

**VIA CFTC Portal**

20 September 2016

Mr. Christopher Kirkpatrick  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Three Lafayette Centre  
Washington DC 20581

Dear Mr Kirkpatrick:

LCH.Clearnet Ltd ("LCH"), a derivatives clearing organisation registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification, pursuant to CFTC regulation §40.6(a), with respect to fees for the ForexClear Service. The changes described in this self-certification become effective on or after 5<sup>th</sup> October 2016.

**Part I: Explanation and Analysis**

Currently the LCH ForexClear fee webpage notice does not permit a Clearing Member to change fee tariff once they have become active in the service. LCH proposes to amend the ForexClear fee webpage to provide for a Clearing Member to be able to move from the variable tariff to fixed tariff by giving notice by the 20<sup>th</sup> of the preceding month. Such notice would enable the tariff change to be effected from the 1<sup>st</sup> of the following month. This change becomes effective on or after 5<sup>th</sup> October 2016.

Additionally on or after 5<sup>th</sup> October 2016, LCH proposes to publish on its website revised ForexClear service fees for the year 2017 prior to such revised fees becoming into effective. The 2017 fees are described below.

**2017 Clearing Member Fees**

Effective from 1<sup>st</sup> January 2017, a new Clearing Member will be able to choose from either the "Silver Member (Fixed) Tariff" or the "Bronze Member (Variable) Tariff", each described below:

<i>The Silver Member Tariff</i>	is an annual fixed clearing fee of €750,000 charged to cover all inter-dealer trading activity for a clearing member and members of its member group. Fees are billed monthly in arrears in instalments of €62,500, and pro-rated monthly where a member joins intra year.
<i>The Bronze Member Tariff</i>	is an annual fixed clearing fee of \$150,000, together with volume fees in accordance with the 'Member Volume Fees' column of the Fee Schedule table shown below. Fees are billed monthly in arrears, with the fixed fee charged in instalments of \$12,500 and pro-rated monthly where a member joins intra year.

A Clearing Member may move from the Bronze Member Tariff to the Silver Member Tariff by giving notice to the ForexClear service as described above.

Client clearing fees under the ForexClear Client Clearing service are charged in accordance with the 'Client Clearing Fees' column of the Fee Schedule table shown below and are billed monthly in arrears.

Compression fees are \$1 per \$1million of notional reduced through use of the ForexClear Compression service. A cap of \$500,000 will apply per member group for proprietary trading. This cap excludes client clearing compression activity and is not applicable for Clients or Clearing Brokers clearing client business.

Finally, a one-off on-boarding fee of \$70,000 will be applied one month in arrears for each new ForexClear Clearing Member, ForexClear FCM Clearing Member or ForexClear Dealer or Affiliate that is a member or an affiliated firm of a member group.

**Fee Schedule Table**

Tier	Total Cleared Notional	Per Million (USD) Notional Fee	
		Member Volume Fees	Client Clearing Fees
1	\$0 bn - \$50 bn	\$5.00	\$5.00
2	>\$50 bn - \$150 bn	\$4.00	\$4.00
3	>\$150 bn - \$250 bn	\$3.00	\$3.00
4	>\$250 bn	\$0.00	\$1.50

**Part II: Description of Rule Changes**

This submission does not require any changes to the LCH Rulebook.

**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 Principle L.

**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.lchclearnet.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@lchclearnet.com](mailto:julian.oliver@lchclearnet.com)

Yours sincerely,

Julian Oliver  
 Chief Compliance Officer  
 LCH