

VIA CFTC PORTAL

28 February 2020

Mr Christopher Kirkpatrick
Commodity Futures Trading Commission
115 21st Street NW
Three Lafayette Centre
Washington DC 20581

LCH Limited Self Certification: Weekly Notification of Rule Amendments

Dear Mr Kirkpatrick

Please accept this notification of rule amendments to LCH Limited's rulebook pursuant to CFTC regulation §40.6(d), for the following non-substantive rule changes in various sections of the LCH Rulebook, as set out below.

Default Rules: the references to "SwapClear" have been replaced by "Rates Service" in the definition of the term "Rates Service Default Management Process Completion Date".

FCM Procedures: we made some minor wording corrections and adjusted certain references.

General Regulations: we removed certain definitions and references that are redundant as no longer referred to in the Rulebook. We made minor amendments to existing definitions and references.

Procedures Section 21 (ForexClear Clearing Service): some references have been updated and the term "Daily CLS Cut-Off Time" has been added to the schedule under section 1.18 ("CLS Payment Procedures").

Procedures Section 2J (Listed Interest Rates Clearing Service): references to the term "Registration Time") have been added, where relevant, in section 1.3 ("Registration").

The changes to the rulebook are included in Appendices I to V in black line form.

Should you have any questions regarding this submission, please contact me at valentina.cirigliano@lch.com.

Yours sincerely,



Valentina Cirigliano
Regulatory Advisor
LCH Limited

Appendix I
Default Rules

LCH The Markets'
Partner

**LCH LIMITED
DEFAULT RULES**

The Clearing House has prepared a statement explaining: (i) how a transfer under the Client Clearing DMP will work, and (ii) the main legal implications of such a transfer, including information on the applicable insolvency law in the relevant jurisdictions. This statement is available on the Clearing House's website at <http://www.lchclearnet.com/members-clients/members/fees-ltd/annual-account-structure-fees>.

LCH LIMITED

The Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001, Part IV

DEFAULT RULES

1. Save where expressly stated to the contrary these Default Rules ("**Rules**") have effect with regard to the provision of clearing services for all markets cleared by the Clearing House. These Rules (including each Supplement) form part of the Clearing House's Rulebook but do not apply in relation to a Co-operating Clearing House.

The Rules comprise:

- these general Default Rules (Rules 1 to 27 inclusive);
- Supplements specific to the following Service(s): the Equities Service, the ForexClear Service, the Rates Service and the RepoClear Service.

Each Supplement establishes a separate default fund specific to the Service to which the Supplement relates. The Supplements establish the size of each default fund, the basis for calculating Contributions to each default fund, and include supplementary provisions addressing cases where the relevant default fund has been utilised. The general Default Rules establish the mechanisms, which apply severally to each default fund, for utilisation of the default funds, and for other matters common to all default funds. In the event of any inconsistency between the provisions of the Default Rules and the provisions of a Supplement or an Annex, the Supplement or Annex (as applicable) will prevail.

The allocation by the Risk Committee of the Clearing House of a Contract to a particular Service to which a Supplement applies shall be done in accordance with the definitions set out in the Supplements, and each decision of the Risk Committee in this respect is conclusive.

2.
 - (a) Words and expressions defined in the Clearing House's Rulebook shall have the same meanings in these Rules, save that (i) in relation to the provision of clearing services by an FCM Clearing Member, words and expressions defined in the Clearing House's FCM Regulations shall have the same meanings in these Rules and such meanings shall prevail over any other meaning given to the relevant word or expression in the Clearing House's Rulebook and (ii) in relation to the provision of clearing services to Sponsored Members, words and expressions defined in the Clearing House's SC Regulations shall have the same meanings in these Rules and such meanings

SCHEDULE 2 RATES SERVICE DMP ANNEX

- 1. Scope and Interpretation**
- 1.1 The SwapClear Service and Listed Interest Rates Service share a common default fund. Accordingly, the risk profile of participating in either one of such Services may be impacted by other Clearing Members participating in the other such Service whether or not as a Portfolio Margining Clearing Member.
- 1.2 The Clearing House has established a Rates Service DMP which will apply to Rates Service Contracts following the issue of a Default Notice relating to a Rates Service Clearing Member and in respect of which, for the avoidance of doubt, the Clearing House will have no recourse to the process of invoicing-back in respect of SwapClear Contracts. The fundamental principles of the Rates Service DMP are elaborated to the fullest extent possible in this Annex. Where exhaustive detail cannot be laid out in the provisions of this Annex, the Rates Service DMP will be undertaken on the basis of the principles contained herein.
- 1.3 Whilst this Annex sets out the default management process in respect of all Rates Service Contracts, it provides for the various types of such Contracts to be treated differently (i.e. depending on whether such Contracts are SwapClear Contracts, Portfolio Margined Contracts or Listed Interest Rates Contracts that are not Portfolio Margined Contracts). Given the scope of the Contracts it covers, the Annex sets out a default management process that applies to defaulting Clearing Members and non-defaulting Clearing Members who are SCMs (whether or not such SCMs are also Listed Interest Rates Clearing Members or Portfolio Margining Clearing Members) and to Listed Interest Rates Clearing Members (whether or not they are also SCMs or, indeed, Portfolio Margining Clearing Members) and, for the purposes of this Annex, unless the context specifically requires otherwise, the terms "SCM" "Defaulting SCM" and "Non-Defaulting SCM" should all be construed to include SCMs who are Joint Rates Service Clearing Members.
- 1.4 The Clearing House has an obligation to ensure the on-going integrity of the SwapClear Service, the Listed Interest Rates Service, the SwapClear Contracts and the Listed Rates Contracts in the interests of the Non-Defaulting Rates Service Clearing Members. When an SCM defaults, SCMs are required to supply impartial expertise through the Rates Service DMG and to bid for the Auction Portfolios of the Defaulting SCM, as laid out in this Annex. In addition, Rates Service Clearing Members and/or their parent companies and/or subsidiaries and/or fellow subsidiaries, have direct interests in the ongoing integrity of the SwapClear Service and Listed Interest Rates Service, notably as contributors to the various default funds of the Clearing House. Each Rates Service Clearing Member shall take all steps and execute all documents necessary or required by the Clearing House to comply with its obligations as a Rates Service Clearing Member arising out of this Annex.
- 1.5 The initial margining process in respect of SwapClear Contracts will be such so as to ensure that the acceptance of bids for the Auction Portfolios of a Defaulting SCM will recognise risk premiums, and that equivalent premiums will be paid by the Clearing House in closing-out large positions in other Contracts traded on exchange of ATS - organised markets.

1.6 In this Annex:

"**AIP**" has the meaning given in Rule 2.5 of this Annex;

"**Auction**" means the process of bidding by Non-Defaulting SCMs for an OTC Auction Portfolio or by Non-Defaulting Joint Rates Service Clearing Members for a Basis Portfolio as prescribed by the Clearing House following consultation with the Rates Service DMG from time to time in accordance with Rule 2.4 of this Annex;

"**Auction Losses**" has the meaning given in the first paragraph of Rule 2 of this Annex;

"**Auction Portfolio Category**" means in relation to an OTC Auction Portfolio, the SwapClear Contract Category to which the SwapClear Contracts in the OTC Auction Portfolio belong, provided that in the case of an OTC Auction Portfolio containing both IRS SwapClear Contracts and Inflation SwapClear Contracts, the relevant Auction Portfolio Category shall be deemed to be the Inflation SwapClear Contract Category;

"**Auction Portfolio Currency**" means in relation to an OTC Auction Portfolio, the currency in which the Contracts in the OTC Auction Portfolio are denominated;

"**Bankruptcy Code**" means the U.S. Bankruptcy Code, as amended;

"**Basis Portfolio**" means a Portfolio containing both SwapClear Contracts and Portfolio Listed Interest Rates Contracts, as more fully described in Rule 2.3 below;

"**CEA**" means the U.S. Commodity Exchange Act, as amended;

"**CFTC**" means the U.S. Commodity Futures Trading Commission;

"**Defaulting Joint Rates Service Clearing Member**" means a Joint Rates Service Clearing Member who is a Defaulter;

"**Derivatives Clearing Organization**" means an organisation designated and registered as such by way of United States Code Title 7, Chapter 1, paragraph 7a-1;

"**Equal Bid**" has the meaning given in Rule 2.4(d) of this Annex;

"**Exchange Closed-out Contracts**" means those Listed Interest Rates Contracts of a Defaulting Listed Interest Rates Clearing Member that are closed-out under the Exchange Rules of the Exchange to which they relate, which, for the avoidance of doubt, will be all Listed Interest Rates Contracts of a Defaulting Listed Interest Rates Clearing Member who is not a Joint Rates Service Clearing Member and those Listed Interest Rates Contracts of a Defaulting Joint Rates Service Clearing Member that are not Portfolio Listed Interest Rates Contracts;

"**Expected Auction Participant**" means, in respect of an OTC Auction Portfolio, any Non-Defaulting SCM who, at the time the Clearing House declares a Default, has at least one Resembling Contract registered in its name;

"**FCM SwapClear Client Business**" means the provision of FCM SwapClear Clearing Services by an FCM Clearing Member to its FCM Clients;

"~~SwapClear~~~~Rates~~ ~~Service~~ ~~Default Management Process Completion Date~~" means the date when the ~~SwapClear~~ ~~Default Management Process~~~~Rates~~ ~~Service~~ ~~DMP~~ in relation to a Default has been completed as determined by the Clearing House in consultation with the ~~SwapClear~~ ~~DMG~~~~Rates~~ ~~Service~~ and notified to all SCMs;

"~~SwapClear-Only Clearing Member~~" means an SCM that is not a Joint Rates Service Clearing Member (i.e., that is not also a Listed Interest Rates Clearing Member);

"~~SwapClear Out Bidder~~" has the meanings given in Rule 2.6(c)(ii) of this Annex;

"~~SwapClear Short Bidder~~" has the meaning given in Rule 2.6(c)(ii) of this Annex; and

"**Worst Case Loss**" means, in respect of (i) the Contracts in an OTC Auction Portfolio or (ii) the Resembling Contracts of a particular Non-Defaulting SCM, the largest loss which could be incurred by the Clearing House in respect of the relevant group of SwapClear Contracts, as determined by the Clearing House using the SwapClear PAIRS margining algorithm based on 2,500 historical scenarios (10 years history) and a holding period of 5 days.

