

VIA CFTC PORTAL

19 Aug 2016

Mr Christopher Kirkpatrick  
Commodity Futures Trading Commission  
115 21<sup>st</sup> Street NW  
Three Lafayette Centre  
Washington DC 20581

**LCH.Cleernet Limited Self Certification: Correction to SwapClear opening hours and support for additional financial centres**

Dear Mr Kirkpatrick,

Pursuant to Commodity Futures Trading Commission (the "CFTC") Regulation §40.6(a), LCH.Cleernet Limited ("LCH"), a derivatives clearing organization registered with the CFTC, is submitting the following changes for self-certification:

1. *Correction to SwapClear opening hours*: changes to its rules to amend SwapClear opening hours to 6 am London time. This is erroneously noted as 5 am London time in the current rulebook.
2. *Support for additional financial centres within SwapClear contract terms*: changes to its product specific contract terms to provide support for new financial centres.

**Part I: Explanation and Analysis**

*Correction to SwapClear opening hours*

The rule change reflects the correct opening hours for the SwapClear service to 6 am London time. This is erroneously noted as 5 am London time in the current rulebook. There are no other changes to the SwapClear processing schedule.

*Support for additional financial centres within SwapClear contract terms*

The rule change to add additional financial centres within SwapClear product specific contract terms provides support to the similar change being introduced by the Markitwire service.

Both of the above changes will go live on, or after, September 6, 2016.

**Part II: Description of Rule Changes**

*Correction to SwapClear opening hours*

*Procedures section 2C (SwapClear Clearing Service)*

Section 1.2 (Operating Times and Calendars) has been updated to reflect the correct opening hours. In addition, Schedule 1 (SwapClear Processing Schedule) has been amended to reflect the correct opening hours.

The text of the changes to Procedures section 2C is attached hereto as **Appendix I**.

*Support for additional financial centres within SwapClear contract terms*

*Product Specific Contract Terms and Eligibility Criteria Manual*

Section 2.6 (Financial Centres) has been updated to reflect the additional financial centres supported.

The text of the changes to the Product Specific Contract Terms and Eligibility Criteria Manual is attached hereto as **Appendix II**.

**Part III: Core Principle Compliance**

LCH has concluded that compliance with the Core Principles will not be adversely affected by these changes.

**Part IV: Public Information**

LCH has posted a notice of pending certification 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 the governing board or committee members, members of LCH or market participants 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 attached rule submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

Should you have any questions please contact me at [julian.oliver@lch.com](mailto:julian.oliver@lch.com).

Yours sincerely



Julian Oliver  
Chief Compliance Officer  
LCH.Clearnet Limited

**Appendix I**  
**Procedures Section 2C**



**LCH.CLEARNET LIMITED**

**PROCEDURES SECTION 2C**

**SWAPCLEAR CLEARING SERVICE**

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repository or similar body the details of a SwapClear Contract and any modification or termination of such contract without duplication and no later than the working day following the conclusion, modification or termination of such contract, in line with the requirements of Applicable Law.

## 1.2 Operating Times and Calendars

### 1.2.1 *Opening Days*

The Clearing House will publish a circular detailing the days on which SwapClear will be open.

### 1.2.2 *Opening Hours*

Unless notified otherwise, the SwapClear clearing system will be operational during the following hours:

~~05~~06:00 London Time to 19:00 New York Time

However, SwapClear Clearing Members should note that Necessary Consents in relation to a Notification submitted during a business day shall be accepted by the Clearing House until 19.01 New York time on the following day. The Clearing House will notify SwapClear Clearing Members in the event that the SwapClear clearing system is scheduled for closure for operational or other reasons (including compression runs).

### 1.2.3 *SwapClear Clearing System Calendars*

The SwapClear clearing system uses the *SwapsMonitor Financial Calendar* for its processing. This will require all SwapClear Clearing Members to be licensees of the *SwapsMonitor Financial Calendar*. The calendars, as applicable to the SwapClear clearing system, will be available online for inspection and for file download from the SwapClear Clearing Member reporting system (see Section 1.1.3).

## 1.3 Registration

### 1.3.1 *Executing Parties and Presentation for Clearing*

A SwapClear Transaction may be entered into by and presented for clearing by (or on behalf of), any of the following parties: (1) SwapClear Clearing Members (or the SCM Branch of any such a SwapClear Clearing Member); (2) SwapClear Dealers; (3) SwapClear Clearing Clients; and (4) FCM SwapClear Members.

