



Mr David A Stawick  
Secretary  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Washington DC 20581

15 August 2012

Dear Mr Stawick

Please find enclosed a submission to the Commodity Futures Trading Commission by LCH.Clearnet Limited under the procedure set out in 17 CFR Section 40.6 for the self-certification of rules.

Should you have any questions regarding this submission please don't hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jay Iyer".

**Jay Iyer**  
CCO, LCH.Clearnet Limited

**LCH.Clearnet Limited** Aldgate House, 33 Aldgate High Street, London EC3N 1EA  
Tel: +44 (0)20 7426 7000 Fax: +44 (0)20 7426 7001 [www.lchclearnet.com](http://www.lchclearnet.com)  
LCH.Clearnet Group Limited | LCH.Clearnet Limited | LCH.Clearnet SA

**SUBMISSION OF AMENDMENTS TO THE CLEARINGHOUSE RULES**

TO THE

**COMMODITY FUTURES TRADING COMMISSION**

SUBMITTED BY

**LCH.Clearnet Limited**

an English limited company

**FILING AS A REGISTERED DERIVATIVES CLEARING ORGANIZATION**

**Pursuant to Commission Regulation § 40.6**

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Submitted: 15 August, 2012

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## **LCH.CLEARNET LIMITED SELF-CERTIFICATION OF AMENDMENTS TO RULES**

LCH.Clearnet Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification, pursuant to CFTC Regulation §40.6, amendments to LCH.Clearnet's Rulebook to reflect the extension of the eligible maturity for New Zealand Dollar BKBM Interest Rate Swap ("NZD BKBM IRS").

### **Part I: Explanation and Analysis**

LCH.Clearnet's SwapClear service is proposing to extend the eligible maturity of the NZD BKBM IRS from the current eligible maturity of ten (10) years to fifteen (15) years, continuing to offer it for clearing within the SCM, International client clearing models and FCM model, subject to regulatory approval.

The General Regulations, at Schedule to the SwapClear Regulations, Part B, 1.2, and FCM Regulations, at Schedule A to the FCM Regulations, Part B, 1.2, will be changed to reflect the extended eligible maturity.

### **Part II: Certification by LCH.Clearnet**

LCH.Clearnet certifies to the CFTC, in accordance with CFTC Regulation §40.6, that the amendments to its rules comply with the Commodity Exchange Act and the CFTC Regulations promulgated thereunder. In addition, LCH.Clearnet certifies that LCH.Clearnet has posted a notice of pending certification with the CFTC and a copy of the submission on LCH.Clearnet's website at [http://www.lchclearnet.com/rules\\_and\\_regulations/ltd/proposed\\_rules.asp](http://www.lchclearnet.com/rules_and_regulations/ltd/proposed_rules.asp)  
A signed certification is attached to this submission as Exhibit B.

### **Part III: Compliance with Core Principles**

LCH.Clearnet complies, and will continue to comply, with all of the Core Principles.

### **Part IV: 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 the rule.

**Exhibit A-1**  
**General Regulations**  
See Attached

**Part B**

**Product Eligibility Criteria for Registration of a SwapClear Contract**

**1. SwapClear Transaction**

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the eligibility criteria, set out in paragraphs 4-21.2 (a), (b) or (c) and 1.3, below for a SwapClear Transaction; and
- (b) each party to the transaction is either a SwapClear Dealer or a SwapClear Clearing Member (including an SCM Branch),

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

**1.2. Product eligibility criteria for a SwapClear Transaction**

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Indices <sup>6</sup>	Types	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	
Vanilla interest rate swaps with constant notional principal	Sterling (GBP)	GBP-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99
		GBP-WMBA-SONIA-COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See Article 7.1w (vii) for definition	Floating vs. Floating			
	US Dollar (USD)	USD-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating			
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	736 days	
Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-	

<sup>6</sup> References in this column are to the 2006 ISDA Definitions

Instrument	Acceptable Currencies	Acceptable Indices <sup>6</sup>	Types	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	
Vanilla interest rate swaps with constant notional principal		See Article 7.1(f)(vii) for definition  EUR-EURIBOR-Telerate	Floating vs. Floating		99,999,999,999.99	
		See article 7.1 (f)(ii) for definition  EUR-EONIA-OIS-COMPOUND	Fixed vs. Floating	736 days		
	Australian Dollar (AUD)	See Article 7.1(f) (viii) for definition  AUD-BBR-BBSW	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(a) (iv) for definition  AUD-LIBOR-BBA	Floating vs. Floating			
	Canadian Dollar (CAD)	See Article 7.1(a) (viii) for definition  CAD-BA-CDOR	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(b) (ii) for definition  CAD-LIBOR-BBA	Floating vs. Floating			
	Czech Koruna (CZK)	See Article 7.1(b) (viii) for definition  CZK-PRIBOR-PRBO	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	Danish Krone (DKK)	DKK-CIBOR-DKNA13	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(e) (i) for definition	Floating vs. Floating			

Instrument	Acceptable Currencies	Acceptable Indices <sup>6</sup>	Types		Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
		DKK-CIBOR2-DKNA13 See Article 7.1(e) (ii) for definition				
	Hong Kong Dollar (HKD)	HKD-HIBOR-HIBOR=	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(g) (ii) for definition HKD-HIBOR-HKAB See Article 7.1(g) (iii) for definition HKD-HIBOR-ISDC See Article 7.1(g) (i) for definition	Floating vs. Floating			
	Hungarian Forint (HUF)	HUF- BUBOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	1-10,000,000,000,000
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	Japanese Yen (JPY)	JPY-LIBOR-BBA	Fixed vs. Floating	Single currency	10970 days	1-10,000,000,000,000
		See Article 7.1(l) (iv) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-Telerate	Fixed vs. Floating	Single currency	<del>3670</del> 5495 days	0.01-99,999,999,999.99
		See Article 7.1(l) (iii) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-FRA	Fixed vs. Floating	Single currency	<del>3670</del> 5495 days	0.01-99,999,999,999.99
		See Article 7.1(p) (iii) for definition	Floating vs. Floating			
	Norwegian Krone (NOK)	NOK-NIBOR-NIBR	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			