Terms used in this Annex which are not defined herein shall have the meanings given to them in the Regulations and in the FCM Regulations.

2. **Rates Service Clearing House Business, Relevant Auction Contracts in respect of Rates Service Client Clearing Business and FCM SwapClear House Business**

The Rates Service Default Management Process in respect of Rates Service Clearing House Business, Relevant Auction Contracts in respect of Rates Service Client Clearing Business and FCM SwapClear House Business shall involve the processes described in this Rule 2. Rules 2.1 to 2.4 describe the steps for the determination of losses to the Clearing House in respect of OTC Auction Portfolios and Basis Portfolios by way of an auction process. Rules 2.5 to 2.7 describe the steps for the allocation of resources to losses arising from the auction of OTC Auction Portfolios (the "**Auction Losses**"). Rules 2.8 and 2.9 describe the steps for the allocation of resources to losses incurred by the Clearing House in respect of Exchange Closed-out Contracts and Basis Portfolios, respectively.

Resources will be allocated based on the order that the processes described in Rules 2.1 to 2.9 are carried out. Accordingly, once a process is commenced the relevant resources will be allocated in accordance with the steps and order set out in the relevant Rule which applies to that process. Allocation of resources pursuant to a process or the order in which processes are carried out may (i) reduce the resources which are available to meet the losses in respect of any subsequent process and (ii) consequently impact the allocation of losses amongst non-defaulting Clearing Members. For the avoidance of doubt, the Clearing House may in its sole and absolute discretion determine the order in which the processes described in Rules 2.1 to 2.9 are commenced.

2.1 ***Portfolio Splitting***

The Clearing House, in consultation with and with the assistance of the SCMs within the Rates Service DMG, shall determine the composition of each OTC Auction

Appendix II
FCM Procedures



FCM PROCEDURES OF THE CLEARING HOUSE

LCH LIMITED

Except where the context otherwise requires, defined terms used herein have the meaning ascribed to them in the FCM Regulations or in other portions of the FCM Rulebook.

1. FCM CLEARING MEMBER STATUS

1.1 FCM Clearing Member Application Procedure

- (a) **Application Procedure:** An application for FCM Clearing Member status of the Clearing House must be made on the appropriate form which can be obtained from the Clearing House's Membership Department. Additional information (including legal documents) must be supplied where necessary and submitted to the Clearing House with the completed form.

Applicants approved by the Clearing House for FCM Clearing Member status (“**Approved Applicants**”) must, within three months of notification of their approval, fulfill all conditions attached to their approval. If an Approved Applicant does not fulfill all such conditions within these three months, the Clearing House may, at its sole discretion, consider the grant of approval to have lapsed and may notify the prospective FCM Clearing Member accordingly that they will be required to provide further information following which the application will be submitted for re-approval.

FCM Clearing Members have the right to apply for approval to clear one or more markets cleared by the Clearing House, subject to meeting the requirements of the Clearing House in respect of each such market. Please note that FCM Clearing Member status does not provide membership of the company LCH Limited or any right to a shareholding therein, nor does it provide the right to any shareholding in LCH Group Holdings Limited or any entitlement or right to participate in any way in LCH SA or the clearing services it offers. LCH SA has its own arrangements and admission criteria for Clearing Member status – see the LCH SA sections of the LCH website for further details.

- (b) **FCM Clearing Member status:** The terms and conditions binding on each FCM Clearing Member are set out in the FCM Rulebook (which includes these FCM Procedures), the FCM Clearing Membership Agreement, the FCM Default Management Process Agreement and the FCM Default Fund Agreement, each as amended from time to time. Two copies of the FCM Clearing Membership Agreement and the FCM Default Fund Agreement will be provided to the applicant who must sign both copies of each (but not date them) and return them to the Clearing House's Membership Department along with the application documentation.

The applicant must pay the stipulated application fee to the Clearing House. This fee must accompany the application for FCM Clearing Member status and is non-refundable.

If and when FCM Clearing Member status is granted, new FCM Clearing Members will receive a duly executed (and dated) copy of the FCM Clearing Membership Agreement and the FCM Default Fund Agreement together with the notification of acceptance and details of any condition(s) attached to FCM

- (C) any information concerning any financial or business development that the FCM Clearing Member reasonably considers may materially affect the FCM Clearing Member's ability to comply with the applicable membership criteria or Applicable Law or regulations;
- (D) copies of all reports that are required to be filed with the CFTC pursuant to parts 17 and 20 of the CFTC Regulations;
- (E) information and documents regarding the FCM Clearing Member's risk management policies and practices as requested by the Clearing House. Such information shall include, without limitation, information and documents relating to the liquidity of that FCM Clearing Member's financial resources and settlement procedures;
- (F) any other financial information that the Clearing House determines is necessary to assess whether membership criteria are being met on an ongoing basis; and
- (G) notice if the FCM Clearing Member becomes the subject of a bankruptcy petition, receivership proceeding, or the equivalent, or any other event to which it is required to notify the Clearing House under the FCM Clearing Membership Agreement or the FCM Rulebook.

In addition, and upon request from the Clearing House or the CFTC, each FCM Clearing Member shall promptly provide the information detailed in (v) above directly to the CFTC.

1.6.2 ***Reduction in Net Capital***

All FCM Clearing Members must immediately notify the Clearing House of any significant reduction (usually 10 per cent. or more), from the figures shown in their last financial returns, in:

- (a) shareholders' funds; and
- (b) net capital.

1.7 **Additional Requirements**

1.7.1 ***Notification of Changes of Ownership***

FCM Clearing Members are required to notify or pre-notify the Clearing House of changes in controlling holdings (defined as the exercise or control of 20 per cent. or more of the voting power of the firm). However, in cases of changes in ownership, and particularly where those potentially acquiring a dominant stake in an FCM Clearing Member are not known to the Clearing House, FCM Clearing Members are required to pre-notify the Clearing House of their plans. The proposed change of ownership may be subject to an

approval process involving the Risk Committee and Board of the Clearing House.

- 1.7.2 Each FCM Clearing Member shall maintain current written risk management policies and procedures which address the risks that the relevant FCM Clearing Member may pose to the Clearing House, including any policies and procedures that the Clearing House may reasonably request to be incorporated therein. Upon the request of the Clearing House, an FCM Clearing Member shall promptly provide the Clearing House with a copy of its current policies and procedures for review by the Clearing House.
- 1.7.3 Pursuant to, and in accordance with, FCM Regulation 14~~(n)~~ (*Margin and Collateral*), where an FCM Client enters into an FCM Transaction that is non-hedging in nature, the relevant FCM Clearing Member shall collect from that FCM Client additional FCM Client Funds with a value that is:
- (a) in respect of FCM SwapClear Contracts, 10 ~~per cent~~ percent above the amount that the Clearing House would normally require for such contracts; and
 - (b) in respect of FCM ForexClear Contracts, 10 ~~per cent~~ percent above the amount that the Clearing house would normally require for such contracts.

For the avoidance of doubt, FCM Regulation 14~~(n)~~ (*Margin and Collateral*) and this Section ~~1.7.31-7.3~~ do not require that FCM Clearing Members furnish the Clearing House with Excess Margin.

1.8 Other Conditions

The Clearing House may, at any time, impose additional conditions in relation to continued FCM Clearing Member status, and at any time vary or withdraw any such conditions, provided that any conditions which restrict, or may be considered to have the effect of restricting, access of an FCM Clearing Member to the Clearing House shall be imposed only in circumstances where, and to the extent that, their object is to control the exposure of the Clearing House to risk. FCM Clearing Members are referred to the Clearing House's website for further information about the relevant internal risk management policies and procedures of the Clearing House.

The relevant additional conditions imposed on an FCM Clearing Member may include, but are not limited to, a requirement to furnish additional cash or non-cash Collateral to the Clearing House, as determined by the Clearing House.

1.9 Other Conditions

1.9.1 Singaporean Clients

FCM Clearing Members are required to provide a copy of the 'Notice to Singapore Clearing Clients' to FCM Clients incorporated in or operating through a branch in Singapore. The 'Notice to Singapore Clearing Clients' is available here: <http://www.lch.com/members-clients/members/fees-ltd/annual-account-structure-fees>.