The Clearing House receives details of a new eligible SwapClear Transaction using agreed format messages via an Approved Trade Source System. The Approved Trade Source System will send details of a SwapClear Transaction to the Clearing House once it has been bi-laterally agreed by two Executing Parties, or otherwise executed by or on behalf of two Executing Parties on a US Trading Venue or other similar venue or facility, and will confirm which SwapClear Clearing Member(s) has been elected to register the SwapClear

**SCHEDULE 1**  
**SWAPCLEAR PROCESSING SCHEDULE**

This table outlines the daily processes and timetable of the SwapClear operation. Clearing Members will be informed of changes to this timetable via member circular.

<b>SWAPCLEAR PROCESSING SCHEDULE</b>	
<b>Time</b>	
<del>05</del> 06:00 (London time)	SwapClear Opens
16:00 (London time)	Deadline for PPS calls in London
16:00 (New York time)	Deadline for PPS calls in New York
19:00 (New York time)	SwapClear Closes

**Appendix II**  
**Product Specific Contract Terms and Eligibility Criteria Manual**



**PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA  
MANUAL**



- (e) Information source (if applicable); and
- (f) Interpolation (if applicable).

**Provided, however, that**, as set out more particularly in Regulation 16, where the SwapClear Transaction specifies a SwapClear Dealer as the party paying Rate X (the "**First SwapClear Dealer**"), with the other SwapClear Dealer as the party paying Rate Y (the "**Second SwapClear Dealer**"), the Clearing House, in respect of each SwapClear Contract it is party to pursuant to the corresponding SwapClear Transaction, shall be (i) the party paying Rate Y to the First SwapClear Dealer, or its SwapClear Clearing Member, as applicable, under the SwapClear Contract; and (ii) the party paying Rate X to the Second SwapClear Dealer, or its SwapClear Clearing Member, as applicable, under the SwapClear Contract.

SwapClear Contracts registered by the Clearing House in respect of such vanilla inflation swaps with constant notional principal constitute "Inflation SwapClear Contracts".

## 2.6 *Financial Centres*

Detail of the relevant financial centre/s must be provided using the appropriate Markitwire/FpML code as set out below:

<u>Financial Centre</u>	<u>Markitwire/FpML</u>
<a href="#">Dubai</a>	<a href="#">AEDU</a>
<a href="#">Vienna</a>	<a href="#">ATVI</a>
<a href="#">Melbourne</a>	<a href="#">AUME</a>
Sydney	AUSY
Brussels	BEBR
<a href="#">Brazil</a>	<a href="#">BRBD</a>
Montreal	CAMO
Toronto	CATO
Geneva	CHGE
Zurich	CHZU
<a href="#">Santiago</a>	<a href="#">CLSA</a>
<a href="#">Beijing</a>	<a href="#">CNBE</a>
Prague	CZPR
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA
Helsinki	FIHE
Paris	FRPA

<b>Financial Centre</b>	<b>Markitwire/FpML</b>
London	GBLO
<a href="#">Athens</a>	<a href="#">GRAT</a>
Hong Kong	HKHK
Budapest	HUBU
<a href="#">Dublin</a>	<a href="#">IEDU</a>
<a href="#">Mumbai</a>	<a href="#">INMU</a>
<a href="#">Reyjavik</a>	<a href="#">ISRE</a>
Milan	ITMI
Rome	ITRO
Tokyo	JPTO
<a href="#">Seoul</a>	<a href="#">KRSE</a>
Luxemburg	LULU
<a href="#">Mexico City</a>	<a href="#">MXMC</a>
<a href="#">Kuala Lumpur</a>	<a href="#">MYKL</a>
Amsterdam	NLAM
Oslo	NOOS
Auckland	NZAU
Wellington	NZWE
<a href="#">Lisbon</a>	<a href="#">PLTI</a>
<a href="#">Doha</a>	<a href="#">QADO</a>
<a href="#">Moscow</a>	<a href="#">RUMO</a>
<a href="#">Riyadh</a>	<a href="#">SARI</a>
Stockholm	SEST
<a href="#">Bangkok</a>	<a href="#">THBA</a>
<a href="#">Istanbul</a>	<a href="#">TRIS</a>
<a href="#">Taipei</a>	<a href="#">TWTA</a>
Chicago	USCH
Los Angeles	USLA
New York	USNY
Target/Euro	EUTA
Warsaw	PLWA
Singapore	SGSI
Johannesburg	ZAJO