

Via CFTC Portal

22nd September 2017

Mrs. Parisa Abadi

Commodity Futures Trading Commission
1155 21st 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 (“**DCO**”) registered with the Commodity Futures Trading Commission (the “**CFTC**”), is submitting for self-certification the changes related to the proposed extension of the CDSClear services to the clearing of options on index credit default swaps (“**CDS options**”).

The intended date of implementation is October 10th 2017 subject to any relevant regulatory review and/or approval process duly completed and in no event, the new service will be implemented earlier than ten (10) business days after the formal filing with the CFTC.

Part I: Explanation and Analysis

LCH CDSClear is proposing to amend its (i) Reference Guide: CDS Margin Framework and (ii) CDSClear Default Fund Methodology to incorporate terms and to make conforming and clarifying changes to allow CDS options to be cleared by LCH.

LCH has communicated to the CFTC staff all related material detailing the proposed changes as duly attached hereto as Appendix.

The launch of the CDS options clearing service will be contingent on LCH SA’s receipt of all necessary regulatory review comments and approvals.

Part II: Description of Rule Changes

In connection with the clearing of CDS options, LCH SA proposes to modify its CDSClear Margin Framework and Default Fund Methodology to manage the risk arising from clearing CDS Options and to streamline the descriptions in the existing CDSClear Margin Framework and Default Fund Methodology to take into account CDS Options and improve the organization and clarity of the CDSClear Margin Framework and Default Fund Methodology.

Two separate self-certifications are submitted concurrently with respect to (i) amendments to LCH SA's rule book and other relevant procedures to incorporate terms and to make conforming and clarifying changes to allow options on index credit default swaps to be cleared by LCH SA and (ii) the new applicable fee grid.

Part III: Core Principle Compliance

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

Part IV: Public Information

LCH has posted a notice of pending certifications 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 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.

Should you have any questions please contact me at: françois.faure@lch.com.

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

Francois Faure
Chief Compliance Officer
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APPENDIX

- 1) Reference Guide: CDS Margin Framework **(to be filed separately with the CFTC under Confidential Treatment request)**
- 2) CDSClear Default Fund Methodology **(to be filed separately with the CFTC under Confidential Treatment request)**