Appendix III
General Regulations



**GENERAL REGULATIONS OF
LCH LIMITED**

REGULATION 1 DEFINITIONS

In these Regulations and the Procedures, except where the context otherwise requires, the following words and expressions shall have the following meanings:

"Account Balance"	means, in relation to a Relevant Client Clearing Business of a Clearing Member, an Individual Segregated Account Balance, an Indirect Gross Account Balance, a Custodial Segregated Account Balance or an Omnibus Segregated Account Balance
"ACSP Compression Cycle"	means a Multilateral Compression Cycle established by the Clearing House and facilitated by an ACSP nominated by the Clearing House, which shall be open to participation by SwapClear Clearing Members either on their own account or with respect to a SwapClear Clearing Client in accordance with the provisions of Regulation 56 and relevant Compression Documentation
"Account Information Documents"	means the documents called "LCH Account Structures under EMIR" and "Fees for EMIR Segregation Accounts", as published by the Clearing House on its website and made available to Clearing Members and Clearing Clients upon request
"Affected ForexClear Option Clearing Member"	has the meaning assigned to it in Regulation 101
"Affiliated Client Omnibus Net Segregated Account"	means, in relation to a Relevant Client Clearing Business, an account opened within the Clearing House by a Clearing Member on behalf of a group of Affiliated Omnibus Segregated Clearing Clients which is designated by the Clearing House as an Affiliated Client Omnibus Net Segregated Account
"Affiliated Client Omnibus Segregated Account"	means, in relation to a Relevant Client Clearing Business, (i) an Affiliated Client Omnibus Net Segregated Account or (ii) an Omnibus Gross Segregated Account opened on behalf of a group of Affiliated Omnibus Segregated Clearing Clients
"Affiliated Omnibus Net Segregated Clearing Clients"	means Affiliated Omnibus Segregated Clearing Clients in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Affiliated Client Omnibus Net Segregated Account

"Automated Trading System"	means an automated trading system in respect of which the Clearing House has an agreement with the operator thereof and in respect of which the Clearing House has notified RepoClear Participants <u>Members</u> in accordance with the Procedures
"Automatic Early Termination Event"	has the meaning ascribed to such term in Rule 5 of the Default Rules
"Backup Clearing Member"	means the Clearing Member(s) (a) indicated by a Clearing Client as acting as such, and (b) notified to the Clearing House from time to time in an Appointment Notice and in accordance with the procedure determined by the Clearing House
"Backup Client"	means an Indirect Gross Account Clearing Client identified by a Clearing Member to the Clearing House for the purposes of a transfer of Related Contracts pursuant to a Client to Client Porting
"Backload Registration Cycle"	has the meaning assigned to it in the Procedures
"Backloaded Registration Trade"	has the meaning assigned to it in the Procedures
"Block IRS Trade"	means a trade the notional amount of which is at or above the minimum block size established by the CFTC pursuant to CFTC Regulation 43.6 for the interest rate asset class and in effect as of the date of submission of such trade to the Clearing House for registration
"Board"	means the board of directors or other governing body (whether called a board, a committee or otherwise) of an Exchange
"Bond Trade"	means a trading activity in which a RepoClear Participant offers to sell RepoClear Eligible Securities, and another RepoClear Participant offers to purchase those RepoClear Eligible Securities, and a trade subsequently ensues
"Bulk Event"	has the meaning as described in Regulation 60(f)
"Bulk Event Cycle"	has the meaning as described in Regulation 60(f)

~~"confirmed contract"~~

~~means an original exchange contract which has been confirmed to the Clearing House by or on behalf of a buyer and a seller pursuant to Regulation 13 or 14 and the Procedures, save that where one or more allocations of an original exchange contract have taken place in accordance with Regulation 14 and the Procedures a "confirmed contract" shall only arise when the last allocation of such original exchange contract has been made and confirmed by a Member pursuant to Regulation 14 and the Procedures~~

"Continuing Member "

has the meaning as described in Default Rule 26

"Contract"

means (i) a contract subject to the Regulations entered into by the Clearing House with a Member for the purposes of or in connection with the provision of clearing services including, without limitation, an open contract, settlement contract, re-opening contract or closing-out contract; and also (ii) in the case of the Default Rules (including the Rates Service DMP Annex, RepoClear DMP Annex and ForexClear DMP Annex), the FCM Default Fund Agreement, and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM Contract and an ATS Contract

"contract for differences"

means a Cleared Exchange Contract, an OTC Contract, or a Listed Interest Rates Contract which is to be performed by cash settlement only

"Contribution"

means the contribution of a Clearing Member to a default fund of the Clearing House and includes, in each case in relation to the relevant Service, an Equities Contribution, a ForexClear Contribution, a RepoClear Contribution and, in relation to the Rates Service, a Listed Interest Rates Contribution and a SwapClear Contribution

"Converting ForexClear Clearing Member"

has the meaning assigned to it in Regulation 106A(n)

"Converting SwapClear Clearing Member"

has the meaning assigned to it in Regulation 57A

"Co-operating Clearing House"

means a clearing house party to an agreement with the Clearing House in respect of the co-clearing of an Exchange pursuant to which such organisation co-clears specific types of Contract and agrees to be bound by these Regulations as a Member to the extent and subject to any variations agreed in such agreement

"Co-operating Clearing House Contract"	means, in respect of a Co-operating Clearing House, a class of contract, which is cleared by the Co-operating Clearing House from time to time, permitted to be made by members of the Co-operating Clearing House under Co-operating Clearing House Rules and which is the subject of a Link
"Co-operating Clearing House Rules"	means the provisions of a Co-operating Clearing House's Memorandum or Articles of Association or other constitutional documents, by-laws, rules, regulations, procedures, customs, practices, notices and resolutions in whatever form adopted by such Co-operating Clearing House that regulate Co-operating Clearing House Contracts and the members and markets cleared by the Co-operating Clearing House and any amendment, variation or addition thereto
"Corrupted Data"	has the meaning assigned to it in Section 2C1.27 of the Procedures
"Coupons"	has the meaning assigned to it in section 1.1.7 of Section 4 of the Procedures
"Cover"	means an amount of cash or (with the approval of the Clearing House) non-cash Collateral, determined by the Clearing House, and in a form and currency acceptable to the Clearing House as prescribed in the Procedures
"Crossing Transaction"	has the meaning assigned to it in Chapter XIV(1)
"Cross-ISA Client Excess Deduction "	means, where a Total Required Margin Amount relates to an Individual Segregated Account held by a Clearing Member on behalf of an Individual Segregated Account Clearing Client, if and to the extent that Client Excess is available in one or more other Individual Segregated Accounts held by such Clearing Member on behalf of the same Individual Segregated Account Clearing Client, a deduction by the Clearing House from the other Individual Segregated Account(s) of that Client Excess
"Cumulative Net Present Value"	has: <ul style="list-style-type: none"> (i) in the case of a SwapClear STM Contract, the meaning assigned to it in Regulation 57A; and (ii) in the case of a ForexClear STM Contract, the meaning assigned to it in Regulation 106A

"Depository"	means a collateral agent, custodian, central securities depository, securities settlement system or other similar entity
"Designated Group Member"	has the meaning assigned to it in Chapter XIV(k)
"Designated Rates Exchange"	has the meaning assigned to it in Regulation 100(a)
"Designated Listed Interest Rates Contract "	has the meaning assigned to it in Regulation 100(b)
"Determination Date"	means the date for calculation of a Contribution other than an Unfunded Contribution or a Supplementary Contribution, as provided for in a Supplement, and includes an Equities Determination Date, a ForexClear Determination Date, a Listed Interest Rates Determination Date, a RepoClear Determination Date and a SwapClear Determination Date
"Determined Omnibus Net Segregated Clearing Clients"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"Economic Terms"	means that part of the SwapClear Contract Terms, RepoClear Contract Terms, RepoClear GC Contract Terms, EquityClear Contract Terms, ForexClear Contract Terms, or, in respect of a Designated Listed Interest Rates Contract, the Listed Interest Rates Contract Terms as the case may require, designated as Economic Terms by the Clearing House from time to time
"Eligible Listed Interest Rates Contracts"	means those Listed Interest Rates Contracts meeting the eligibility criteria in respect of Portfolio Margined Contracts as set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"Eligible ForexClear Compression Contracts"	has the meaning set out in Regulation 95(a)
"Eligible SwapClear Compression Contract"	has the meaning set out in Regulation 56(a)

"EquityClear Eligible ccCFD"	means a contract for difference in respect of an EquityClear Eligible Instrument (as such term is defined in the Procedures) prescribed by the Clearing House and eligible for those prescribed parts of the EquityClear service and which appear in the list or lists published for this purpose from time to time by the Clearing House
"EquityClear Eligible Equities"	means securities prescribed from time to time by the Clearing House which are eligible for any part or parts of the EquityClear service and which appear in the list or lists published from time to time by the Clearing House
"EquityClear Eligible Instruments"	has the meaning assigned to it in Section 1.1.3 (<i>EquityClear Eligible Instruments</i>) of Procedure 2D (<i>EquityClear Clearing Service</i>)
"EquityClear (Equities) ATP Match"	means, in respect of an ATP, a match on such ATP of Trading Platform Particulars which relate to EquityClear Eligible Equities and are submitted by, or on behalf of: (i) two EquityClear Clearing Members (with one as buyer and one as seller); or (ii) one EquityClear Clearing Member and one member of a relevant Co-operating Clearing House (with one as buyer and one as seller), <ul style="list-style-type: none"> (i) which match the Clearing House and the ATP have agreed will be cleared in accordance with, and subject to, the ATP Market Rules and the Rulebook via the EquityClear (Equities) Open Offer clearing mechanism (and not via novation under Regulation 69); and (ii) regardless of whether such match is described or characterised as a trade, transaction or agreement in the relevant ATP Market Rules
"EquityClear (Equities) Contract"	means an EquityClear Contract entered into by the Clearing House with an EquityClear Clearing Member on the EquityClear (Equities) Contract Terms or such other terms specified by the relevant ATP
"EquityClear (Equities) Contract Terms"	means the terms applicable to each EquityClear (Equities) Contract, where such terms are not specified by the ATP, as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual
"EquityClear (Equities) Open Offer"	means the open offer made by the Clearing House in respect of an EquityClear (Equities) ATP Match under Regulation 68(c)

"FCM Omnibus SwapClear Client Account with LCH"	has the meaning assigned to it in the FCM Regulations
"FCM Procedures"	has the meaning assigned to it in the FCM Regulations
"FCM Regulations"	means the Clearing House's FCM Regulations
"FCM SwapClear Client Clearing Services"	has the meaning assigned to it in the FCM Regulations
"FCM SwapClear Contract"	has the meaning assigned to it in the FCM Regulations
"FCM SwapClear Suspension Sub-Account"	has the meaning assigned to it in the FCM Regulations
"FCM SwapClear Transaction"	has the meaning assigned to it in the FCM Regulations
"FCM Transaction"	has the meaning assigned to it in the FCM Regulations
"Fed Funds Rate"	means the Federal Funds Rate as published by the Federal Reserve Bank of New York (or, if such a rate is not available, such Fed Fund-linked rate as may be determined in light of market conditions at such time by the Clearing House and notified by the Clearing House to Clearing Members)
"First Defaulter"	has the meaning as described in Default Rule 22
"Fixed Income Contract"	means a RepoClear Contract or a RepoClear GC Contract
"ForexClear AET Requirement"	means, in respect of an FXCCM, that all of the ForexClear Contracts in the name of such FXCCM have been closed out or transferred to another Clearing Member
"ForexClear Amendment"	has the meaning assigned to it in Rule F12 of the ForexClear Default Fund Supplement
"ForexClear Approved Trade Source System"	means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market, trade or affirmation system, a ForexClear Matcher or other similar venue or system, approved by the Clearing House for submitting ForexClear Transactions to the Clearing House (and excludes, for the avoidance of doubt, the ClearLink API)
"ForexClear Business"	means any transaction, obligation or liability arising out of any ForexClear Contract

