

**VIA EMAIL TO: SECRETARY@CFTC.GOV**

04 April 2014

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

Dear Ms. Jurgens:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet Limited (“LCH.Clearnet”), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the “CFTC”), is submitting for self-certification changes to its SwapClear and ForexClear Agreements entered into between LCH.Clearnet and a group of institutions, acting as dealers on their respective markets (“Dealers”). The amended agreement will be effective upon final execution by all parties which is expected on or after 18 April 2014.

Please find attached as appendices the Submission Cover Sheet and a copy of each agreement in blackline form, together with a request for confidential treatment.

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

As part of the implementation of its process to be recognised as an authorised CCP in the European Union under Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (“EMIR”), LCH.Clearnet and the Dealers have amended their agreements setting out the commercial arrangements with respect to the operation and development of the SwapClear and ForexClear clearing services.

Changes to each agreement are both based on regulatory requirements and commercial reasons.

#### **1. Regulatory requirements**

Under EMIR, and in particular under the regulatory technical standards on requirements for central counterparties, the CCP, through its Board of Directors and its senior management, is responsible for the direction of the clearing house activities, including inter alia, the establishment of its objectives and strategies, its risk management, its remuneration policy.

As a result, the SwapClear and ForexClear Agreements have been amended to ensure that LCH.Clearnet remains at all time solely responsible for the direction of the development and operation of each clearing service. The Dealers have a right to be consulted on a number of matters, all of them related to the clearing of the relevant swaps asset class within LCH.Clearnet. The Dealers can also make proposals to LCH.Clearnet on a number of matters, but LCH.Clearnet will have no contractual obligation to such proposals or recommendations.

## 2. Commercial changes

LCH.Clearnet and the Dealers have agreed on a number of commercial changes affecting the funding and the profit sharing of the SwapClear and ForexClear clearing services.

### **Part II: Description of rule changes**

No rulebook changes are required.

### **Part III: Core Principle Compliance**

The changes described above relate primarily to LCH.Clearnet's compliance with Core Principle C (Participant and Product Eligibility), L (Public Information), and O (Governance Fitness Standards). LCH.Clearnet will continue to comply with all Core Principles following the introduction of these changes and has concluded that its compliance with the Core Principles would not be adversely affected by these changes.

### **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/ltd/default.asp](http://www.lchclearnet.com/rules_and_regulations/ltd/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 Limited 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](mailto:laurian.cristea@lchclearnet.com).

Yours sincerely,



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



**Appendix II**  
**SwapClear Agreement**  
**(Confidential Treatment Requested)**

**VIA EMAIL TO: FOIAsubmissions@cftc.gov**

04 April 2014

US Commodity Futures Trading Commission  
Attention: FOIA Compliance Office  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

**RE: FOIA Request for Confidential Treatment**

Dear Sir/Madam:

In accordance with Commission Regulation 145.9(d), LCH.Clearnet SA ("LCH.Clearnet") respectfully requests confidential treatment under the Freedom of Information Act (the "FOIA"), 5 U.S.C. § 552, for the SwapClear and ForexClear Agreements submitted to the Commission today for self-certification, including subsequent emails and replies between LCH.Clearnet and Commission staff (the "Information").

LCH.Clearnet is requesting confidential treatment for the Information pursuant to Commission Regulation 145.9(d)(ii), which provides that confidential treatment may be requested on the grounds that disclosure would reveal trade secrets or confidential commercial or financial information. LCH.Clearnet further requests that the Information receives confidential treatment in perpetuity.

This request is not to be construed as a waiver of any other protection from disclosure or confidential treatment accorded by law, and LCH.Clearnet will rely on and invoke any such confidentiality protection. LCH.Clearnet requests notification from the Commission in advance of any disclosure of the Information pursuant to the FOIA or the Commission's Rules of Practice so that this request for confidential treatment may be substantiated.

Cordially yours,



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



**Appendix III**  
**ForexClear Agreement**  
**(Confidential Treatment Requested)**

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