



VIA EMAIL TO: SECRETARY@CFTC.GOV

07 March 2014

Ms. Melissa Jurgens
Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington DC 20581

Dear Ms. Jurgens:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet LLC (“LCH.Clearnet”), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the “CFTC”), is submitting for self-certification changes to the rulebook to remove reference to the “declear” functionality. These rulebook changes will be implemented and become effective on 24 March 2014.

Please find attached as appendices the Submission Cover Sheet and the relevant changes to the LCH.Clearnet rulebook.

Part I: Explanation and Analysis

LCH.Clearnet is decommissioning the ability for members to submit declear requests to the SwapClear service. The rulebook is being amended to remove reference to this functionality.

Part II: Description of rule changes

Section 2A.10 of the Clearing House Procedures has been amended.

Part III: Core Principle Compliance

The changes contained herein ensure that LCH.Clearnet will continue to comply with all Core Principles, including Core Principle C (Participant and Product Eligibility).

Part IV: Public Information

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/lc/default.asp.

Part V: Opposing Views

There were no opposing views expressed to LCH.Clearnet by its governing board or committee members, members of LCH.Clearnet or market participants that were not incorporated in the changes.

Certification

LCH.Clearnet LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in Commission regulation §40.6, that this submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

Should you have any questions please contact me at laurian.cristea@lchclearnet.com.

Yours sincerely,



Laurian Cristea
Senior Vice President, Compliance & Regulation
US Contact: +1 212.513.5610



Appendix I
Submission Cover Sheet

Appendix II
Rulebook Changes

2A.9.2 PPS Debit Authorization – Deemed Representation of FCM Clearing Member

When an FCM Clearing Member provides the Clearing House authorization (whether by phone or electronic means (including email)) to debit a PPS account in connection with an intra-day margin call, the FCM Clearing Member shall be deemed to have made the following representation to the Clearing House:

- Following the relevant intra-day margin call, the FCM Clearing Member has completed all necessary FCM compliance calculations as required by applicable Law and the funds should be debited from the FCM Clearing Member's nominated account in satisfaction of such margin call.

2A.10 Compression

A Clearing Member may compress existing SwapClear Contracts in accordance with Regulation 401(k). There are two options available to a Clearing Member that wishes to compress existing SwapClear Contracts:

(a) A Clearing Member can request that all SwapClear Contracts entered into (i) on behalf of a designated Client, (ii) on behalf of a designated Affiliate or (iii) on such Clearing Member's own behalf be considered for compression by the Clearing House. Such a request shall be reconsidered by the Clearing House automatically each day (and the results notified to the Clearing Member by 19:00 hours on each applicable day) until the Clearing Member notifies the Clearing House to discontinue such compression of SwapClear Contracts. Clearing Members should contact the Clearing House's Membership Department to request such a compression of SwapClear Contracts.

(b) A Clearing Member may notify the Clearing House directly through the SwapClear API specifying which SwapClear Contracts should be compressed. The Clearing Member will be notified by 19:00 hours on the applicable day whether compression has occurred and the Clearing House will not automatically reconsider such compression request on subsequent days regardless of whether compression has occurred.

In order to [declearcompress](#) a SwapClear Contract, a Clearing Member must register with an Approved Trade Source System an offsetting SwapClear Contract and shall then follow the process for compression as set out above.

The Clearing House shall process the compression of all SwapClear Contracts as notified to it prior to 18:00 hours shortly after 18:00 hours and shall notify the applicable Clearing Member by 19:00 hours of the result of such compression procedure. A notification received after 18:00 hours shall be treated as if such notification was submitted on the following day prior to 18:00 hours, and as such shall be considered shortly after 18:00 hours on such following day and the results notified to the applicable Clearing Member by 19:00 hours on such following day.

Following the compression process described above and as further set out in Regulation 401(k), the applicable Clearing Member shall promptly notify the Clearing House if it believes that any errors have occurred in the compression process or if its books and records do not reconcile with those of the Clearing House