"Governmental Authority"	<p>means any:</p> <p>(a) governmental, inter-governmental, parliamentary or supranational body, entity, agency or department; or</p> <p>(b) regulatory, self-regulatory or other authority,</p> <p>in each case, which has jurisdiction over the Clearing House and/or, in respect of a Clearing Member, the relevant Clearing Member.</p>
"Group Member"	has the meaning assigned to it in Chapter XIV(c)(i)
"Hedged Account"	has the meaning assigned to it in the FCM Regulations
"Hedging ForexClear Service Clearing Member"	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules
"Hedged Hedging Rates Service Clearing Member"	has the meaning assigned to it in the ForexClear <u>Rates</u> DMP Annex in the Default Rules
"House Clearing Business"	means, in respect of SwapClear, SwapClear Clearing House Business and FCM SwapClear Clearing House Business, in respect of ForexClear, ForexClear Clearing House Business and FCM ForexClear Clearing House Business, in respect of RepoClear, RepoClear Clearing House Business and in respect of any other Service, Contracts entered into by a Clearing Member with the Clearing House on a proprietary basis and for its own account
"House Excess"	means in relation to a Service, that part of the Clearing Member Current Collateral Balance maintained by a Clearing Member with the Clearing House on a proprietary basis and for its own account which is in excess of the relevant Total Required Margin Amount
"Identified Client Omnibus Net Segregated Account"	means, in relation to a Relevant Client Clearing Business, (i) an account opened within the Clearing House by the relevant Clearing Member on behalf of its Identified Omnibus Segregated Clearing Clients which is designated by the Clearing House as an Identified Client Omnibus Net Segregated Account; together with (ii) for the purposes of the Default Rules, any Omnibus Segregated Account comprising Determined Omnibus Net Segregated Clients
"Identified Client Omnibus Segregated Account"	means (i) an Identified Client Omnibus Net Segregated Account or (ii) an Omnibus Gross Segregated Account opened on behalf of a group of Identified Omnibus Segregated Clearing Clients

"Insufficient Resources Determination"	has the meaning assigned to it in Rule E10 of the Equities Default Fund Supplement, Rule CS6 of the Rates Service Default Fund Supplement, Rule F11 of the ForexClear Default Fund Supplement, or Rule R11 <u>R10</u> of the RepoClear Default Fund Supplement, as applicable
"Insufficient Resources Determination Rule"	means Rule E10 of the Equities Default Fund Supplement, Rule CS6 of the Rates Service Default Fund Supplement, Rule F11 of the ForexClear Default Fund Supplement and Rule R1 <u>4</u> 0 of the RepoClear Default Fund Supplement
"Intellectual Property Rights"	has the meaning assigned to it in Chapter XIV(j)
"Intra-Day Bulk Transfer"	means an Intra-Day Full Bulk Transfer and an Intra-Day Partial Bulk Transfer, unless the context otherwise requires
"Intra-Day Full Bulk Transfer"	means an intra-day transfer of all (but not some) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member
"Intra-Day Non-Bulk Transfer"	means an intra-day transfer of some or all of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member, where such transfer: (i) does not exceed the Bulk Threshold; and (ii) does not include the transfer of an Associated Collateral Balance
"Intra-Day Partial Bulk Transfer"	means an intra-day transfer of some (but not all) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member
"ISA Port"	means a port of the Contracts and Account Balance held in a Custodial Segregated Account opened by a Clearing Member with the Clearing House in respect of a Custodial Segregated Client to an Individual Segregated Account opened for such Clearing Client by a Backup Clearing Member in accordance with the Default Rules and the relevant Collateral Management Agreement
"IRS FCM SwapClear Contract"	has the meaning assigned to it in the FCM Regulations

"Net Recovery"	means any sum received by the Clearing House from or for the account of a Defaulter after the issue by the Clearing House of a Rule 19 Certificate in respect of losses arising upon the Defaulter's Default less any amount payable to any insurer or provider of analogous services in respect of any amount due from but not previously paid by the Defaulter
"New Member"	means, on the day as at which any Contribution is to be calculated, any Clearing Member which either has become a Clearing Member, or has commenced clearing in respect of the relevant Service, since the immediately preceding day prescribed for calculating similar Contributions
"Nominated Group Member"	has the meaning assigned to it in Chapter XIV(k) Chapter XIV(k)
"Non-Affected ForexClear Option Clearing Member"	means a ForexClear Option Clearing Member that is not an Affected ForexClear Option Clearing Member
"Non-Clearing Participant ("NCP")"	means, in respect of a Service, a person (a) who is not a Clearing Member in such Service, (b) whom a Clearing Member has appointed as an NCP, in respect of such Service, in accordance with the Procedures, (c) who has been notified to the Clearing House in accordance with Section 1.2.2 of Section 1 of the Procedures, and (d) whose appointment as an NCP, in respect of such Service, has not been terminated in accordance with Section 1.2.3 of Section 1 of the Procedures
"Non-Defaulting FXCCM"	means an FXCCM which is not a Defaulter under Rule 4 of the Default Rules
"Non-Defaulting Joint Rates Service Clearing Member"	means a Joint Rates Service Clearing Member which is not a Defaulter under Rule 4 of the Default Rules
"Non-Defaulting Rates Services Clearing Member"	means a Rates Service Clearing Member which is not a Defaulter under Rule 4 of the Default Rules
"Non-Defaulting RCM"	means an RCM which is not a Defaulter under Rule 4 of the Default Rules
"Non-Defaulting SCM"	means an SCM which is not a Defaulter under Rule 4 of the Default Rules
"Non-Eligible Listed Interest Rates Contract"	means those Listed Interest Rates Contracts other than Eligible Listed Interest Rates Contracts

"Own Resources Provision"	means Article 35 of Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties or any law, regulation, rule, official directive or guideline (having the force of law) which replaces, supplements, modifies, amends or varies such provision
"Permitted Transfers"	has the meaning ascribed to it in Section 2C of the Procedures
"Portfolio Margined Contracts"	means any Listed Interest Rates Contracts recorded in an account of a Portfolio Margining Clearing Member related to SwapClear Business following the operation by the Clearing House of the Portfolio Margining Arrangements
"Portfolio Margining Arrangements"	means the operational provisions in respect of the Portfolio Margining Service as set out in Section 2.1 of the Rates Service DMP Annex
"Portfolio Margining Clearing Member"	means a Joint Rates Service Clearing Member who has opted in to the Portfolio Margining Service in accordance with Section 2C of the Procedures
"Portfolio Margining Client"	means, in respect of a Portfolio Margining Clearing Member, an Individual Segregated Account Clearing Client, a Custodial Segregated Client or an Omnibus Segregated Clearing Client which has been opted in to the Portfolio Margining Service in accordance with Section 2C of the Procedures
"Portfolio Margining Service"	means the portfolio margining service offered by the Clearing House pursuant to Regulation 59 and as more fully described at Section 2C of the Procedures
"Portfolios"	has the meaning assigned to it in the Default Rules
"Porting Window"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"Porting Window Reduction"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"Post-Compression Contracts"	means the Post-Multilateral Compression Contracts and/or any replacement SwapClear Contracts referred to in Regulation 56
"Post-Multilateral Compression Contracts"	means, in relation to a Compression Proposal, the SwapClear Contracts registered as a result of Multilateral Compression in accordance with such Compression Proposal

"Procedures"	<p>means Section 1 (<i>Clearing Member, Non-Member Market Participant and Dealer Status</i>), Section 2B <i>RepoClear Service</i>) to Section 2J (<i>Listed Interest Rates Service</i>) and Sections 3 (<i>Financial Transactions</i>) to 8 (<i>Complaints</i>) of the Rulebook and the procedures for application for and regulation of membership of the Clearing House and in respect of SwapClear Dealers, RepoClear Dealers, and ForexClear Dealers respectively, for:</p> <ul style="list-style-type: none"> (a) application for admission to the Register of SwapClear Dealers and regulation of SwapClear Dealers admitted to the Register; (b) application for admission to the Register of RepoClear Dealers and regulation of RepoClear Dealers; (c) application for admission to the Register of ForexClear Dealers, <p>and shall also include FCM Procedures where the term "Procedures" is used in the Default Rules. For the avoidance of doubt, a reference to "Procedures" is not intended to refer to procedures provided for or required by any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any Governmental Authority</p>
"Product"	has the meaning assigned to it in the FCM Regulations
"Product Specific Contract Terms and Eligibility Criteria Manual"	means the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"prompt date"	has, in respect of (i) an exchange contract, the meaning ascribed to it in the Exchange Rules governing such contract or (ii) a Listed Interest Rates Contract, the meaning ascribed to it in the Product Specific Contract Terms and Eligibility Criteria Manual
"Permitted Transfer"	has the meaning ascribed to it in Section 2C of the Procedures
"Proprietary Account"	means an account opened within the Clearing House by a Clearing Member in respect of such Clearing Member's House Clearing Business and/or for the purpose of holding Client Buffer
"Protest"	has the meaning given to it in Exchange Rules

