

#### **Via CFTC Portal**

17 July 2023

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

**Re:** Proposed LCH SA Initiative – Extension of Eligible Collateral to Caisse d'Amortissement de la Dette Sociale (CADES), Spain Inflation (SPGBEI) and European Union T-Bills (EUB)

Dear Mr. Kirkpatrick,

Pursuant to CFTC regulation §40.6(a), LCH SA, a derivatives clearing organization ("**DCO**") registered with the Commodity Futures Trading Commission (the "**CFTC**"), is submitting for self-certification the proposed amendment to the Non-Cash collateral that a Clearing Member may post with LCH SA to meet the clearing member's initial and additional margin requirements (the "**Proposed Rule Change**").

The intended date of implementation of this the Proposed Rule Change is on August 1<sup>st</sup>, , 2023, subject to any relevant regulatory review or approval process duly completed and in no event will the proposed changes be implemented earlier than ten (10) business days after the formal filing with the CFTC.

The text of the Proposed Rule Change is attached hereto as Appendix.

## **Part I: Explanation and Analysis**

In response to clearing member requests and in order to harmonize its offer with LCH Limited, LCH SA is proposing to expand the eligible collateral to be posted by a clearing member to satisfy the margin requirements.

LCH SA is proposing to add the following debt instruments to the current list of eligible collateral<sup>1</sup>:

- Spain Inflation (SPGBEI)
- Caisse d'Amortissement de la Dette Sociale (CADES)
- European Union T-Bills (EUB)

This will improve the collateral optimization and the consistency with our clearing offer as those three debts are already eligible for clearing on LCH SA RepoClear service.

https://www.lch.com/sites/default/files/media/files/Acceptable%20Collateral%20Haircuts%20LCH%20SA.pdf



The proposed change will also preserve the CCP's liquidity equilibrium as these debt instruments are EUR-denominated only and eligible to 3G Pool with no impact to our liquidity coverage ratio (LCR).

#### Part II: Description of Rule changes

LCH SA is already accepting as collateral margin Inflation Bonds for the following EU government debts: France, Germany, and Italy. The proposed Rule Change is simply adding Spain to the current list of eligible collateral.

European Union debt is already eligible as collateral margin at LCH SA, the Proposed Rule Change is expanding the ticker list with EUB.

Further, LCH SA is also proposing to add CADES to the Agency bonds (KFW and RENTEN) already eligible as collateral margin.

There is no change to any LCH SA risk methodology including the Liquidity Risk Modelling Framework or to the CDS Clearing Rules as a result of this extension.

#### **Part III: Core Principles Compliance**

LCH SA has reviewed the Proposed Rule Changes against the requirements of Commission' regulations and DCO Core Principles, and finds that these changes will continue to comply with all the requirements and standards therein and in particular with the following principles and Commission's regulations including, but not limited to § 39.13, 39.15, and 39.27.

**DCO Core Principle D – Risk management.** CFTC Regulation 39.13 requires a DCO to ensure that it possesses the ability to manage the risks associated with discharging the responsibilities of the derivatives clearing organization through the use of appropriate tools and procedures. The additional Eligible Collateral that LCH SA is proposing to permit clearing members to post with LCH SA to satisfy the clearing member's margin requirements is limited to sovereign and supranational/agency debt that is issued by jurisdictions that have a high credit score and subject to conservative haircuts in line with LCH SA's collateral eligibility criteria and risk management framework. The addition of those debts will not impact the CCP's LCR as well as any risk methodology.

#### **Part IV: Public Information**

LCH SA has posted a notice of pending certifications with the CFTC and a copy of the submission on LCH's website at: <a href="https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes">https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes</a>

### Part V: Opposing Views

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



# Certification

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

If you require any additional information or have any questions regarding this submission, please contact the undersigned.

