

**RULE SELF-CERTIFICATION**

June 23, 2010

Office of the Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> St., N.W.  
Washington, D.C. 20581

C.F.T.C.  
OFFICE OF THE SECRETARIAT  
2010 JUN 24 AM 9 52

Re: International Derivatives Clearinghouse, LLC  
Reference File: SR-IDCH-2010-05

Ladies and Gentlemen:


Pursuant to Sections 40.6 of the regulations promulgated by the Commodity Futures Trading Commission (the "CFTC Rules") under the Commodity Exchange Act, as amended (the "Act"), International Derivatives Clearinghouse, LLC ("IDCH"), a derivatives clearing organization registered under the Act, hereby submits this self-certification to amend IDCH Rule 405. The intended date of implementation of the amendments to Rule 405 is June 25, 2010 (the "Effective Date").

Currently, Rule 405 provides that IDCH will offset a Clearing Member's long and short positions in a given contract for a particular settlement date.

Beginning on the Effective Date, Rule 405 will provide that IDCH will not offset a Clearing Member's long and short contract positions unless such positions (i) have the identical final settlement date, (ii) have the identical fixed rate payment, and (iii) are for the same account. A Clearing Member's contract positions that are not offset will be held open at IDCH and the Clearing Member will remain liable to pay to and eligible to receive from IDCH the net payment obligations relating to all open contracts held by the Clearing Member at IDCH. The offset of a Clearing Member's contracts with the identical final settlement date, the identical fixed rate payment, and that are for the same account will be deemed a settlement or adjustment of the Clearing Member's position in such contract. Therefore, the Clearing Member will be liable to pay the loss or be entitled to collect the profit, as the case may be, upon such adjusted position. This amendment to Rule 405 will limit IDCH's potential exposure to interest rate risk that might arise if IDCH were to offset contracts with non-identical final settlement dates or fixed rate payment terms.

The text of the proposed amendments (showing deletions and additions) to Rule 405 are attached hereto. There were no opposing views among IDCH's Board of Directors, Clearing Members or market participants. IDCH hereby certifies that these amendments to Rule 405 comply with the Act and the CFTC Rules.

Regards,



Michael Dundon  
Chief Risk Officer

Attachment

Amendments to Rule 405

**Rule 405. ~~Offsets~~ Positions Held Open / Offset of Identical Contracts**

(a) Except as set forth below in subparagraph (b), where, as the result of novation under Rule 401, a Clearing Member has bought from the Clearinghouse any amount of a Contract, and prior to the final settlement date of such Contract, such Clearing Member has sold a Contract, the long and short Contracts of such Clearing Member shall be held open at the Clearinghouse and such positions shall not be offset except by such open position compression procedures as may be adopted by the Clearinghouse and notified to Clearing Members in a Notice to Members. A Clearing Member shall remain liable to pay to and eligible to receive from the Clearinghouse the net payment obligations relating to all open Contracts held by the Clearing Member at the Clearinghouse.

(b) Where, as the result of novation under Rule 401, a Clearing Member has bought from the Clearinghouse any amount of a ~~given~~ Contract for a particular ~~settlement date~~ account, and subsequently, and prior to ~~such~~ the final settlement date of such Contract, such Clearing Member sells to the Clearinghouse any amount of the ~~same~~ identical Contract for the same account with the identical final settlement date and the identical fixed rate payment terms, the second transaction shall be deemed a settlement or adjustment of the quantity of the prior transaction to the extent of the second transaction. Similarly, where, as the result of novation under Rule 401, a Clearing Member ~~sells~~ has sold to the Clearinghouse any amount of a ~~given~~ Contract for a particular ~~settlement date~~ account, and subsequently, and ~~before~~ prior to the final settlement date of such Contract, such Clearing Member buys from the Clearinghouse any amount of the ~~same~~ identical Contract for the same account with the identical final settlement date and the identical fixed rate payment terms, the second transaction shall be deemed a settlement or adjustment of the quantity of the prior transaction to the extent of the second transaction. Thereupon, such Clearing Member shall become liable to pay the loss or be entitled to collect the profit, as the case may be, upon such adjusted transactions, and shall be under no further liability to receive or make payment with respect thereto. For purposes of this Rule, the first Contracts made shall be deemed the first Contracts offset.