

VIA EMAIL TO: SECRETARY@CFTC.GOV

June 2 2016

Mr. Christopher Fitzpatrick
Commodity Futures Trading Commission
1155 21st Street, N.W.
Three Lafayette Centre
Washington, DC 20581

Dear Mr. Fitzpatrick:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet LLC ("LCH"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification a member circular to announce plans to close its SwapClear US Service as of June 23, 2016. LCH intends for this member circular to be treated as a rule of LCH as defined in CFTC regulation §40.1(i).

The member circular is attached as Appendix I.

Part II: Description of Rule Changes

Regulation 303 has been amended to provide LCH with the ability to set the default fund amount to an amount determined by LCH in its sole discretion, provided that LCH complies with all applicable laws.

The amendment to Regulation 303 is attached as Appendix II.

Part III: Core Principle Compliance

LCH has concluded that compliance with the Core Principles will not be adversely impacted by this change.

Part IV: Public Information

LCH.Clearnet has posted a notice of pending certification with the CFTC and a copy of the submission on LCH.Clearnet's website [here](#).

Part V: Opposing Views

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

Certification

LCH.Clearnet LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in the Commission regulation § 40.6, that attached rule submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Should you have any questions regarding this submission please contact me at suprio.chaudhuri@lch.com.

Yours Sincerely,

A handwritten signature in blue ink that reads "Suprio Chaudhuri". The signature is written in a cursive style with a horizontal line underneath.

Suprio Chaudhuri
Chief Compliance Officer
LCH.Clearnet LLC

Appendix I
LCH LLC Circular

Company Circular No.: LCH Circular No. XXXX
Service Circular No: SwapClear US Circular No. XXXX
Date: June 2 2016
To: All LLC Clearing Members
Subject: SwapClear US Closure

Clearing Members are advised that LCH.Clearnet LLC ("LCH") plans to close its SwapClear US service as of June 23, 2016 and has filed a notice today with the U.S. Commodity Futures Trading Commission ("CFTC") to facilitate the return of all remaining default fund contributions to Clearing Members on June 23, 2016.

Please note that the closure of the SwapClear US service will have no effect on the SwapClear Global service offered via LCH.Clearnet Ltd, which continues to be the market-leading interest rate clearing offering.

John Horkan
john.horkan@lch.com
Head of Swap Clear North America

N.B. Please note that the content of this Circular is subject to regulatory review.

To view this notice online, please click [here](#).

Appendix II

LCH LLC Rulebook Amendment – Regulation 303

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Regulation 303 Contributions; Contractual Right of Repayment; Determining Required Amount of Contribution.

Contributions and Right of Repayment. Each Clearing Member shall, from time to time, pay to the Clearing House one or more sums of cash (each a “**Contribution**”) in an amount calculated by the Clearing House in accordance with these Default Fund Regulations. Where the context requires, references in the Rulebook or other related documents to a Clearing Member’s “Contribution” means, as of any given time, an amount equal to (x) the amount such Clearing Member has actually paid to the Clearing House as Contributions *less* (y) any repayments by the Clearing House to such Clearing Member in respect of its Contributions *less* (z) any amounts in respect of such Contributions that have been applied by the Clearing House to one or more Defaults pursuant to these Default Fund Regulations (or otherwise set off in accordance with the Rulebook). Each Clearing Member’s Contribution represents a payment to the Clearing House and upon its payment becomes the sole property of the Clearing House and no Clearing Member shall have any right or interest (whether at law or in equity) in such Contribution.

Each Clearing Member shall have, in respect of its Contribution from time to time, a contractual right (under these Regulations) of repayment from the Clearing House of an amount equal to its Contribution paid to the Clearing House from time to time, at the times and on the terms and subject to the conditions and adjustments as set forth in these Default Fund Regulations and other applicable provisions of the Rulebook. For the avoidance of doubt, the contractual right of a Clearing Member to a repayment of an amount equal to its Contribution referred to above shall be accounted for by the Clearing House solely as a contingent account payable and no assets of the Clearing House (whether held in the Default Fund or otherwise) shall be required to be segregated or separated in respect of Contributions (other than the general separation of the Clearing House’s assets held in the Default Fund from the Clearing House’s other assets, pursuant to Regulation 301(b)).

Determination of Required Contribution. Each Clearing Member’s required Contribution from time to time (not including any required payment of an Unfunded Contribution) shall be determined by the Clearing House in accordance with the following provisions:

Determinations will be made by the Clearing House at the close of business on the first Business Day of each month, commencing such month as the Clearing House shall notify Clearing Members by way of Clearing Member circular, and otherwise in accordance with paragraph (q) below (each a “**Determination Date**”). In addition, the amount payable in respect of the Contribution of a Clearing Member which is a New Member will be determined on the date that the relevant New Member joins the Clearing Service, and the Clearing House may at its discretion treat each Clearing Member as a New Member for the purposes of this Regulation 303 (including making such adjustments as it determines appropriate upon the addition of further New Members) until such time as the first Determination Date set out in the above-referenced circular. Notwithstanding the foregoing, following a Default, any determinations on a Determination Date and any such Determination Date which might otherwise have occurred under this Regulation 303 shall be suspended for the duration of the period (the “**Default Period**”) commencing on the date of such Default and terminating on the last to occur of the following dates:

(ii) the amount of required Contributions shall be rounded upwards, if not already such a multiple, to the next integral multiple of one thousand Dollars, notwithstanding that the arithmetical sum of Contributions paid by all Clearing Members may thereby exceed the Fund Cap; and

~~(iii)~~ no account shall be taken, in calculating Initial Margin or Non-Tolerance Weight of any offsets in the Initial Margin required for Contracts from a Clearing Member, which may otherwise be permissible under the Procedures or other applicable arrangements.

~~(iii)~~

~~(t) Notwithstanding anything in the Rulebook to the contrary, the Fund Amount shall be the amount determined by the Clearing House in its sole discretion in accordance with applicable laws.~~