing
Business)

Category D

Category no longer in use.

Category E

Category no longer in use.

Category F

RepoClear Clearing Member in respect of RepoClear Clearing House Business.

Category G

RepoClear Clearing Member in respect of RepoClear Clearing House Business and RepoClear Client Clearing Business.

Category H

SwapClear Clearing Member.

Category I

EquityClear Individual Clearing Member in respect of EquityClear Clearing House Business.

Category J

EquityClear General Clearing Member in respect of EquityClear Clearing House Business.

Category K

Special Clearing Member.

Category L

SwapClear FCM Clearing Member (refer to FCM Rulebook)

Category M

ForexClear Clearing Member

Category N

ForexClear FCM Clearing Member (refer to FCM Rulebook)

Category H

Net Capital	US \$50mn
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Category I

Net Capital	£5.0mn
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Category J

Net Capital	£10.0mn
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Category K

See Section 1.7.4

Category L

Net Capital	Refer to FCM Rulebook
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Category M

Net Capital	US\$50mn
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Category N

Net Capital <u>Not in use</u>	<u>Refer to FCM Rulebook</u>
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Category O

Not in use

~~**Category P**~~ Not in use

Not in use

1.7.3 *Cross-Market Net Capital Requirement for categories B-D and I-J*

Subject to the absolute minimum requirement of £5mn sterling, Clearing Members who clear more than one exchange (categories B – D) or have EquityClear Clearing Member Status (categories I – J), are required to meet a minimum Net Capital Requirement which is the sum of their specific requirements. For example, a Clearing Member acting as a General Clearing Member on the Rates Exchange Service (Category C - £2mn sterling) and as an EquityClear Individual Clearing Member (category I - £5mn sterling) has a minimum requirement of £7mn sterling. A Clearing Member acting as a General Clearing Member on Rates Exchange only (Category C - £2mn sterling) has a minimum requirement of £5mn sterling.