VIA CFTC PORTAL

5 November 2021

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

LCH Limited Self-Certification: Cades Initial Margin Collateral

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 accepting Caisse D’amort Dette Soc ("Cades") securities as collateral to meet initial margin requirements.

Part I: Explanation and Analysis
LCH proposes to add Cades securities as acceptable margin collateral and to provide the associated haircuts. Consequently, LCH is submitting for self-certification revisions to its rules, as described in Part II below. These revisions are to the LCH Margin Collateral Haircut Schedule. No changes are required to the LCH Rulebook or Procedures.

Part II: Description of Rule Changes
The following is a summary of the revisions to be made to the LCH Margin Haircut Schedule.

The LCH Margin Haircut Schedule will be updated to include Cades securities and associated haircuts.

The changes to the rules are included as confidential Appendix I in black line form. The changes will be effective not earlier than November 22, 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 D (Risk Management).

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 Cades securities 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 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 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 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.

Yours sincerely,

Julian Oliver
Chief Compliance Officer
LCH Limited
Confidential Appendix I
LCH Margin Collateral Haircut Schedule