

VIA CFTC PORTAL

1 December, 2016

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

LCH.Clearnet Limited Self-Certification: Member Circular on Discontinuation of TOIS

Dear Mr Kirkpatrick,

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet Ltd ("LCH"), a derivatives clearing organization registered with the Commodity Futures Trading Commission ("CFTC"), is submitting for self-certification a Circular to SwapClear Clearing Members noting upcoming trade eligibility changes for SwapClear Contracts based on the TOM Next Index Swaps ("TOIS") fixing.

Part I: Explanation and Analysis

On 15th November 2016, ACI Suisse, the administrator of TOIS, announced that the index publication will cease on 29th December 2017¹. SwapClear currently clears CHF denominated Overnight Index Swaps (OIS) referencing TOIS with a maturity date beyond the cessation date (up to 2.3 years). It is therefore necessary to implement the following changes for this product:

- i) For future trades, the eligible maturity date will be reduced to 29th December 2017;
- ii) Existing positions expiring post 2017 will remain eligible to allow Clearing Members to close them out ahead of the 29th December 2017.

The Member Circular on the above changes is attached hereto as **Appendix I**. The Circular will be sent to the SwapClear Clearing Members on or after 16th December 2016.

Part II: Description of Rule Changes

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

¹ <http://www.acisuisse.ch/website/var/assets/aci-suisse-statement-tois-15nov2016.pdf>

Part III: Core Principle Compliance

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

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 governing board or committee members, members of LCH or market participants that were not incorporated into this submission.

Certification

LCH hereby certifies to the CFTC, 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 please contact me at valentina.cirigliano@lch.com.

Yours sincerely



Valentina Cirigliano

Compliance, Regulatory Adviser

LCH.Clearnet Limited

Date: TBC

To: All SwapClear Clearing Members

Appendix I

LCH.Clearnet Limited - SwapClear Circular

Subject: Discontinuation of Swiss TOIS Index

Dear SwapClear Member,

ACI Suisse has announced that the Swiss TOIS index will cease to be published as of 29th December 2017 (the “**Cessation Date**”).

SwapClear Transactions referencing the TOIS index are currently eligible for clearing beyond this Cessation Date. Following ACI Suisse’s announcement, LCH is implementing the following changes:

- SwapClear Clearing Members which do not have SwapClear Contracts referencing the TOIS index with a Termination Date after the Cessation Date will have their eligibility to clear SwapClear Transactions with a Termination Date after the Cessation Date rescinded with effect from January. The exact date will be communicated to Members in due course.
- SwapClear Clearing Members with SwapClear Contracts referencing the TOIS index with a Termination Date after the Cessation Date will remain eligible to clear SwapClear Contracts with a Termination Date after the Cessation Date. Clearing Members are encouraged to close-out SwapClear Contracts with a Termination Date after the Cessation Date.

All members are strongly advised to not clear new trades on this index that have a maturity beyond 2017.

LCH is reviewing its use of the TOIS index across its services, and will continue to consult with affected Members in respect of any potential changes over the course of 2017. The Swiss market has identified SARON as an alternative benchmark. LCH will closely follow the developments in the Swiss market to implement the changes necessary to support the adoption of a new index.

If you have any questions please contact: SwapClear Client Services at swapclear.clientservices@lch.com

Terms used in this circular and not defined in this circular have the meaning in the Rulebook or FCM Rulebook (as applicable) of LCH.Clearnet Limited. References to a SwapClear Clearing Member include an FCM Clearing Member.