

**Via CFTC Portal**

15 July 2016

**Mrs. Parisa Abadi**  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Three Lafayette Centre  
Washington DC 20581

Dear Mrs. Abadi,

Pursuant to CFTC regulation §40.6(a), LCH SA (“**LCH**”), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the “**CFTC**”), is submitting for self-certification the Monte Carlo Bootstrap Replacement to be implemented on 29 July 2016 subject to the regulatory review process.

**Part I: Explanation and Analysis**

LCH proposes to replace the Monte Carlo bootstrapping method by a Historical VaR using five (5) consecutive days returns, with a scaling that allows to take into account the current volatility regime.

**Part II: Description of Rule Changes**

This submission does not require any changes to the Rulebook. The proposed changes have been communicated to the CFTC via emails with confidential treatment requested.

**Part III: Core Principle Compliance**

LCH will continue to comply with all Core Principles following the introduction of these changes and has concluded that its compliance with the Core Principles would not be adversely affected by these changes.

**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:

<http://www.lch.com/rules-regulations/proposed-rules-changes>

**Part V: Opposing Views**

There were no opposing views expressed to LCH by governing board or committee members, members of LCH that were not incorporated into the rule.

**Certification**

LCH SA hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in the Commission regulation § 40.6, that attached rule submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

Should you have any questions please contact me at: [françois.faure@lch.com](mailto:françois.faure@lch.com).

A handwritten signature in blue ink, appearing to read 'Faure', written over a horizontal line.

Francois Faure  
Chief Compliance Officer  
+33 1 70 37 65 96