

Via CFTC Portal

15th February 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 registered with the Commodity Futures Trading Commission (the “**CFTC**”), is submitting for self-certification the proposed minor change for CDS Clear not to apply the recovery risk margin to indices going forward.

The intended date of implementation is 31 March 2017 subject to any relevant regulatory review or approval but in no event, the new change will be implemented earlier than 10 business days after the formal filing with the CFTC.

Part I: Explanation and Analysis

The proposed change is not to apply the recovery risk margin to indices since they trade at a constant recovery rate, any change in the recovery rate of underlying names is reflected in the spread and hence such risk is covered by spread margin.

The proposed change results in approximately -1% change in margin which is deemed to be non-material.

Part II: Description of Rule Changes

This submission does not require any changes to the CDS Clearing Rule Book.

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 Commodity Futures Trading Commission, 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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