



U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Clearing and
Risk

November 21, 2012

ELECTRONIC MAIL

Daniel Maguire
Head of SwapClear US
Managing Director
LCH.Clearnet Limited
17 State Street
New York, NY 10004

Re: Extension for Compliance with Commission Regulation 39.12(b)(7)

Dear Mr. Maguire:

By correspondence dated September 26, 2012, LCH.Clearnet Limited ("LCH"), a registered derivatives clearing organization ("DCO"), requested that the Division of Clearing and Risk ("Division") grant an extension to March 31, 2013 for compliance with Commodity Futures Trading Commission ("Commission") Regulation 39.12(b)(7) and the Division's guidance thereon, with respect to the requirement that DCOs establish systems that allow for the acceptance or rejection of trades as quickly as would be technologically practicable if fully automated systems were used and in no event later than 60 seconds after submission.

LCH's request specifically relates to the requirement in Commission Regulation 39.12(b)(7) that a DCO accept or reject each trade submitted to the DCO for clearing by or for a clearing member or a customer of a clearing member "as quickly as would be technologically practicable if fully automated systems were used."¹ The Division has provided further guidance that under the standard set forth in Commission Regulation 39.12(b)(7), it expects each DCO to accept or reject trades not later than 60 seconds after submission.²

LCH has represented that it will use the extension period to install, and to perform full regression and performance testing of, the technology systems necessary to enable LCH and its clearing members to accept or reject trades within 60 seconds after submission.

¹ See 17 C.F.R. § 39.12(b)(7).

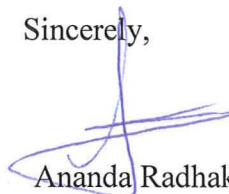
² See Email from Ananda Radhakrishnan, Director, Division of Clearing and Risk, to all registered DCOs (August 31, 2012).

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The Division herein grants the requested extension to LCH, thereby requiring full compliance with Commission Regulation 39.12(b)(7) and the Division's guidance thereon, no later than March 31, 2013, unless LCH is notified otherwise. This extension is granted by the Division in reliance on the representations contained in LCH's request, and any different, changed, or omitted material facts or circumstances may require termination of the extension and immediate action by LCH to facilitate compliance. The Division retains the authority to condition further, modify, suspend, or otherwise restrict the extension granted herein.

Should you have questions regarding this matter, please contact John C. Lawton, Deputy Director, (jlawton@cftc.gov, 202-418-5480) or Christopher Hower, Attorney-Advisor (chower@cftc.gov, 212-418-6703).

Sincerely,



Ananda Radhakrishnan
Director

cc: John C. Lawton
Christopher Hower