

**VIA CFTC PORTAL SUBMISSION**

27 April 2017

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

Dear Mr. Kirkpatrick:

LCH Limited ("LCH"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification, pursuant to CFTC regulation §40.6(a), a new Schedule of Securities Acceptable for Margin Cover Purposes (the "Schedule"). This change takes effect on or after 15 May 2017.

**Part I: Explanation and Analysis**

Currently LCH applies a haircut for foreign exchange ("FX") risk to non-cash collateral only. This proposal implements an FX haircut on cash collateral and non-cash collateral, where there is a mismatch between the currency of the cleared portfolio risk (i.e. the liability) and the currency of the collateral posted. The list of acceptable securities and acceptable cash remains unchanged.

The Schedule is attached hereto (as Appendix A) as a confidential submission.

The Schedule will be notified via a circular to Clearing Members prior to the implementation date.

**Part II: Description of Rule Changes**

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

**Part III: Core Principle Compliance**

LCH has concluded that compliance with the Core Principles will not be adversely impacted by this change, and in particular complies with Core Principles D and L.

**Part IV: Public Information**

LCH has posted a notice of pending certification with the CFTC and a copy of this submission on the LCH website at <http://www.lch.com/rules-regulations/proposed-rules-changes>

**Part V: Opposing Views**

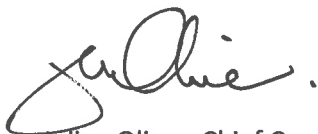
There were no opposing views expressed to LCH.Clearnet by governing board or committee members, members of LCH or market participants that were not incorporated into this change.

**Certification**

LCH hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in 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 regarding this submission please contact me at [julian.oliver@lch.com](mailto:julian.oliver@lch.com)

Yours sincerely,

A handwritten signature in black ink, appearing to read "Julian Oliver", with a large loop at the end of the line.

Julian Oliver, Chief Compliance Officer

**LCH Rule Submission**

**Appendix A**

**(FOIA – Request for Confidentiality)**

**Margin Collateral Haircut Schedule**