

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

28 January 2014

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

Dear Ms. Jurgens:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet SA ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification changes to the Section 5 of its CDS Clearing Procedures to incorporate the trade reporting obligation introduced by the EU Regulation No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("EMIR").

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

LCH.Clearnet is incorporated in France and therefore subject to European regulations. As a result LCH.Clearnet is due to comply with the trade reporting obligation introduced by EMIR that will enter into force on 12 February 2014. The changes effected to the CDS Clearing Procedures make clear that LCH.Clearnet will comply with its trade reporting obligations under EMIR and will not undertake trade reporting on behalf of members and clients.

**Part II: Description of Rule Changes**

The implementation of this change requires the creation of a new Section 5.17(a) within the CDS Clearing Procedures.

The change to the Section 5 of the CDS Clearing Procedures submitted for self-certification is attached hereto as Exhibit.

**Part III: Core Principle Compliance**

The changes described above relate primarily to LCH.Clearnet's compliance with Core Principle J (Reporting) and Core Principle L (Public Information). LCH.Clearnet will continue to comply with all Core Principles following the introduction of these changes and has concluded that its compliance with the Core Principles would not be adversely affected by these changes.

**Part IV: Public Information**

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

[http://www.lchclearnet.com/rules\\_and\\_regulations/sa/proposed\\_cds\\_clearing\\_rules.asp](http://www.lchclearnet.com/rules_and_regulations/sa/proposed_cds_clearing_rules.asp)

**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 SA 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 by email at [françois.faure@lchclearnet.com](mailto:françois.faure@lchclearnet.com).

François Faure  
Chief Compliance Officer



**Exhibit**  
**Section 5 of the CDS Clearing Procedures**

**5.17 REGULATORY REPORTING**

**(a) Reporting obligation under EMIR**

Pursuant to EMIR, LCH.Clearnet SA will report the details of any Cleared Transaction subject to the reporting obligation in accordance with EMIR Article 9.1 to a trade repository duly registered or recognised in accordance with EMIR. For this purpose, LCH.Clearnet SA will be using UnaVista Ltd as a trade repository ("UnaVista").

LCH.Clearnet SA will not report the details of any Cleared Transaction on behalf of the relevant Clearing Member and/or its Clients.

The details of any Cleared Transaction and any modification (including any correction of errors or inconsistencies contained in a report) or termination of such Cleared Transaction shall be reported to UnaVista no later than the Business Day following the day of occurrence of the event triggering the obligation to report pursuant to EMIR.

For the purpose of the above reporting, LCH.Clearnet SA will generate a Unique Trade ID ("UTI") to identify a Cleared Transaction and will communicate such UTI to the relevant Clearing Members in due time. Such UTI will be used from the creation of the Cleared Transaction until its termination.

**(b) Reporting obligation under CFTC Regulations Part 45**

Pursuant to CFTC Regulations Part 45, LCH.Clearnet SA will send reports to a Swap Data Repository ("SDR"). For this purpose LCH.Clearnet SA will be using the DTCC Global Trade Repository ("GTR") as an SDR.

The reporting to the GTR will include creation data, continuation data and valuation data on any relevant Cleared Transaction as described below and according to the below timing:

1. Creation data: any creation of a Cleared Transaction as a result of the novation process will be reported by the TIW to the GTR on behalf of LCH.Clearnet SA, upon occurrence of registration of the Cleared Transaction in accordance with Article 3.1.10.1 of the CDS Clearing Rule Book and Section 5.8 above;
2. Continuation data: information on lifecycle events of the Cleared Transaction, including any termination, compression, credit events will be reported by the TIW to the GTR on behalf of LCH.Clearnet SA, upon occurrence of the relevant registration of such event in accordance with Section 5.8 above;