Best regards,

**Carole Uzan** 

**Chief Compliance Officer** 

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# **APPENDIX**

# Text of the Proposed Rule Change



LCH SA - Risk	Notice - Margin Eligible Securities Collateral and Haircut Schedule		Haircuts on	01/08/2023
Eligible Government Securities		Buckets	Haircuts (Conventional Bonds)	Haircuts (Inflation Linked Bonds)
	Debt Securities issued by the Australian State:	11 business days and < = 0,5 year	0.50%	N/A
	Australian Treasury Bill (ACTB)	> 0.5 and < = 1 year	0.75%	N/A
	Australian Government Bond (ACGB)	> 1 and < = 3 years	1.25%	N/A
A CALABA		> 3 and < = 5 years	2.25%	N/A
Australia		> 5 and < = 7 years	2.75%	N/A
		> 7 and < = 10 years > 10 and < = 15 years	4.00% 6.50%	N/A N/A
		> 15 and < = 30 years	14.00%	N/A
		> 30 and < = 50 years	N/A	N/A
	Debt Securities issued by the Austrian State:	4 business days and < = 0,5 year	0.50%	N/A
	Austrian Treasury Bill (RATB)	> 0.5 and < = 1 year	0.75%	N/A
	Austrian Government Bond (RAGB)	> 1 and < = 3 years	1.50%	N/A
		> 3 and < = 5 years	2.50%	N/A
Austria		> 5 and < = 7 years	3.00%	N/A
		> 7 and < = 10 years	3.75%	N/A
		> 10 and < = 15 years	5.50%	N/A
		> 15 and < = 30 years	12.25%	N/A
	Debt Securities issued by the Belgian state:	> 30 and < = 50 years 4 business days and < = 0,5 year	16.50% 0.50%	N/A N/A
	Belgian Treasury Bill (BGTB)	> 0.5 and < = 1 year	1.00%	N/A
	Belgian Government Bond (BGB)	> 1 and < = 3 years	2.00%	N/A
		> 3 and < = 5 years	2.75%	N/A
Belgium		> 5 and < = 7 years	4.25%	N/A
		> 7 and < = 10 years > 10 and < = 15 years	5.25% 7.50%	N/A N/A
		> 15 and < = 30 years	14.00%	N/A
		> 30 and < = 50 years	18.75%	N/A
	Debt Securities issued by the Canadian State:	10 business days and < = 0,5 year	0.50%	N/A
	Canadian Treasury Bill (CTB) Canadian Government Bond (CAN)	> 0.5 and < = 1 year	0.50%	N/A
	Canadian Soveriment Bond (CAN)	> 1 and < = 3 years	1.00%	N/A
		> 3 and < = 5 years	1.75%	N/A
Canada		> 5 and < = 7 years	2.25%	N/A
		> 7 and < = 10 years	3.00%	N/A
		> 10 and < = 15 years > 15 and < = 30 years	4.25% 8.25%	N/A N/A
		> 30 and < = 50 years	11.00%	N/A N/A
	Debt Securities issued by the Danish State:	6 business days and < = 0,5 year	0.50%	N/A
	Danish Treasury Bill (DGTB)	> 0.5 and < = 1 year	0.50%	N/A
	Danish Government Bond (DGB)	> 1 and < = 3 years	1.25%	N/A
		> 3 and < = 5 years	1.75%	N/A
Denmark		> 5 and < = 7 years	2.50%	N/A
		> 7 and < = 10 years > 10 and < = 15 years	3.50% 5.25%	N/A
		> 15 and < = 30 years	12.50%	N/A N/A
