

VIA CFTC PORTAL SUBMISSION

03 November 2017

Mr. Christopher Kirkpatrick
Commodity Futures Trading Commission
1155 21st 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 change to its Rulebook in respect of the ForexClear service. This change will take effect on November 20, 2017.

Part I: Explanation and Analysis

LCH is amending its Rulebook to provide clarification that where a ForexClear transaction is submitted for clearing by a branch of a ForexClear clearing member, such a transaction will be deemed to have been presented by, and in the name of the relevant clearing member.

Part II: Description of Rule Changes

The clarification is provided for by the insertion of a new sub-paragraph in Section 1.2.4 of Procedures Section 21 of the LCH Rulebook, specifically sub-paragraph 1.2.4(c). A marked-up version showing the change to Procedures Section 21 is included with this letter as Appendix A.

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 C.

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 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

Yours sincerely,



Julian Oliver, Chief Compliance Officer

LCH Rule Submission

Appendix A

Procedures Section 2I (ForexClear Clearing Service)



LCH.CLEARNET LIMITED
PROCEDURES SECTION 2I
FOREXCLEAR CLEARING SERVICE

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- (c) The ForexClear Service also provides for a separate account for each FXCCM's ForexClear Default Fund Contribution with the account code "F";
- (d) Only the "H" and "F" accounts are obligatory. The "C" account will be used in respect of any FXCCM which engages in ForexClear Client Clearing Business.

1.2.4 Branches

- (a) Submission of a static data form to LCH's membership department by an FXCCM will also allow an FXCCM to be provided with one or more sub-accounts for any branch of that FXCCM (for position-keeping purposes) within that FXCCM's "H" position-keeping account.
- (b) Because the single account reflects the consolidated balances and liabilities of the FXCCM, the balances and liabilities associated with ForexClear Transactions submitted by FXDs and/or per branch will be provided as an estimate (if applicable) .
- (c) Where a ForexClear Transaction is presented for clearing by a branch of an FXCCM, it is deemed to have been presented by, and in the name of, the relevant FXCCM.

1.2.5 Novation and Registration

- (a) An NDF is a ForexClear Transaction (i.e. eligible for registration as a ForexClear Contract) if it satisfies the ForexClear Eligibility Criteria (set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time) at the Registration Time. The Clearing House will register (or reject) a ForexClear Contract in respect of a ForexClear Transaction presented for registration as quickly as would be technologically practicable if fully automated systems were used.
- (b) Prior to registering a ForexClear Contract, the Clearing House will require the FXCCM in whose name such ForexClear Contract is to be registered to provide and maintain sufficient Collateral in respect of its Liabilities (as defined in paragraph (c) of Section 1.6.2 (*Margin Run Process*)) (or its estimated Liabilities) (taking into account any MER Buffer (as defined at paragraph (f) of Section 1.5.5 (*Initial Margin*)) and any MCE (as defined at Section 1.5.6 (*Mutualised Credit Extension*)) made available by the Clearing House, if any) as a precondition to registration. This Collateral check process is referred to as the "**Incremental Risk Check**" (as defined at paragraph (b) of Section 1.3.3 (Trade Validation and Registration)).
- (c) If any FXCCM has not transferred sufficient Collateral in respect of its Liabilities or estimated Liabilities to the Clearing House (taking into account any MER Buffer and MCE provided by the Clearing House, if any) at the time of the relevant Incremental Risk Check, then any