"Relevant Auction Contract"	has the meaning given to the term in the Client Clearing Annex
"Relevant Business"	has the meaning as described in Default Rule 15(c)
"Relevant Client Clearing Business"	means the Client Clearing Business conducted by a particular Clearing Member in a particular Service
"Relevant Contract"	has the meaning assigned to it in the Client Clearing Annex
"Relevant Default"	has the meaning ascribed to it in Rule S1 of Part A of the Rates Service Default Fund Supplement - SwapClear, Rule F2 of the ForexClear Default Fund Supplement or Rule R2 of the RepoClear Default Fund Supplement, as applicable
"Relevant FX Amounts"	means, in respect of a ForexClear Option Clearing Member and a day, all amounts that are due to be received by such ForexClear Option Clearing Member on such day under a ForexClear Option Contract, ForexClear Swap Contract, ForexClear Deliverable Forward Contract and/or ForexClear Spot Contract in any ForexClear Currency
"Relevant FX Liability"	has the meaning assigned to it in Regulation 101
"re-opening contract"	means a contract arising pursuant to Regulation 30(b) or 30(c)
"RepoClear Additional Payments Cap"	means, in respect of a RCM on any date, an amount equal to the Clearing Member Current Collateral Balance of that RCM in connection with its RepoClear Business as at the date of the Default causing losses leading to an Insufficient Resources Determination (or, where such an Insufficient Resources Determination is made following concurrent Defaults, the date of the earliest Default)
"RepoClear Amendment"	has the meaning assigned to it in Rule R12 of the RepoClear Default Fund Supplement
"RepoClear Business"	means any transaction, obligation or liability arising out of any Fixed Income Contract
"RepoClear Clearing Client"	means, in respect of RepoClear Client Clearing Business, an Individual Segregated Account Clearing Client or an Omnibus Segregated Clearing Client
"RepoClear Clearing House Business"	means, a Fixed Income Contract entered into by a RepoClear Clearing Member with the Clearing House on a proprietary basis and for its own account

"RepoClear Default Period"	has the meaning ascribed to it in Rule R2 of the RepoClear Default Fund Supplement
"RepoClear Determination Date"	has the meaning assigned to it in Rule R2 of the RepoClear Default Fund Supplement
"RepoClear DMP Contract"	means a contract –entered into in accordance with the RepoClear DMP Annex in the Default Rules by the Clearing House with a RepoClear Clearing Member on the RepoClear Contract Terms
"RepoClear Eligibility Criteria"	means with regard to RepoClear Transactions, the product criteria set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"RepoClear Eligible Securities"	means with regard to RepoClear Transactions, Bond Trades and Repo Trades securities of a type described in the Product Specific Contract Terms and Eligibility Criteria Manual
"RepoClear Excess Loss"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of RepoClear Business less (a) the proportion of the Capped Amount applicable to RepoClear Business under Rule 15(c) and (b) any sums then immediately payable in respect of RepoClear Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"RepoClear €GC Contract"	means a Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear €GC Contract Terms
"RepoClear €GC Contract Terms"	means the Terms set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual
"RepoClear €GC Transaction"	means a contract, meeting the requirements of the Regulations and Procedures for registration as a RepoClear €GC Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable
"RepoClear GC Contract"	means a RepoClear €GC Contract or a RepoClear Term £GC Contract.

"RepoClear GC Transaction"	means a RepoClear £GC Transaction or a RepoClear Term £GC
"RepoClear Loss Distribution Process"	has the meaning assigned to it in Rule R89 of the RepoClear Default Fund Supplement
"RepoClear Participants"	means RepoClear Clearing Members and RepoClear Dealers and "RepoClear Participant" means any of them
"RepoClear Regulations"	means those Regulations which apply to Fixed Income Contracts as specified in Regulation 61
"RepoClear Segregated Fund Amount"	means the amount as determined in accordance with Rule R2 and R3 of the RepoClear Default Fund Supplement
"RepoClear Service"	the service provided by the Clearing House under the RepoClear Regulations
"RepoClear Term £GC Contract"	means a Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear Term £GC Contract Terms
"RepoClear Term £GC Transaction"	means a contract, meeting the requirements of the Regulations and Procedures for registration as a RepoClear Term £GC Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable
"RepoClear Transaction"	means a contract (which includes for the avoidance of doubt, ATS Contracts), meeting the requirements of the Regulations and Procedures for registration as a RepoClear Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable. A "RepoClear Repo Transaction" is such a contract for the trade of a repo; a "RepoClear Bond Transaction" is such a contract for the trade of bond/s
"RepoClear Unfunded Contribution"	has the meaning assigned to it in Rule R87 of the RepoClear Default Fund Supplement
"RepoClear Unfunded Contribution Notice"	has the meaning assigned to it in Rule R78 of the RepoClear Default Fund Supplement

"strike price"	means the price specified in an option contract which becomes the price of the reference asset or commodity under a contract for the future sale and purchase of that reference asset or commodity for future delivery or, as the case may be, under a delivery contract, in either case on the exercise of the option the subject of such option contract, in accordance with Exchange Rules, these Regulations and the Procedures, as applicable
"Sub-Block Trading Venue Transaction"	means a transaction, identified by the Clearing House as having been executed on a Trading Venue, the notional amount of which is below the minimum block size determined by the Clearing House in its sole and absolute discretion and published on the Clearing House's website in respect of the particular transaction and in effect as of the date of presentation of such transaction to the Clearing House for registration
"Supplement"	means a supplement specific to a particular Service and includes the Equities Default Fund Supplement, the ForexClear Default Fund Supplement, the Rates Service Default Fund Supplement – Listed Interest Rates, the RepoClear Default Fund Supplement and the Rates Service Default Fund Supplement – SwapClear
"Supplementary Contribution"	means a supplementary Contribution of a Clearing Member, provided for under Rule E7(b), F7(c), R6(c) or CS7 (as applicable) and referable to the relevant Service provided by the Clearing House
"SwapClear AET Requirement"	means, in respect of an SCM, that all of the SwapClear Contracts and Portfolio Margined Contracts in the name of such SCM have been closed out or transferred to another Clearing Member
"SwapClear Amendment"	has meaning assigned to it in Rule S12 of the SwapClear Default Fund Supplement
"SwapClear Business"	means any transaction, obligation or liability arising out of any SwapClear Contract (which, for the avoidance of doubt, includes for purposes of the Rates Service DMP Annex the Portfolio Margined Contracts (if any) of a Portfolio Margining Clearing Member)
"SwapClear Clearing Client"	means, in respect of SwapClear Client Clearing Business, an Individual Segregated Account Clearing Client, an Indirect Gross Account Clearing Client, a Custodial Segregated Client or an Omnibus Segregated Clearing Client

"SwapClear Dealer" or "SD"	means a person admitted by the Clearing House to the Register of SwapClear Dealers and who has not been removed from the Register
"SwapClear Default Fund Supplement"	means the Supplement relating to the SwapClear Business
"SwapClear Default Management Process"	has the meaning assigned to it in the SwapClear DMP Annex in the Default Rules
"SwapClear Default Management Process Completion Date"	has the meaning assigned to it in the SwapClear DMP Annex in the Default Rules
"SwapClear Default Period"	has the meaning ascribed to it in Rule S1 of Part A of the Rates Service Default Fund Supplement – SwapClear
"SwapClear Determination Date"	has the meaning ascribed to it in Rule S1 of Part A of the Rates Service Default Fund Supplement – SwapClear
"SwapClear DMG"	has the meaning assigned to it in the SwapClear DMP Annex in the Default Rules
"SwapClear DMP"	has the meaning assigned to it in the Default Rules
"SwapClear Eligibility Criteria"	means the product eligibility criteria in respect of SwapClear Transactions as set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"SwapClear End of Day Price"	has the meaning assigned to it in Chapter XIV(1)
"SwapClear Excess Loss"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of SwapClear Business less (a) the proportion of the Capped Amount applicable to SwapClear Business under Rule 15(c) of the Default Rules and (b) any sums then immediately payable in respect of SwapClear Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"SwapClear Regulations"	means those Regulations which apply to SwapClear Contracts as specified in Regulation 54
"SwapClear Segregated Fund Amount"	means the amount as determined in accordance with Rule S2(b) of the SwapClear Default Fund Supplement

"SwapClear Service"	the service provided by the Clearing House under the SwapClear Regulations
"SwapClear STM Contract"	means a SwapClear Contract that is (i) registered at the Clearing House as a SwapClear STM Contract pursuant to Regulation 55(b), (ii) designated a SwapClear STM Contract by the Clearing House pursuant to Regulation 57A, (iii) converted into a SwapClear STM Contract by the Clearing House pursuant to Regulation 57A, or (iv) a SwapClear STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the SwapClear STM Terms.
"SwapClear STM Terms"	means the part of the SwapClear Contract Terms designated as the SwapClear STM Terms by the Clearing House from time to time
"SwapClear Tolerance"	has the meaning assigned to it in Section 1.3.3 (<i>Trade Registration Facilitation: SwapClear Tolerance, Client Buffer and Standing Order Amount</i>) of Procedure 2C (<i>SwapClear Clearing Service</i>) of the Clearing House's Procedures
"SwapClear Tolerance Utilisation"	means, in respect of each SCM, the value of the SwapClear Tolerance utilised by that SCM at any particular time, as determined by the Clearing House in its sole discretion
"SwapClear Transaction"	means any transaction the details of which are presented to the Clearing House via an Approved Trade Source System for the purpose of having such transaction registered at the Clearing House as two SwapClear Contracts or one SwapClear Contract and one FCM SwapClear Contract (as the case may be), regardless of whether such transaction (a) is an existing swap transaction, (b) was entered into in anticipation of clearing, or (c) is contingent on clearing
"SwapClear Unfunded Contribution"	has the meaning assigned to it in Rule S7 of Part A of the Rates Service Default Fund Supplement – SwapClear
"SwapClear Unfunded Contribution Notice"	has the meaning assigned to it in Rule S7 of Part A of the Rates Service Default Fund Supplement – SwapClear
"SwapClear Voluntary Payment"	has the meaning assigned to it in Rule S10 of the SwapClear Default Fund Supplement
"SwapClear Voluntary Payment Notice"	has the meaning assigned to it in Rule S10 of the SwapClear Default Fund Supplement
"TARGET2"	means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007