		> 30 and < = 50 years	N/A	N/A
	Debt Securities issued by the Finnish State:	4 business days and < = 0,5 year	0.50%	N/A
	Finnish Treasury Bill (RFTB)	> 0.5 and < = 1 year	0.50%	N/A
	Finnish Government Bonds (RFGB)	> 1 and < = 3 years	1.25%	N/A
Einland		> 3 and < = 5 years	2.00%	N/A
Finland		> 5 and < = 7 years > 7 and < = 10 years	2.75% 3.75%	N/A N/A
		> 10 and < = 15 years	5.50%	N/A
		> 15 and < = 30 years	11.25%	N/A
		> 30 and < = 50 years	15.00%	N/A
	Debt Securities issued by the French state:	4 business days and < = 0,5 year	0.50%	0.75%
	Bons du Trésor à Taux Fixe et Intérêt Précompté (BTF) Bons du Trésor à Taux Fixe et Intérêt Annuel (BTNS)	> 0.5 and < = 1 year > 1 and < = 3 years	0.50% 1.25%	1.25% 2.00%
	Bons du Trésor à Taux Fixe et Intérêt Annuel I/L (BTNS)	> 3 and < = 5 years	2.00%	3.00%
France	Obligations Assimilables du Trésor (FRTR)	> 5 and < = 7 years	2.75%	4.00%
	Obligations Assimilables du Trésor I/L (FRTR)	> 7 and <= 10 years	3.75%	5.00%
		> 10 and < = 15 years > 15 and < = 30 years	5.50% 11.50%	6.25% 14.00%
		> 30 and < = 50 years	15.50%	18.75%
	Debt Securities issued by the German Federal State:	3 business days and < = 0,5 year	0.50%	0.50%
	German Treasury Bill (BUBILL)	> 0.5 and < = 1 year	0.50%	1.00%
	Bundesschatzanweisungen (BKO) Bundesobligationen (OBL)	> 1 and < = 3 years > 3 and < = 5 years	1.25% 2.00%	1.75% 2.75%
Germany	Bundesobligationen I/L (OBLI)	> 5 and < = 7 years	2.50%	3.25%
	Deutsche Bundesrepublik (DBR)	> 7 and < = 10 years	3.50%	4.25%
	Deutschland I/L (DBRI)	> 10 and < = 15 years	5.00%	6.50%
		> 15 and < = 30 years > 30 and < = 50 years	11.25% 15.00%	11.25% 15.00%
	Debt Securities issued by the Italian State:	3 business days and < = 0,5 year	6.00%	6.00%
	Buoni Ordinari del Tesoro (BOTS)	> 0.5 and < = 1 year	6.00%	6.00%
	Buoni del Tesoro Poliennali (BTPS)	> 1 and < = 3 years	7.00%	7.00%
Italy	Buoni del Tesoro Poliennali I/L (BTPS) Certificati di Credito del Tesoro (CCTS)	> 3 and < = 5 years > 5 and < = 7 years	9.00% 10.50%	10.00% 12.00%
	25	> 7 and < = 10 years	11.50%	14.25%
		> 10 and < = 15 years	13.00%	15.75%
		> 15 and < = 30 years	21.75%	21.75%
	Debt Securities issued by the Japanese State:	> 30 and < = 50 years	26.50% 0.50%	26.50% N/A
	Japanese Treasury Bill (JGTB)	6 business days and < = 0,5 year > 0.5 and < = 1 year	0.50%	N/A N/A
	Japanese Treasury Discount Bill (JTDB)	> 1 and < = 3 years	0.50%	N/A
	Japanese Government Bond (JGB)	> 3 and < = 5 years	1.00%	N/A
Japan		> 5 and < = 7 years	1.50%	N/A
		> 7 and < = 10 years	2.00%	N/A