**Exhibit A-2**  
**FCM Regulations**  
See Attached



**Part B**

**Product Eligibility Criteria for Registration of an FCM SwapClear Contract**

**1. FCM SwapClear Transaction**

Without prejudice to the FCM Regulations and the FCM Procedures, the Clearing House will only register an FCM SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the eligibility criteria, set out in paragraph 1.2(A), (B) and 1.3, below for an FCM SwapClear Transaction; and
- (b) each party to the transaction is an Executing Party;

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

**1.2. Product eligibility criteria for an FCM SwapClear Transaction**

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Indices<sup>1</sup></b>	<b>Types</b>		<b>Maximum Residual Term</b>	<b>Notional Amount (Min-Max of the relevant currency unit)</b>
Vanilla interest rate swaps with constant notional principal	Sterling (GBP)	GBP-LIBOR-BBA	Fixed	Single currency	18,275 days	0.01-
			vs. Floating	Single currency	736 days	
	US Dollar (USD)	USD-LIBOR-BBA	Fixed	Single currency	18,275 days	0.01-
			vs. Floating	Single currency	18,275 days	
		See Article 7.1w (vii) for definition	Floating vs. Floating		99,999,999,999.99	
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating		99,999,999,999.99	

<sup>1</sup> References in this column are to the 2006 ISDA Definitions

Instrument	Acceptable Currencies	Acceptable Indices <sup>1</sup>	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See article 7.1(ab)(xxxix) for definition				
	Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-
		See Article 7.1(f)(vii) for definition	Floating vs. Floating			99,999,999.999.99
		EUR-EURIBOR-Telerate				
		See article 7.1 (f)(ii) for definition				
		EUR-EONIA-OIS-COMPOUND	Fixed vs. Floating	736 days		
		See Article 7.1(f) (viii) for definition				
	Australian Dollar (AUD)	AUD-BBR-BBSW	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999.999.99
		See Article 7.1(a) (iv) for definition	Floating vs. Floating			

Instrument	Acceptable Currencies	Acceptable Indices <sup>1</sup>	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
	Danish Krone (DKK)	DKK-CIBOR-DKNA13	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999.99
		See Article 7.1(e) (i) for definition	Floating vs. Floating			
		DKK-CIBOR2-DKNA13				
		See Article 7.1(e) (ii) for definition				
	Hong Kong Dollar (HKD)	HKD-HIBOR-HIBOR=	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999.99
		See Article 7.1(g) (ii) for definition	Floating vs. Floating			
		HKD-HIBOR-HKAB				
		See Article 7.1(g) (iii) for definition				
		HKD-HIBOR-ISDC				
		See Article 7.1(g) (i) for definition				
	Hungarian Forint (HUF)	HUF-BUBOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	1-10,000,000.00
		See Article 7.1r(i) for	FLOAT vs.			

Instrument	Acceptable Currencies	Acceptable Indices <sup>1</sup>	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		definition	FLOAT			
	Japanese Yen (JPY)	JPY-LIBOR-BBA	Fixed vs. Floating	Single currency	10970 days	1-10,000,000,000,000
		See Article 7.1(l) (iv) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-Telerate	Fixed vs. Floating	Single currency	<u>36705495</u> days	0.01-99,999,999,999.99
		See Article 7.1(l) (iii) for definition	Floating vs. Floating			
		See Article 7.1(p) (iii) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-FRA	Fixed vs. Floating	Single currency	<u>36705495</u> days	0.01-99,999,999,999.99
		See Article 7.1(p) (iii) for definition	Floating vs. Floating			
	Norwegian Krone (NOK)	NOK-NIBOR-NIBR	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			
	Singapore Dollar (SGD)	SGD-SOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99

Instrument	Acceptable Currencies	Acceptable Indices <sup>1</sup>	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		See Article 7.1(q) (i) for definition	Floating vs. Floating			
	Swedish Krona (SEK)	SEK-STIBOR-SIDE	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(x) (i) for definition	Floating vs. Floating			
	Swiss Franc (CHF)	CHF-LIBOR-BBA	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(y) (ii) for definition				
		CHF-TOIS_OIS_COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See Article 7.1(y) (iv) for definition	Floating vs. Floating			
	Polish Zloty (PLN)	PLN	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		WIBOR-WIBO				
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	South African Rand (ZAR)	ZAR	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		JIBAR-SAFEX				

Instrument	Acceptable Currencies	Acceptable Indices <sup>1</sup>	Types	Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		See Article 7.1v (i) for definition	FLOAT vs. FLOAT		

**Exhibit B**  
**Certification**  
See Attached



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AMENDED RULES SELF CERTIFICATION

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LCH.Clearnet Limited ("LCH.Clearnet") hereby certifies to the Commodity Futures Trading Commission ("CFTC"), pursuant to the procedures set forth in the Commission Regulations 40.6, that the following:

- Amendments to LCH.Clearnet's Rules and Regulations to reflect the extension of the eligible maturity for New Zealand Dollar BKBM Interest Rate Swap from the current eligible maturity of ten (10) years to fifteen (15) years, comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Signed as of 15 August 2012

By:  \_\_\_\_\_

Name: Jay Iyer

Title: Chief Compliance Officer

LCH.Clearnet Limited