REGULATION 5 RESIGNING AND RETIRING MEMBERS

- (a) A Clearing Member may resign from a particular Service by exercising its rights under Rules E7(e), F3(e), L6(c) or S2(e) of the Default Rules (each an "**Accelerated Termination Provision**"), or by giving no less than three months' written notice to the Clearing House by completing a Resignation Letter, a copy of which can be obtained from the Clearing House Membership Department. Resignation takes effect on the Resignation Effective Date, which is:
- (i) where the Clearing Member is exercising its rights under, and has complied with the requirements of, the Accelerated Termination Provision for the relevant Service, the date determined in accordance with that Accelerated Termination Provision; or
 - (ii) otherwise, the later of: (A) the resignation date specified in the written notice to the Clearing House in relation to the relevant Service; and (B) the date on which all Contracts registered in the Resigning Member's name on the relevant Service have been closed out or transferred so as to ensure that there are no remaining open Contracts in respect of the relevant Service to which the Resigning Member is a party.
- (b) Upon the Clearing House being satisfied that the Resigning Member is not a Defaulter and that all obligations of the Resigning Member to which the relevant Collateral is capable of being applied in accordance with the Rulebook have been irrevocably paid or discharged in full and that no such obligations are capable of arising:
- (i) the Clearing House shall: (A) in the case of cash Collateral transferred by the Resigning Member to the Clearing House for the purpose of collateralising the Resigning Member's obligations in respect of the relevant Service (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer an amount of cash to the Resigning Member equal to such cash; and (B) in the case of non-cash Collateral transferred by the Resigning Member to the Clearing House for the purpose of collateralising the Resigning Member's obligations in respect of the relevant Service (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer that same Collateral (or equivalent Collateral) to the Resigning Member; and
 - (ii) the Resigning Member shall, in the case of cash Collateral transferred to the Resigning Member for the purpose of collateralising the Clearing House's obligations in respect of the relevant Service (other than any constituting Clearing House Returned Collateral or Clearing House Applied Collateral), transfer an amount of cash to the Clearing House equal to such cash.
- (c) A Resigning Member other than a Defaulter who is resigning from a particular Service shall be liable in respect of Aggregate Excess Losses relating to any Default which arises in the relevant Service prior to the relevant Resignation Effective Date. In such circumstances, and as further provided in the Default Rules, the Resigning Member may be required to maintain some or all of its Contribution in connection with that Service until after the completion of the default management process related to the

relevant Default, notwithstanding that the relevant Resignation Effective Date might occur prior to such time.

- (d) A Clearing Member must at all times be a Clearing Member in respect of at least one Service, and a Clearing Member may not utilise the resignation process set out in paragraphs (a) to (c) above so as to resign from all (or all remaining) Services in respect of which he is a Clearing Member. Where a Clearing Member wishes to stop being a Clearing Member in respect of all (or all remaining) Services, the retirement process set out in paragraphs (e) to (g) below should be used.
- (e) A Clearing Member may, in accordance with ~~clause 8 of~~ the Clearing Membership Agreement and as further described in the Procedures, retire from Clearing Member status altogether by giving no less than three months' written notice to the Clearing House. Retirement takes effect on the Retirement Effective Date, which is the later of:
 - (i) the retirement date specified in the notice of retirement; and
 - (ii) the date on which all Contracts registered in the Retiring Member's name have been closed out or transferred so as to ensure that there are no remaining open Contracts to which the Retiring Member is a party. A Clearing Member may also retire from Clearing Member status by exercising its rights under the Accelerated Termination Provision(s) applying to all Services in which it participates; in this case, the Retirement Effective Date is the date on which the Retiring Member's resignation from the last remaining Service becomes effective in accordance with the relevant Accelerated Termination Provision.
- (f) Upon the Clearing House being satisfied that the Retiring Member is not a Defaulter and that all obligations of the Retiring Member to which the relevant Collateral is capable of being applied in accordance with the Rulebook have been irrevocably paid or discharged in full and that no such obligations are capable of arising:
 - (i) the Clearing House shall: (A) in the case of cash Collateral transferred by the Retiring Member to the Clearing House for the purpose of collateralising the Retiring Member's obligations (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer an amount of cash to the Retiring Member equal to such cash; and (B) in the case of non-cash Collateral transferred by the Retiring Member to the Clearing House for the purpose of collateralising the Retiring Member's obligations (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer that same Collateral (or equivalent Collateral) to the Retiring Member; and
 - (ii) the Retiring Member shall, in the case of cash Collateral transferred to the Retiring Member for the purpose of collateralising the Clearing House's obligations (other than any constituting Clearing House Returned Collateral or Clearing House Applied Collateral), transfer an amount of cash to the Clearing House equal to such cash.
- (g) A Retiring Member other than a Defaulter shall be liable in respect of Aggregate Excess Losses relating to any Default which arises prior to the relevant Retirement Effective Date. In such circumstances, and as further provided in the Default Rules, the Retiring Member may be required to maintain some or all of its Contribution until after the

REGULATION 55 REGISTRATION OF SWAPCLEAR CONTRACTS

- (a) A SwapClear Transaction may be presented to the Clearing House for registration as two SwapClear Contracts or one SwapClear Contract, and one FCM SwapClear Contract (in accordance with the other provisions of the Rulebook).
- (b) Once a SwapClear Transaction has been presented to the Clearing House, the Clearing House shall (where applicable in accordance with paragraph (d) below and ~~Section 1.3 (Registration) of the~~ Procedures ~~2C (SwapClear Clearing Service)~~ request the consent of the relevant SwapClear Clearing Member with whom a SwapClear Contract shall be registered as a result thereof to such registration. Upon the SwapClear Clearing Member providing its consent, such SwapClear Transaction shall be deemed to have been submitted (as such term is defined in the Procedures) by such SwapClear Clearing Member to the Clearing House for registration. Any such consent shall be provided in accordance with the Procedures.
- (c) Each SwapClear Contract shall be registered by the Clearing House either as a SwapClear CTM Contract or a SwapClear STM Contract, and a SwapClear Transaction may be registered as two SwapClear CTM Contracts, a SwapClear CTM Contract and an FCM SwapClear Contract, two SwapClear STM Contracts, a SwapClear STM Contract and an FCM SwapClear Contract or one SwapClear CTM Contract and one SwapClear STM Contract (in accordance with the other provisions of the Rulebook). The registration of a SwapClear Contract as a SwapClear CTM Contract or a SwapClear STM Contract shall be determined by the Clearing House on the basis of an election made by the relevant SwapClear Clearing Member (or a Clearing Client or FCM Client on its behalf) either generally, with reference to a particular account or on a case-by-case basis in accordance with the Procedures. In the absence of any such election, the Clearing House shall register the SwapClear Contract as a SwapClear CTM Contract.
- (d) A SwapClear Clearing Member which has been nominated to clear the SwapClear Contract arising from the registration of a SwapClear Transaction on behalf of a third party Executing Party other than a SwapClear Dealer will (only where such SwapClear Transaction is not a Trading Venue Transaction) be notified by the Clearing House of the relevant SwapClear Transaction and shall choose whether to grant or refuse consent to the registration of such SwapClear Transaction and the SwapClear Contract resulting from such SwapClear Transaction. Where:
 - (i) a SwapClear Clearing Member is an Executing Party to a SwapClear Transaction and shall clear a SwapClear Contract resulting from such SwapClear Transaction;
 - (ii) a SwapClear Dealer approved to clear SwapClear Transactions through a SwapClear Clearing Member is an Executing Party to a SwapClear Transaction and such SwapClear Clearing Member is to clear a SwapClear Contract resulting from such SwapClear Transaction; or
 - (iii) a SwapClear Transaction is an Eligible Trading Venue Transaction in respect of a SwapClear Clearing Member, and a third party Executing Party (other than a SwapClear Dealer) to such SwapClear Transaction has nominated such SwapClear Clearing Member to clear a SwapClear Contract resulting from such SwapClear Transaction,

REGULATION 72 REJECTION OF EQUITYCLEAR ATP MATCHES AND OF EQUITYCLEAR NOVATION TRANSACTIONS

- (a) Any EquityClear ATP Match, particulars of which are presented to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract, which does not meet the relevant EquityClear Open Offer Eligibility Criteria (or any EquityClear (Equities) ATP Match which is an EquityClear Mixed Member Match where the relevant Co-operating Clearing House subsequently declines to register, rejects, cancels, avoids or terminates such EquityClear (Equities) ATP Match or any contract between the Co-operating Clearing House and its member arising out of it and any balancing contract deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match), or which the Clearing House declines to register under any other provision within these Regulations or the Procedures will, subject to paragraph (c), be rejected by the Clearing House and no EquityClear Contracts shall be deemed to have arisen. If the Clearing House rejects the EquityClear ATP Match, the presenting Clearing Members and relevant ATP will be notified of the rejection within the required timeframe under all Applicable Law. Without prejudice to the generality of Regulation 52, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person with regard to the rejection by it of any such EquityClear ATP Match.
- (b) Any EquityClear Novation Transaction, particulars of which are submitted to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract, which does not meet the applicable EquityClear Novation Transaction Eligibility Criteria (or any EquityClear Novation Transaction which is an EquityClear Mixed Member Match where the relevant Co-operating Clearing House subsequently declines to register, rejects, cancels, avoids or terminates such EquityClear Novation Transaction or any contract between the Co-operating Clearing House and its member arising out of it and any balancing contract deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction), or which the Clearing House declines to register under any other provision within these Regulations will, subject to paragraph (c), be rejected by the Clearing House and no EquityClear Contracts shall be deemed to have arisen. If the Clearing House rejects the EquityClear Novation Transaction, the presenting Clearing Members and relevant ATP will be notified of the rejection within the required timeframe under all Applicable Law. Without prejudice to the generality of Regulation 52, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person with regard to the rejection by it of any such EquityClear Novation Transaction.
- (c) The Clearing House may, in its absolute discretion, agree to register an EquityClear Contract, notwithstanding that it does not meet the relevant EquityClear Open Offer Eligibility Criteria or the EquityClear Novation Transaction Eligibility Criteria (as applicable) or it contains invalid or incomplete message data, ~~in accordance with provisions prescribed by the Clearing House from time to time in the Procedures.~~