1-2 more - 1.5 percent   3.00 more   1.5 more - 1.5 percent   3.00 more   3.00 more - 1.5 percent   3.00 more - 1.					
2-38 and 4 - 20 permit   1,200   1,0			> 10 and < = 15 years	3.00%	N/A
Cold Securition loads by the Portugues State   10   10   10   10   10   10   10   1			> 15 and < = 30 years	8.25%	N/A
Dest Securities Extends by the Date Sharks   Dest Securities (1994)   Dest Securities Extends by the Control (1994)   Dest Securities (1994)   D			> 30 and < = 50 years	11.00%	N/A
Definition of the community of the Portugues State    Particular State		Debt Securities issued by the Dutch State:	10 business days and < = 0,5 year	0.50%	
Section   Sect		Dutch Treasury Certificate (DTB)	> 0.5 and < = 1 year	0.50%	N/A
Section   Sect		Dutch Government Bond (NETHER)	> 1 and < = 3 years	1.25%	N/A
2			> 3 and < = 5 years	2.00%	N/A
Debt   Securities   Superior	Netherlands		> 5 and < = 7 years	2.25%	N/A
Standard S			> 7 and < = 10 years	3.50%	N/A
Detail Societies (stated by the Norwegian State)			> 10 and < = 15 years	5.00%	N/A
Oct   Securities sound by the Foreviginal State:			> 15 and < = 30 years	11.00%	N/A
Management Pressure (Bird (Bird)   10%   N/A   N/A   10%   10%   N/A			> 30 and < = 50 years	14.75%	N/A
Name of Name of State (1998)    A common of State (1998)   A common of Stat		Debt Securities issued by the Norwegian State:	9 business days and < = 0,5 year	0.75%	N/A
Nowway		Norwegian Treasury Bill (NGTB)	> 0.5 and < = 1 year	1.00%	N/A
S and 4 × 5 years		Norwegian Government Bond (NGB)	> 1 and < = 3 years	1.50%	
So and 6 1 years			> 3 and < = 5 years	2.25%	
Part	Norway		·		
S   10 and c - 15 years			The state of the s		
Stand c = 20 years					
Debt securities issued by the Portuguere State   3 brainess Steps and < 6.50 years   8.25%   N/A			·		
Debt securities issued by the Petrugues State   \$ a business days and < = 0,5 year   \$1.50%					
Portugues   Portugues Government bond (PGB)   > 0.5 and < = 1 year   21.25%   N/A			•		
Portugates Government bond (PGB)  Portug					
### Annual Comments and Comment			7		
Source   S		Portuguese Government bond (PGB)	-		
Special Comment of Special Com			•		
Second	Portugal		-		
2   3   3   3   4   2   3   3   2   3   3   3   3   3   3					
Debt Securities issued by the Spanish State:   3 Discissor Stay, and < -0.5 year   2.25%   5 Danish Letras del Tesoro (SCIT)			•		
Debt Securities sourd by the Spanish State:   Spanish Covernment Bond (SFOBE)   2.25%   3.00			•		
Spanish Converment Bond (SPGBE)   3 and < 3 years   6.50%   6.50%   6.50%   5.50%			•		
Spanish Government Indiation Bond (SPGBE)   > 1 and < 3 years   9.25%   9.25		, ,			
Spanish   Spanish Government Inflation Bond (SPGBEI)   3 and c 5 years   10.50%   10.50%   10.50%   10.50%   10.50%   12.55%			7		
Sealing			-		
P 7 and c = 10 years		Spanish Government Inflation Bond (SPGBEI)			
Debt Securities issued by the Swedish State:   Swedish Government Bond (SGB)   Securities State   Swedish Government Bond (SGB)   Securities State   Swedish Government Bond (SGB)   Swedish Government Bond (SWBS)	Spain				
2.5 Sow   2.5 Sow   2.5 Sow   3.1			•		
Debt Securities issued by the Swedish State:   Securities   Securiti			•		
Oebt Securities issued by the Swedish State:			·		
Swedish Treasury Bill (SWTB)   Swedish Government Bond (SGB)   N/A			·		
Swedish Government Bond (SGB)  > 1 and < 3 years   1,00%   N/A     3 and < 5 years   2,25%   N/A     5 and < 7 years   2,25%   N/A     7 and < 10 years   3,50%   N/A     10 and < 15 years   5,50%   N/A     10 and < 15 years   1,75%   N/A     10 and < 15 years   1,75%   N/A     10 and < 15 years   1,75%   N/A     10 and < 3 years   1,75%   N/A     10 and < 3 years   1,75%   N/A     10 and < 3 years   1,75%   N/A     10 and < 5 years			4 business days and < = 0,5 year	0.50%	N/A
Sweden			> 0.5 and < = 1 year	0.50%	N/A
Seeden		Swedish Government Bond (SGB)	> 1 and < = 3 years	1.00%	N/A
Switzerland			> 3 and < = 5 years	1.75%	N/A
Second	Sweden		> 5 and < = 7 years	2.25%	N/A
Second			> 7 and < = 10 years	3.50%	N/A
Debt Securities issued by the Swiss State:   Swiss Treasury Bill (SWISTB)   Swiss Government Bond (SWISS)   Swiss Government			·	5.50%	
Debt Securities issued by the Swiss State:   3 business days and < = 50 years   0.50%   N/A			·		
Debt Securities issued by the Swiss State:   Swiss Treasury Bill (SWISTB)   Swiss Government Bond (SWISS)   Swiss Government Bond (Swiss Bond (S			·		
