



VIA EMAIL TO: SUBMISSIONS@CFTC.GOV

31 January 2014

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

Dear Ms. Jurgens:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet LLC ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification an additional process being made available to Clearing Members for the allocation of Unallocated SwapClear Contracts (Bunched Orders). The process described herein will be available to Members starting on 18 February 2014.

Please find attached as appendices the Submission Cover Sheet and a draft circular.

Part I: Explanation and Analysis

LCH.Clearnet's SwapClear service currently provides a mechanism for the delivery of an Allocation Notice for Unallocated SwapClear Contracts. The rulebook allows for Members to deliver the Allocation Notice through either "Markitwire, the SwapClear API, and/or such other means as may be approved by the Clearing House and notified to Clearing Members" (SwapClear Regulation 401(m)(3)). The attached circular provides notice to Clearing Members that where Approved Trade Source Systems are unable to submit Allocation Notices, or in such other circumstances that the Clearing House deems appropriate, LCH.Clearnet will process an Allocation Notice received directly from a Clearing Member. In order to utilize this service Clearing Members will be required to provide a direct written request for allocation and sign LCH.Clearnet's standard documentation.

Part II: Description of Rule Changes

No rulebook changes are required at this time.

Part III: Core Principle Compliance

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 will not be adversely affected by these changes.



Part IV: Public Information

LCH.Clearnet has posted a notice of pending certification with the CFTC and a copy of the submission on LCH.Clearnet's website at: http://www.lchclearnet.com/rules_and_regulations/lc/default.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 LLC 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 laurian.cristea@lchclearnet.com.

Yours sincerely,

A handwritten signature in blue ink, consisting of a stylized 'L' and 'C' followed by a horizontal line.

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



Appendix I
Submission Cover Sheet



Appendix II
Draft Circular

DRAFT

Company Circular No.: LCH.Clearnet LLC Circular No. 31
SwapClear Circular No. 117

Date: [xx]

To: All LCH.Clearnet LLC Members

Unallocated SwapClear Transactions (“Bunched Orders”)

Direct Provision of Allocation Notices

From today’s date, where Approved Trade Source Systems are unable to submit Allocation Notices directly to the Clearing House or via the SwapClear API, or in such other circumstances that the Clearing House deems appropriate, LCH.Clearnet LLC will process an Allocation Notice received directly from an FCM Clearing Member, and not via MarkitWire or an Approved Trade Source System via the SwapClear API. In order to utilize this service, FCM Clearing Members are required to provide a direct written request for allocation, and sign LCH.Clearnet LLC’s standard documentation. Furthermore, LCH.Clearnet LLC retains the right to refuse to act on a direct allocation instruction, in its sole discretion.

In addition, LCH.Clearnet LLC will allocate part of the notional value of an Unallocated SwapClear Contract in response to an Allocation Notice to do so.

Further information on the required process, and applicable documentation is available by emailing: swapclearclientservices@lchclearnet.com with message prefix <Bunched Orders>.

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

For queries please contact:

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