REGULATION 91 REGISTRATION OF FOREXCLEAR CONTRACTS

- (a) A ForexClear Transaction may be presented for registration as two ForexClear Contracts, or one ForexClear Contract and one FCM ForexClear Contract, in accordance with the provisions of the Rulebook.
- (b) Once a ForexClear Transaction has been presented to the Clearing House, the Clearing House shall (where applicable in accordance with paragraph (c) below and Procedure 2I (*ForexClear Clearing Service*)) request the consent of the relevant ForexClear Clearing Member with whom a ForexClear Contract shall be registered as a result thereof to such registration. Upon the ForexClear Clearing Member providing its consent, such ForexClear Transaction shall be deemed to have been submitted (as such term is defined in the Procedures) by such ForexClear Clearing Member to the Clearing House for registration. Any such consent shall be provided in accordance with the Procedures.
- (c) Each ForexClear Contract shall be registered by the Clearing House either as a ForexClear CTM Contract or a ForexClear STM Contract, and a ForexClear Transaction may be registered as two ForexClear STM Contracts, two ForexClear CTM Contracts, one ForexClear CTM Contract and one ForexClear STM Contract, a ForexClear STM Contract and an FCM ForexClear Contract or a ForexClear CTM Contract and an FCM ForexClear Contract (in accordance with the other provisions of the Rulebook). The registration of a ForexClear Contract as a ForexClear CTM Contract or a ForexClear STM Contract shall be determined by the Clearing House as follows:
 - (i) if the ForexClear Clearing Member in whose name the ForexClear Contract is to be registered is a US FXCCM, the Clearing House shall, subject to the Rulebook, register such ForexClear Contract as a ForexClear STM Contract; and
 - (ii) if the ForexClear Clearing Member in whose name the ForexClear Contract is to be registered is not a US FXCCM, the Clearing House shall, subject to the Rulebook, on or after the occurrence of a ForexClear STM Conversion Date in respect of that ForexClear Clearing Member, register such ForexClear Contract as a ForexClear STM Contract, or, if no such date has occurred, as a ForexClear CTM Contract.
- (d) At the point the Clearing House registers a ForexClear Contract as a ForexClear STM Contract in accordance with the Procedures, the ForexClear Contract Terms applicable to that ForexClear Contract will automatically, and without any further action by either party, include the ForexClear STM Terms applicable to that type of ForexClear Contract.
- (e) A ForexClear Clearing Member which has been nominated to clear the ForexClear Contract arising from the registration of a ForexClear Transaction on behalf of a third party Executing Party other than a ForexClear Dealer will (only where such ForexClear Transaction is not a Trading Venue Transaction) be notified by the Clearing House of the relevant ForexClear Transaction and shall choose whether to grant or refuse consent to the registration of such ForexClear Transaction and the ForexClear Contract resulting from such ForexClear Transaction. Where:

currency pair, then a payment shall be made between the FXCCMs to the original Ineligible Transaction equal to such difference; and (iv) these payments shall be deemed to satisfy in full the relevant party's obligations under the Ineligible ForexClear Contract and shall be retained by the receiving party upon termination as a termination payment.

- (i) The Clearing House may not determine a ForexClear NDF Transaction to be an Ineligible Transaction after the Valuation Date (~~as defined in the Procedures~~) in respect of the ForexClear NDF Contracts arising from the registration of such a ForexClear NDF Transaction has occurred.
- (j) The Clearing House shall provide no less than 10 business days' prior notice (including by email) to ForexClear Clearing Members of an amendment to the ForexClear Eligibility Criteria.
- (k) Where a ForexClear Contract relates to an FCM ForexClear Transaction, it is a condition for registration as a ForexClear Contract that the FCM ForexClear Transaction to which the ForexClear Contract relates be presented for clearing: (i) by an executing party (in its capacity as an FCM Clearing Member or ForexClear Clearing Member or through its designated FCM Clearing Member or ForexClear Clearing Member) as a ForexClear Contract or FCM ForexClear Contract (as the case may be); and (ii) by an FCM Clearing Member on behalf of its FCM Client as an FCM ForexClear Contract. In the event that the Clearing House registers a ForexClear Contract and, for whatever reason, the corresponding FCM ForexClear Contract has not also been registered, the ForexClear Contract shall be deemed not to be registered as a ForexClear Contract until such time as such corresponding FCM ForexClear Contract has been registered.
- (l) In relation to an FCM ForexClear Transaction, if either the executing party (in its capacity as an FCM Clearing Member or ForexClear Clearing Member or through its designated FCM Clearing Member or ForexClear Clearing Member) or the FCM Clearing Member (as the case may be) does not present an FCM ForexClear Transaction for clearing, the Clearing House shall set aside any FCM ForexClear Contract or ForexClear Contract that has been registered (if any) and the particulars of the corresponding FCM ForexClear Transaction in question shall at the Clearing House's discretion be either: (i) deemed never to have been submitted to the Clearing House; or (ii) rejected until such time as the Executing Party (in its capacity as an FCM Clearing Member or ForexClear Clearing Member or through its designated FCM Clearing Member or ForexClear Clearing Member) or the FCM Clearing Member have presented the relevant contract to the Clearing House. In addition, any payment made under, or in respect of, any FCM ForexClear Contract set aside or deemed not cleared under this paragraph shall be repayable to the person who made the payment. Without prejudice to FCM Regulation 44 and its obligations under this Regulation 91 and under FCM Regulation 49, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of an FCM ForexClear Contract.
- (m) Upon the exercise of a ForexClear Option Contract by or on behalf of a ForexClear Clearing Member or, as the case may be, by the Clearing House or upon the deemed exercise of such option pursuant to these Regulations or the Procedures, the ForexClear

Appendix IV
Procedures Section 2I
(ForexClear Clearing Service)



LCH LIMITED

PROCEDURES SECTION 2I

FOREXCLEAR CLEARING SERVICE

1. INTRODUCTION AND INTERPRETATION

These Procedures govern the ForexClear Service, form part of the Rulebook and must be read in conjunction with the other parts of the Rulebook.

Capitalised terms used in these Procedures not otherwise defined herein have the meanings ascribed to them in the Rulebook.

References to "**Sections**" shall mean sections in these Procedures.

References to "**Business Day**", "**Calculation Agent**", "**Disruption Fallback**", "**Notional Amount**", "**Reference Currency**", "**Settlement Currency**", "**Settlement Currency Amount**", "**Settlement Date**", "**Settlement Rate**", "**Settlement Rate Option**", "**Trade Date**", "**Valuation Date**", "**Valuation Postponement**" shall carry the meanings given to them in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time with respect to the relevant Currency Pair.

References to "**business day**" shall carry the meaning given to it in the Rulebook.

References to "Currency Pair" are to the relevant currency pairs specified in the Schedule to the ForexClear Regulations.

"**EMTA**" means EMTA Inc., the trade association for the emerging markets that was formerly known as the Emerging Markets Traders Association, or any successor entity.

"**EMTA Template**" means, where applicable, the template terms for a Non-Deliverable FX Transaction for a particular Currency Pair that are in effect and published by EMTA on its website on the relevant Trade Date.

"**ForexClear Margin or Settlement Currency**" means

- (a) in the case of a ForexClear NDF Contract, USD; or
- (b) in the case of all other ForexClear Contracts, the ForexClear Currency or ForexClear Currencies elected as such by the FXCCM party to such ForexClear STM Contract at registration of such ForexClear STM Contract, provided that the Clearing House has permitted such currency or currencies to be chosen for such purpose.

"**LCH G10 NDF Contract Template**" means, where applicable, the template terms for a Non-Deliverable FX Transaction for a particular Currency Pair that are set forth in the ForexClear Contract Terms.

"**NPV Payment**" means, in respect of a business day and a ForexClear STM Contract that is settled-to-market daily in accordance with Regulation 106A, the amount or amounts paid by either the relevant FXCCM or the Clearing House to the other on such business day in respect of the change in the net present value of that ForexClear STM Contract (or the obligations thereunder) in accordance with the ForexClear STM Terms applicable to that ForexClear STM Contract.

in each case as calculated at or immediately prior to the Expiration Time on the Expiration Date of the given ForexClear Option Contract.

- 1.17.2 For the purposes of Section 1.17.1, the Clearing House may change the number of basis point applicable to any ForexClear Currency Pair by giving three Business Days' prior notice to the ForexClear Option Clearing Members (or such shorter notice period as determined by the Clearing House following consultation with ForexClear Option Clearing Members).
- 1.17.3 If the Clearing House receives an instruction from a ForexClear Clearing Member, including via any third party intent agent or middleware provider, before the applicable Expiration Time on the Expiration Date such instruction will in all circumstances be acted upon notwithstanding any administrative, systems or processing delays that may affect the Clearing House immediately taking the action required upon receipt of such instruction. If the Clearing House receives an instruction from a ForexClear Option Clearing Member at or after the applicable Expiration Time on the Expiration Date then Section 1.17.1 shall in all circumstances apply and the Clearing House shall have no regard to such instruction.
- 1.17.4 The "**In-the Money Amount**" in relation to a ForexClear Option Contract shall, in respect of the Exercise Date, be equal to:
 - (a) in the case of a Call, the excess of the FX Spot Reference over the Strike Price, multiplied by the Call Currency Amount, where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Put Currency to be paid per one unit of Call Currency; and
 - (b) in the case of a Put, the excess of the Strike Price over the FX Spot Reference, multiplied by the Put Currency Amount, where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Call Currency to be paid per one unit of Put Currency.
- 1.17.5 Capitalised terms used in this Section 1.17 and not otherwise defined shall have the meanings specified for such terms in (i) the ForexClear Option Contract Terms applicable to that ForexClear Option Contract, and, if not defined therein, (ii) the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Trade Association and The Foreign Exchange Committee.