Swits Treasury Bill (SWISTB) Swiss Government Bond (SWISS)  Switzerland  Syears  1.50%  N/A  Sye		Dobt Securities issued by the Swiss States	•		
Switzerland  Switz		·			
Switzerland    Said < 5 years   1.75%   N/A			•		
Switzerland		Swiss Government bond (Swiss)	The state of the s		
NA   NA   NA   NA   NA   NA   NA   NA			•	1.75%	N/A
No.	Switzerland		-		
No.			> 7 and < = 10 years	3.50%	N/A
Solution			> 10 and < = 15 years	5.25%	N/A
Debt Securities issued by the United Kingdom State:   United Kingdom Treasury Bill (UKTB)   > 0.5 and < = 1 year   0.70%   N/A			> 15 and < = 30 years	13.50%	N/A
Debt Securities issued by the United Kingdom State:   United Kingdom Treasury Bill (UKTB)   > 0.5 and < = 1 year   0.70%   N/A			> 30 and < = 50 years	18.00%	N/A
United Kingdom Treasury Bill (UKTB)  United Kingdom Gilt (UKT)  UK  UK  UK  UK  Debt Securities issued by the United States of America:  US Treasury Bills (B)  US Treasury Bills (B)  US Treasury Bills (B)  US Treasury Bills (B)  Debt Securities issued by the United States of America:  US Treasury Bills (B)  US Treasury Bills (B)  Debt Securities issued by the United States of America:  US Treasury Bills (B)  US Treasury Bills (B)  Debt Securities issued by the United States of America:  US Treasury Bills (B)  Debt Securities issued by the United States of America:  US Treasury Bills (B)  Debt Securities issued by the United States of America:  US Treasury Bills (B)  Debt Securities issued by the United States of America:  US Treasury Bills (B)  Debt Securities issued by the United States of America:  3 business days and < = 0,5 year  0.50%  N/A  3 business days and < = 0,5 year  0.50%  N/A  3 and <= 3 years  1.50%  N/A  3 and <= 5 years  2.50%  N/A  3 and <= 1 year  3.50%  N/A  3 to and <= 10 year  3.50%  N		Debt Securities issued by the United Kingdom State:			
United Kingdom Gilt (UKT)  UK  UK  UK    Value					
UK    S and <= 5 years   2.50%   N/A     S and <= 7 years   3.25%   N/A     S and <= 10 years   5.00%   N/A     S and <= 10 years   5.00%   N/A     S and <= 15 years   5.00%   N/A     S and <= 15 years   5.00%   N/A     S and <= 30 years   14.25%   N/A     S and <= 50 years   19.00%   N/A     US Treasury Bills (B)   S and <= 0,5 year   0.50%   N/A     S and <= 5 years   1.50%   N/A     S and <= 5 years   2.50%   N/A     S and <= 5 years   2.50%   N/A     S and <= 7 years   3.50%   N/A     S and <= 10 years   5.00%   N/A     S and <= 10 years   5.00%   N/A     S and <= 10 years   5.00%   N/A     S and <= 15 years   5.00%   N/A     S and <= 15 years   5.00%   N/A     S and <= 10 years   5.00%   N/A     S and <= 15 years   5.00%   N/A     S an			•		
UK    S and <= 7 years   3.25%   N/A     S 7 and <= 10 years   5.00%   N/A     S 10 and <= 15 years   8.25%   N/A     S 15 and <= 30 years   14.25%   N/A     S 30 and <= 50 years   19.00%   N/A     US Treasury Bills (B)   S 1 and <= 30 years   1.50%   N/A     USA   USA   S 3 and <= 5 years   1.50%   N/A     S 3 and <= 5 years   1.50%   N/A     S 3 and <= 5 years   1.50%   N/A     S 3 and <= 5 years   2.50%   N/A     S 3 and <= 7 years   3.50%   N/A     S 3 and <= 10 years   5.00%   N			-		
Second Continue	UK		•		
Solution					
Solution					
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Debt Securities issued by the United States of America:  US Treasury Bills (B)  USA  USA  USA  Debt Securities issued by the United States of America:  3 business days and <= 0,5 year  0.50%  N/A  > 1 and <= 3 years 1.50% N/A  > 3 and <= 5 years 2.50% N/A  > 5 and <= 7 years 3.50% N/A  > 7 and <= 10 years 5.00% N/A  > 10 and <= 15 years 7.50% N/A  > 15 and <= 30 years 16.25% N/A					
US Treasury Bills (B)  > 0.5 and <= 1 year 0.70% N/A > 1 and <= 3 years 1.50% N/A > 3 and <= 5 years 2.50% N/A > 5 and <= 7 years 3.50% N/A > 7 and <= 10 years 5.00% N/A > 10 and <= 15 years 7.50% N/A > 15 and <= 30 years 16.25% N/A		Debt Securities issued by the United States of America:			
Second					
Same			'		
USA > 5 and <= 7 years 3.50% N/A > 7 and <= 10 years 5.00% N/A > 10 and <= 15 years 7.50% N/A > 15 and <= 30 years 16.25% N/A					
> 7 and < = 10 years 5.00% N/A > 10 and <= 15 years 7.50% N/A > 15 and <= 30 years 16.25% N/A	LISA				
> 10 and <= 15 years 7.50% N/A > 15 and <= 30 years 16.25% N/A	OSA CONTRACTOR OF THE PROPERTY		•		
>15 and <= 30 years 16.25% N/A					
			•		
> 30 and < = 50 years 22.00% N/A				16.25%	
			> 30 and < = 50 years	22.00%	N/A

