



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5430
Facsimile: (202) 418-5547
aradhakrishnan@cftc.gov

Division of Clearing and Risk

Ananda Radhakrishnan
Director

December 31, 2013

ELECTRONIC MAIL

David Weisbrod
Chief Executive Officer
LCH.Clearnet LLC
17 State Street
28th Floor
New York, NY 10004

Re: LCH.Clearnet LLC's Subpart C Election Form

Dear Mr. Weisbrod:

The Commodity Futures Trading Commission (the "Commission") is in receipt of the Subpart C Election Form filed on December 16, 2013 by LCH.Clearnet LLC ("LCH LLC") (the "Election Form") pursuant to Commission Regulation 39.31(b).¹

Pursuant to Regulation 39.31, a derivatives clearing organization ("DCO") that is registered with the Commission and that is not a systemically important DCO may elect to become a subpart C DCO subject to the provisions of Subpart C of Part 39 of the Commission's regulations (the "Subpart C Provisions") by following the procedures set forth in Regulation 39.31(b), which include filing a complete Subpart C Election Form.²

The Division of Clearing and Risk ("DCR") notes that LCH LLC's Election Form specifies December 31, 2013 as the effective date for LCH LLC's election. While Regulation 39.31(b)(5) permits the Commission to stay or deny such an election, DCR, acting pursuant to delegated authority,³ has determined to neither stay nor deny LCH LLC's election at this time.

¹ Commission regulations are found in 17 C.F.R. Chapter I.

² 17 C.F.R. § 39.31(a)(1).

³ Pursuant to Regulation 140.94(c)(12), the Commission has delegated to DCR all functions reserved to the Commission under Regulation 39.31.

Thus, LCH LLC's election is permitted to take effect as of December 31, 2013, and LCH LLC will be subject to subparts A, B and C of Part 39 of the Commission's regulations as of that date. Moreover, as noted in Regulation 39.40, the Subpart C Provisions are intended to establish standards which, together with Subparts A and B of Part 39, are consistent with the Principles for Financial Market Infrastructures (the "PFMIs"). As a result, LCH LLC will be subject to standards that are consistent with the PFMIs as of December 31, 2013.

This letter does not constitute a finding by the Commission as to whether LCH LLC is in compliance with the Subpart C Provisions. In permitting LCH LLC's election to take effect, the Commission is relying on the certification provided in LCH LLC's submission that, as of December 31, 2013, LCH LLC will be in compliance with Subpart C of Part 39 of the Commission's regulations, other than with respect to those provisions for which the Commission has granted LCH LLC an extension of time to comply. The Commission is also relying on the other materials submitted by LCH LLC in connection with its Election Form, including all supplemental information submitted to DCR.

Should you have any questions regarding this letter, please contact Robert B. Wasserman, Chief Counsel (rwasserman@cftc.gov, (202) 418-5092) or Laura Astrada, Associate Chief Counsel (lastrada@cftc.gov, (202) 418-7622).

Sincerely,



Ananda Radhakrishnan
Director

cc: Robert B. Wasserman, CFTC
Phyllis Dietz, CFTC
Julie Mohr, CFTC
Laura Astrada, CFTC