



VIA EMAIL TO: SUBMISSIONS@CFTC.GOV

04 February 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 Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification the SwapClear service's proposal to clear Forward Rate Agreements (FRAs) with upfront fees, effective from 3 March 2014.

Part I: Explanation and Analysis

LCH.Clearnet's SwapClear service currently accepts FRAs without fees for clearing, as historically the market did not include fees on FRAs. However current industry practice is that fees are being included where clearing members wish to flatten a position. Therefore, following requests from clearing members, the SwapClear service intends to extend its clearing eligibility on FRAs to support the clearing of upfront fees for all FRA eligible currencies.

FRA upfront fee eligibility criteria will be treated consistently with other trade products and is described as follows:

- Respect a minimum value date equal to the date of receipt of the FRA plus currency settlement lag in order for the upfront fee to be settled by SwapClear.
- The value date of the fee must be prior or equal to the settlement date of the FRA.
- The fee must be in the same currency as the FRA itself.
- Up to six additional payments are accepted.

As with other trades cleared through the SwapClear service, FRA trades with upfront fees are settled via LCH.Clearnet's Protected Payment System (PPS).

Part II: Amendments to the Rules and Regulations of LCH.Clearnet

No changes to either the LCH.Clearnet Rules & Regulations or Procedures are required to effect these changes.

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



Part III: Core Principle Compliance

LCH.Clearnet will continue to comply with all Core Principles following the implementation of these proposed enhancements to its product eligibility criteria. LCH.Clearnet has concluded that its compliance with the Core Principles would not be adversely affected by these changes. The changes reflected herein will ensure continued compliance with the Core Principles and, in particular with Core Principle C.

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/ltd/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 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 regarding this submission please contact me at julian.oliver@lchclearnet.com.

Yours sincerely,

A handwritten signature in blue ink that reads 'Julian'.

Julian Oliver, Director Compliance and Public Affairs
LCH.Clearnet Ltd

Cc: Michael Davie, LCH.Clearnet
Jay Iyer, LCH.Clearnet
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