Eligible Securities (Supra & Agenc	ies)	Buckets	Haircuts	Haircuts (Inflation Linked Bonds)
	Debt securities issued by the Caisse d'Amortissement de la Dette Sociale (CADES):	3 business days and < = 0,5 year	1.00%	N/A
	CADES Bond (CADES)	> 0.5 and <= 1 year	1.25%	N/A
	CADES Floater (CADES)	> 1 and < = 3 years	1.75%	N/A
Caisse d'Amortissement de la Dette Sociale		> 3 and < = 5 years	3.00%	N/A
		> 5 and < = 7 years	4.00%	N/A
		> 7 and < = 10 years	5.00%	N/A
		> 10 and < = 15 years	8.00%	N/A
		> 15 and < = 30 years	15.75%	N/A
		> 30 and < = 50 years	N/Δ	N/A

	Debt securities issued by the European Financial Stability Facility: European Financial Stability Facility bond (EFSF)	4 business days and < = 0,5 year > 0.5 and < = 1 year > 1 and < = 3 years	1.50% 1.50% 2.50%	N/A N/A N/A
European Financial Stability Facility		> 3 and < = 5 years > 5 and < = 7 years	3.00% 3.75%	N/A N/A
		> 7 and < = 10 years	8.00%	N/A
		> 10 and < = 15 years	8.25%	N/A
		> 15 and < = 30 years	16.50%	N/A
		> 30 and < = 50 years	N/A	N/A
	Debt securities issued by the European Investment Bank:	9 business days and < = 0,5 year	1.00%	N/A
	European Investment Bank bonds (EIB) European Investment Bank Floater (EIB)	> 0.5 and < = 1 year	1.00%	N/A
	European investment bank ribater (Elb)	> 1 and < = 3 years > 3 and < = 5 years	2.50% 3.50%	N/A N/A
European Investment Bank		> 5 and < = 5 years > 5 and < = 7 years	4.50%	N/A N/A
European investment bank		> 7 and < = 10 years	8.00%	N/A
		> 10 and < = 15 years	11.50%	N/A
		> 15 and < = 30 years	16.25%	N/A
		> 30 and < = 50 years	N/A	N/A
	Debt securities issued by the European Union (EU):	12 business days and < = 0,5 year	1.00%	N/A
	European Union bonds (EU)	> 0.5 and < = 1 year	1.00%	N/A
	European Union bonds T-Bills (EUB)	> 1 and < = 3 years	1.75%	N/A
		> 3 and < = 5 years	2.75%	N/A
European Union		> 5 and < = 7 years	4.50%	N/A
		> 7 and < = 10 years	8.00%	N/A
		> 10 and < = 15 years	8.00%	N/A
		> 15 and < = 30 years	15.25%	N/A
		> 30 and < = 50 years	N/A	N/A
	Debt securities issued by the International Bank for Reconstruction and Development :	12 business days and < = 0,5 year	1.00%	N/A
	International Bank for Reconstruction and Development Bond (IBRD)	> 0.5 and < = 1 year	1.00%	N/A
		> 1 and < = 3 years	1.75%	N/A
International Bank for Reconstruction		> 3 and < = 5 years	2.75%	N/A
and Development		> 5 and < = 7 years	4.50%	N/A
		> 7 and < = 10 years	8.00%	N/A
		> 10 and < = 15 years	8.00%	N/A
		> 15 and < = 30 years	15.25%	N/A
		> 30 and < = 50 years	N/A	N/A
	Debt securities issued by the European Stability Mechanism:	4 business days and < = 0,5 year	1.00%	N/A
	European Stability Mechanism Bond (ESM) European Stability Mechanism T-bill (ESMTB)	> 0.5 and < = 1 year	1.00% 1.50%	N/A
	European Stability Medianism F bin (ESWID)	> 1 and < = 3 years > 3 and < = 5 years	2.75%	N/A N/A
European Stability Mechanism		> 5 and < = 7 years	3.50%	N/A N/A
		> 7 and < = 10 years	4.50%	N/A
		> 10 and < = 15 years	8.00%	N/A
		> 15 and < = 30 years	16.50%	N/A
		> 30 and < = 50 years	N/A	N/A
	Debt securities issued by the Landwirtschaftliche Rentenbank: Landwirtschaftliche Rentenbank Bond (RENTEN).	2 business days and < = 0,5 year	1.00%	N/A
	Landwirtschaftliche Rentenbank Floater (RENTEN).  Landwirtschaftliche Rentenbank Floater (RENTEN)	> 0.5 and < = 1 year > 1 and < = 3 years	1.25% 1.50%	N/A N/A
	Landwirtschaftliche Kentenbank Hoater (KENTEN)	> 3 and < = 5 years	2.75%	N/A
Landwirtschaftliche Rentenbank		> 5 and < = 7 years	3.50%	N/A
		> 7 and < = 10 years	4.50%	N/A
		> 10 and < = 15 years	8.00%	N/A
		> 15 and < = 30 years	14.00%	N/A
	Debt securities issued by the Kreditanstalt für Wiederaufbau:	> 30 and < = 50 years 3 business days and < = 0,5 year	N/A 1.00%	N/A N/A
	Kreditanstalt für Wiederaufbau Bond (KFW)	> 0.5 and < = 1 year	1.00%	N/A N/A
	Kreditanstalt für Wiederaufbau Floater (KFW)	> 1 and < = 3 years	1.50%	N/A
		> 3 and < = 5 years	2.75%	N/A
Kreditanstalt für Wiederaufbau		> 5 and < = 7 years	3.50%	N/A
		> 7 and < = 10 years	4.50%	N/A
		> 10 and < = 15 years	8.00%	N/A
		> 15 and < = 30 years > 30 and < = 50 years	14.00% N/A	N/A N/A
		2 30 and 3 = 30 years	NA	14/75

