



VIA CFTC PORTAL

16 September 2014

Mr Christopher Kirkpatrick
Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington DC 20581

Dear Mr Kirkpatrick:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification a Circular to SwapClear Clearing Members which describes certain changes to its trade booking model.

Please find the Circular attached as an appendix.

Part I: Explanation and Analysis

LCH.Clearnet is issuing a circular to SwapClear Clearing Members announcing the transition of the SwapClear trade booking workflow from a 'linked' to an 'unlinked' model. Currently, where a SwapClear Clearing Member executes a SwapClear Transaction with another SwapClear Clearing Member, that SwapClear Transaction is registered under the 'linked' model, which means that the identity of the original executing party is shown in LCH.Clearnet's member reports. From September 30, 2014, all new SwapClear Transactions registered by LCH.Clearnet's SwapClear service will be booked operationally under the 'unlinked' model. The attached Circular provides further information on the transition.

Part II: Description of Rule Changes

This Submission does not require any changes to the Rulebook. LCH.Clearnet is issuing a Circular to SwapClear Clearing Members. The Circular is attached hereto as Appendix I.

Part III: Core Principle Compliance

LCH.Clearnet has concluded that compliance with the Core Principles will not be adversely affected by this change.

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LCH.Clearnet Group Limited | LCH.Clearnet Limited | LCH.Clearnet SA | LCH.Clearnet LLC



Part IV: Public Information

LCH.Clearnet has posted a notice of pending certification with the CFTC and a copy of the submission on LCH.Clearnet's website at:

<http://www.lchclearnet.com/rules-regulations/proposed-rules-changes>

Part V: Opposing Views

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

Certification

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

Should you have any questions please contact me at julian.oliver@lchclearnet.com.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Julian Oliver', written over a blue circular stamp.

Julian Oliver
Chief Compliance Officer, LCH.Clearnet Limited



Appendix I
LCH.Clearnet Limited Circular

Changes to the SwapClear Trade Booking Model

Certain SwapClear Transactions executed directly between two SwapClear Clearing Members (i.e. not on behalf of a SwapClear Clearing Client or FCM Client) and cleared by the LCH.Clearnet Limited ("LCH.Clearnet") SwapClear service are currently housed in the books and records of the Clearing House on a 'linked' basis. This means that each executing SwapClear Clearing Member is able to view the identity of its original counterparty in the Clearing House's reports. For such SwapClear Transactions, this trade booking model also enables LCH.Clearnet to offer Duo, Multi and Third Party compression. All other trade workflows are booked on an 'unlinked' basis, meaning that the identity of the original counterparty is not made available in member reports.

No other LCH.Clearnet operational processes relevant to members are dependent on the 'linked' model.

In order to provide SwapClear Clearing Members with greater opportunity to utilise the Solo compression offering (including blended rate) for cleared SwapClear Contracts, which is only available in an 'unlinked' trade booking model, LCH.Clearnet will be migrating all trade workflows to the 'unlinked' model.

Planned Timings & Impact on SwapClear Clearing Members:

- From today, 30 September 2014, all new SwapClear Transactions cleared by LCH.Clearnet will be booked internally under the 'unlinked' model
- Over the following months, LCH.Clearnet intends to perform a technical conversion of the legacy cleared SwapClear Contracts, from the 'linked' model to the 'unlinked' model
- These conversions will take place over specific weekends, by currency groups. Other than member reporting changes, this conversion will not impact SwapClear Clearing Members as all features of the existing cleared SwapClear Contracts will be preserved, including all trade references
- LCH.Clearnet will provide SwapClear Clearing Members with further information, including confirmation of the weekends on which the conversion described above will take place, via the SwapClear Programme Update in the coming months.

Since Duo, Multi and Third party compression are currently only available in the 'linked' model, SwapClear will also be enhancing its existing compression offering to make these services available for SwapClear Contracts booked under the 'unlinked' model. Further information will be made available in due course.

Please contact swapclear.clientservices@lchclearnet.com if you have any questions.

*Terms used herein and not defined herein have the meaning assigned to them in the Rulebook of LCH.Clearnet Limited.