1.18 CLS Payment Procedures

- 1.18.1 In connection with ForexClear Spot Contracts, ForexClear Deliverable Forward Contracts, ForexClear Option Contracts and ForexClear Swap Contracts, where applicable, FXCCMs are required to meet the following requirements with respect to CLS:

Time	Action or Requirement
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00:00 CET	Clearing House to provide FXCCMs expected CLS funding requirements.
01:30 – 02:00 CET	Clearing House to provide FXCCMs final CLS funding requirements. FXCCMs required to make such payments by 08:00 CET (the “Daily CLS Cut-Off Time”).
06:00 – 08:00 CET	FXCCMs required to make payments to cover all short positions in all currencies.
08:00 CET	CLS to issue payments to FXCCMs per settlement instructions for each relevant FXCCM.
08:00 – 10:00 CET	Clearing House to initiate and complete liquidity provisions.

1.18.1 In connection with ForexClear Spot Contracts, ForexClear Deliverable Forward Contracts, ForexClear Option Contracts and ForexClear Swap Contracts, where applicable, the following Relevant FX Liabilities are payable to CLS by FXCCMs in accordance with ~~the Procedures and/or~~ instructions from the Clearing House:

- (a) Initial Exchange Amounts, Final Exchange Amounts and amounts owed under the Economic Terms of ForexClear Spot Contracts and ForexClear Deliverable Forward Contracts; and
- (b) Premiums under ForexClear Option Contracts,

~~1.18.2~~ in each case net of any return of aggregate variation margin or NPV Payments denominated in the same currency and due on the same day.

~~1.18.3~~ 1.18.2 Each ForexClear Option Clearing Member warrants that the Relevant FX Liabilities that are paid to CLS pursuant to Section 1.18.2 are transferred free from any proprietary, equitable or other similar interest of any person.

~~1.18.4~~ 1.18.3 Each ForexClear Option Clearing Member shall at all times maintain complete and accurate written records of all Payment Transfer Orders given by it (or on its behalf) to its Member Settlement Bank(s) in respect of all amounts under all of the ForexClear Contracts (other than ForexClear NDF Contracts) registered in its name from time to time. Upon demand by the Clearing House, a ForexClear Option Clearing Member shall immediately provide all such records to the Clearing House.

1.19 Settlement Limits for ForexClear Option Clearing Members

1.19.1 Subject to the Regulations and Section 1.19.2, the Clearing House shall from time to time determine the (i) Settlement Position Limit and (ii) Settlement Exposure Limit in respect of each ForexClear Currency and each ForexClear Option Clearing Member.

Appendix V
Procedures Section 2J
(Listed Interest Rates Clearing Service)



LCH LIMITED

PROCEDURES SECTION 2J

LISTED INTEREST RATES CLEARING SERVICE

1. THE LISTED INTEREST RATES CLEARING SERVICE

1.1 Introduction

1.1.1 Background

These Procedures apply to the clearing of Listed Interest Rates Eligible Products listed for trading on Rates Exchanges, form part of the Rulebook and must be read in conjunction with the other parts of the Rulebook.

Listed Interest Rates Clearing Members must inform themselves fully of their obligations under the Rulebook and other relevant documentation, such as the Clearing Membership Agreement and the terms of any approval by the Clearing House to extend clearing activities. Listed Interest Rates Clearing Members should also familiarise themselves with the relevant Rates Exchange Rules and the Listed Interest Rates Contract Terms.

The Rulebook (including these Procedures) and the Listed Interest Rates Contract Terms are subject to change from time to time. Enquiries regarding these Procedures or any other aspects of the operation of the Listed Interest Rates Clearing Service should be directed to the Listed Rates Clearing House Client Services Department on +44 7426 7651 or ListedRates.Ops.UK@lch.com. Enquiries regarding Listed Interest Rates Clearing Member status should be directed to the Onboarding Department on +44 (0) 20 7426 7949 or onboarding@lch.com.

In the event of any conflict between any provision of these Procedures and any requirement or provision of any third party (including but not limited to any requirement or provision in any Rates Exchange Rules), these Procedures shall prevail.

Enquiries relating to (i) trading Listed Interest Rates Contracts; (ii) Rates Exchange Rules; or (iii) the Listed Interest Rates Contract Terms of any Listed Interest Rates Contract other than a Designated Listed Interest Rates Contract should be directed to the relevant Rates Exchange. Enquiries relating to (i) clearing Listed Interest Rates Contracts; (ii) the Rulebook ; or (iii) the Listed Interest Rates Contract Terms of any Designated Listed Interest Rates Contracts should be directed to the Clearing House.

1.1.2 Interpretation

Capitalised terms used in these Procedures not otherwise defined herein have the meanings ascribed to them in the Rulebook.

Except where otherwise stated, all times shown are London time and the twenty four hour clock is used.

1.1.3 Listed Interest Rates Eligible Products

Listed Interest Rates Clearing Members are advised for the purposes of the Regulations and these Procedures that the list of Listed Interest Rates Eligible Products may be found on the Clearing House's website (www.lch.com).

Listed Interest Rates Service, will be available on the Clearing House's website.

(c) System Requirements

Clearing Members must have in their office, at a minimum, a PC configured to access the clearing system GUI, a printer and back-up connectivity to the clearing system as required by the Clearing House.

1.2.2 *Member Reporting*

The Clearing House makes available appropriate clearing information via reports, real-time confirmations and other means. Full details are contained in the relevant Service Description documentation.

1.2.3 *Clearing House Reporting*

The Clearing House (acting, where applicable, through the entity to which it has elected to delegate the relevant reporting obligation) shall report to a trade repository or similar body the details of a Listed Interest Rates Contract and any modification or termination of such contract without duplication and no later than the working day following the conclusion, modification or termination of such contract, in line with the requirements of Applicable Law.

1.2.4 *Static Data*

Prior to presentation of any Listed Interest Rates Novation Transaction or Rates Exchange Match for registration as a Listed Interest Rates Contract, a Listed Interest Rates Clearing Member is required to provide sufficient information in respect of the Rates Exchange from which such Listed Interest Rates Novation Transaction or Rates Exchange Match will be presented ("**Rates Exchange Information**"). This applies also to any Listed Interest Rates Eligible Product traded pursuant to any agency arrangements permitted by the rules of that Rates Exchange.

The format, contents and completion process of the static data form for the provision of Rates Exchange Information, in respect of each Rates Exchange, is prescribed from time to time by the Clearing House. Copies of the prescribed forms, for each Rates Exchange, are available from the Clearing House Onboarding Department.

Failure to provide the correct Rates Exchange Information in respect of the particular Rates Exchange may result in the rejection of a Listed Interest Rates Novation Transaction or Rates Exchange Match.

1.3 **Registration**

1.3.1 *General*

Listed Interest Rates Contracts may arise through either a novation or an open offer clearing mechanism.

(a) Novation

Novation applies to each Listed Interest Rates Eligible Product executed as a Listed Interest Rates Novation Transaction on a Rates Exchange. Where a Listed Interest Rates Novation Transaction is presented to the Clearing House for registration, the Clearing House will determine whether to accept or reject the Listed Interest Rates Novation Transaction within the required timeframe under all Applicable Law. Where the Clearing House determines to accept the Listed Interest Rates Novation Transaction, registration shall occur immediately and the Listed Interest Rates Novation Transaction shall be automatically replaced with (as applicable) (i) two separate Listed Interest Rates Contracts, one between the relevant Listed Interest Rates Clearing Member and the Clearing House and the other between the same or another Listed Interest Rates Clearing Member and the Clearing House, or (ii) one Listed Interest Rates Contract between the relevant Listed Interest Rates Clearing Member and the Clearing House and one FCM Listed Interest Rates Contract between the relevant FCM Clearing Member and the Clearing House [\(such time, the “Registration Time”\)](#).

Novation of Listed Interest Rates Novation Transactions is described in greater detail in Regulation 12 and Regulation 98.

(b) Open Offer

The Clearing House also provides an open offer in respect of Listed Interest Rates Eligible Products listed for trading on one or more Rates Exchanges. Pursuant to this “open offer”, once the particulars of a Rates Exchange Match are presented to the Clearing House, then, subject to the Regulations and the Procedures, the Clearing House shall automatically and immediately register either (i) two separate Listed Interest Rates Contracts, one between the relevant Listed Interest Rates Clearing Member and the Clearing House and the other between the same or another Listed Interest Rates Clearing Member and the Clearing House, or (ii) one Listed Interest Rates Contract between the relevant Listed Interest Rates Clearing Member and the Clearing House and one FCM Listed Interest Rates Contract between the relevant FCM Clearing Member and the Clearing House [\(such time, the Registration Time\)](#).

The Clearing House’s open offer arrangements for Rates Exchange Matches are described in greater detail in Regulation 97.

1.3.2 *Confirmation*

Presentation of a Listed Interest Rates Novation Transaction or Rates Exchange Match (as applicable) for registration to the Clearing House constitutes immediate confirmation in accordance with the Regulations by the Listed Interest Rates Clearing Member in whose name such Listed Interest Rates Novation Transaction or Rates Exchange Match (as applicable) is presented. However, the Clearing House will only accept for registration, as Listed Interest Rates Contracts, the particulars of a Listed Interest Rates Novation Transaction or Rates Exchange Match (as applicable) presented by a Rates Exchange in a message format and manner acceptable to the Clearing House.

Each Listed Interest Rates Clearing Member authorised to participate in the Listed Interest Rates Service must be familiar with the operating procedures and