Other stipulations			
Equities	Stocks incorporated European index EURO STOXX 50 (Excluding Banking & Insurance s     An haircut of 35 % is applied on shares accepted as collateral;     Equity Securities not accepted for CDSClear Margins.	tocks) within the limitsset out by LCH SA;	
Haircut allocation rule	For non-cash collateral lodged bilaterally, the duration is used to determine the hairce     For non-cash collateral lodged using triparty solution, the time to maturity is used to determine the hairce.	•	
Additional Haircuts	Certain collateral can from time to time be subject to additional haircuts above those st	ated.	
Excluded bonds instruments	LCH SA deems non eligible the following securities:  • Zero coupon bonds (excluding T-Bills), stripped bonds and perpetual bonds  • Bonds close to maturity  • Optionable bonds (Sinkable, Callable, Putable)  • Bonds not issued in the local country currency (e.g. France issuing USD debt)		
Concentration Limits	LCH SA reserves the right to manage specific concentrations in margin collateral in all ci directly with a view to re-alignment of their portfolio.	rcumstances. Where positions are considered to b	e excessively concentrated, members will be contacted
	For payment in non EURO, LCH SA applies a haircut on the equivalent in EURO calcula	ted from the currency exchange rate the below inc	remental FX Haircut apply.
	Currency	FX HC	Minimum nominal Value in ccy
	AUD	6.90%	100,000
	CAD	4.50%	100,000
	CHF	6.20%	100,000

Currency Haircut	DKK	0.20%	1,000,000
	EUR	0.00%	100,000
	GBP	5.40%	100,000
	JPY	7.50%	10,000,000
	NOK	4.90%	1,000,000
	SEK	3.50%	1,000,000
	USD	4.80%	100,000
	U3D	4.00%	100,000
	To be eligible, securities need to have an Outstanding Amount above the following limits.		
	To be engine, seed the nave an outstanding rimount above the following initial		
		Minimum oustanding amount in ccy	
	Currency		
		(Million)	
	AUD	750	
	CAD	750	
Outstanding Assessed	CHF	500	
Outstanding Amount	DKK	5,000	
	EUR	500	
	GBP	500	
	JPY	70,000	
	NOK	5,000	
	SEK	5,000	
	USD	500	
	Face and the second sec		
Tri Party	For non-cash collateral lodged using triparty solution, same haircuts apply		
····	For non-cash collateral lodged using triparty solution, the minimum Nominal value is defined in	the Triparty contract	
	Deht	Min Maturity (in husiness days)	Max Maturity*
	Debt	Min Maturity (in business days)	Max Maturity*
	Debt	Min Maturity (in business days)	Max Maturity*
	Australia	11	30Y
	Australia Austria	11	30Y 50Y
	Australia Austria Belgium	11 4 4	30Y 50Y 50Y
	Australia Austria Belgium Canada	11 4 4 10	30Y 50Y 50Y 50Y
	Australia Austria Belgium Canada Denmark	11 4 4 10 6	30Y 50Y 50Y 50Y 30Y
	Australia Austria Belgium Canada Denmark Finland	11 4 4 10 6	30Y 50Y 50Y 50Y 30Y 50Y
	Australia Austria Belgium Canada Denmark Finland France	11 4 4 10 6 4	30Y 50Y 50Y 50Y 30Y 50Y 50Y
	Australia Austria Belgium Canada Denmark Finland	11 4 4 10 6	30Y 50Y 50Y 50Y 30Y 50Y
	Australia Austria Belgium Canada Denmark Finland France Germany	11 4 4 10 6 4	30Y 50Y 50Y 50Y 30Y 50Y 50Y
	Australia Austria Belgium Canada Denmark Finland France Germany Italy	11 4 4 10 6 4 4 3 3	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y
	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan	11 4 4 10 6 4 4 3 3	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland	11 4 4 10 6 4 4 3 3 6	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland	11 4 4 10 6 4 4 3 3 3 6 10	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland	11 4 4 10 6 4 4 3 3 6	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y
Maturities	Australia Austria Belgium Canada Demmark Finland France Germany Italy Japan Netherland Norway Portugal	11 4 4 10 6 4 4 3 3 3 6 10	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain	11 4 4 10 6 4 4 3 3 3 6 10 9	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden	11 4 4 10 6 4 4 3 3 6 10 9 3 3	30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland	11 4 4 10 6 4 4 3 3 3 6 10 9 3 3 3	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK	11 4 4 10 6 4 4 4 3 3 6 10 9 3 3 3 4	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities 	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA	11 4 4 10 6 4 4 3 3 3 6 10 9 3 3 3	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK	11 4 4 10 6 4 4 4 3 3 6 10 9 3 3 3 4	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
<b>Maturities</b>	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF	11 4 4 10 6 4 4 3 3 6 10 9 3 3 4 3	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB	11 4 4 10 6 4 4 3 3 3 6 10 9 3 3 3 4 4 3 9	30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB	11 4 4 10 6 4 4 3 3 6 10 9 3 3 4 3 9 12	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU	11 4 4 4 10 6 4 4 3 3 6 10 9 3 3 4 3 9 12	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU IBRD	11 4 4 4 10 6 4 4 3 3 3 6 10 9 3 3 4 9 12 12 4	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU	11 4 4 4 10 6 4 4 3 3 6 10 9 3 3 4 3 9 12	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU IBRD	11 4 4 4 10 6 4 4 3 3 3 6 10 9 3 3 4 9 12 12 4	30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU IBRD ESM Rentenbank	11 4 4 4 10 6 4 4 4 3 3 3 6 10 9 3 3 4 9 12 12 4 2	30Y 50Y 50Y 50Y 30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU IBRD ESM Rentenbank KFW	11 4 4 4 10 6 4 4 3 3 3 6 10 9 3 3 4 3 9 3 4 3 9 12 12 12 4 2	30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5
Maturities	Australia Austria Belgium Canada Denmark Finland France Germany Italy Japan Netherland Norway Portugal Spain Sweden Switzerland UK USA EFSF EIB EU IBRD ESM Rentenbank	11 4 4 4 10 6 4 4 3 3 3 6 10 9 3 3 4 3 9 3 4 3 9 12 12 12 4 2	30Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 50Y 5

The application of the haircuts is performed according to the below formula: Price x (1-HC) x (1 - Fx HC)