

RULE SELF-CERTIFICATION

July 13, 2011

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

CONFIDENTIAL TREATMENT
REQUESTED

Re: International Derivatives Clearinghouse, LLC
Reference File: SR-IDCH-2011-02

Ladies and Gentlemen:

Pursuant to Section 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" or the "Clearinghouse"), a derivatives clearing organization registered under the Act, hereby submits this self-certification to amend IDCH's Risk Management Procedures to:

- Modify the daily risk stress test parameters used to calculate the resources required in the Guaranty Fund to include eight new stress tests that are used to simulate the simultaneous default of three Clearing Members using risk-based rankings;
- Add a new procedure to review and update data used to construct the stress tests each quarter based on the addition of updated data points;
- Clarify that, in addition to a quarterly Guaranty Fund risk reallocation, if the results of the daily stress testing show any deficiencies over three contiguous daily calculation periods, the Risk Management Department will convene the Risk Committee to increase the size of the Guaranty Fund;
- Modify the curve construction language to describe the enhancements in reference to the OTC product classes.

The intended date of implementation of this amendment is July 15, 2011 (the "Effective Date").

1. Currently under IDCH's Risk Management Procedures, on a daily basis, the IDCH Risk Department performs two stress tests of the Guaranty Fund. The first stress test simulates the default of the two largest Clearing Members (by Performance Bond deposits) and a randomly selected third Clearing member, subject to specified price changes in the net underlying cleared interest rate swap contract portfolio. The second stress test simulates the

default of the largest Clearing Member, assuming the worst case price change in the net underlying cleared interest rate swap contract portfolio observed over the prior two years.

Beginning on the Effective Date, the Risk Department will subject each Clearing Members to eight stress tests in order to calculate the resources required in the Guaranty Fund. Two of the stress tests are historical in nature comprised and include the failure of Lehman Brothers as well as the worst move observed over the previous rolling two years. The remaining six scenarios are defined shocks to the revaluation curves to generate severe yet plausible results.

To calculate the required resources in the Guaranty Fund, the Risk Department will simulate the simultaneous default of three Clearing Members based on the results of the eight aforementioned stress tests. The defaulting Clearing Members will be chosen as follows: the two Clearing Members representing the greatest losses as a result of the stress tests as well as a third Clearing Member to be chosen at the midpoint of the surviving Clearing Members once the two largest have been selected.

2. Currently under IDCH's Risk Management Procedures, on a quarterly basis, the Guaranty Fund is reallocated using six months of prior data. Beginning on the Effective Date, a new quarterly procedure will be added whereby data used to construct the stress test scenarios will be reviewed and updated at least quarterly, or more frequently if market conditions change significantly.

3. Currently under IDCH's risk procedures, if the results of the daily stress tests show any deficiencies in the Guaranty Fund over three contiguous daily calculation periods, the Risk Management Department will convene the Risk Committee to increase the size of the Guaranty Fund. Beginning on the Effective Date, the Risk Management Procedures will be amended to formalize this procedure;

4. Currently the Clearinghouse utilizes a LIBOR based discounting to calculate variation margin for the OTC product classes. Beginning on the Effective Date, IDCH's Risk Management Procedures will be amended to clarify that the OTC product class will be revalued and variation margin calculated using an OIS discounting curve and Exhibit B will be added to explain the construction of all IDCH revaluation curves.

The text of the proposed amendments to the Risk Management Procedures (showing deletions and additions) are attached hereto as Attachment A. IDCH is separately requesting confidential treatment for Attachment A. There were no opposing views among IDCH's Board of Directors, Clearing Members or market participants. IDCH hereby certifies that these amendments to the IDCH Risk Management Procedures comply with the Act and the CFTC Rules.

Regards,



Michael Dundon
Chief Risk Officer

Attachment

cc: Ananda Radhakrishnan
Robert Wasserman



Yolanda Goettsch

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FOIA Confidential Treatment Requested

Assistant Secretary of the Commission for FOIA Matters
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**CONFIDENTIAL TREATMENT
REQUESTED**

Re: FOIA Request for Confidential Information

Dear Secretary:

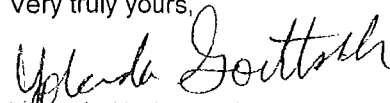
I am writing on behalf of International Derivatives Clearinghouse, LLC (the "Clearinghouse" or "IDCH") to request confidential treatment in accordance with CFTC Regulations 40.8(c) and 145.9 for certain confidential information contained in the Clearinghouse's Rule Self-Certification IDCH-2011-02, relating to changes to its Risk Management Procedures (the "IDCH Self-Certification"). Specifically, the Clearinghouse is requesting confidential treatment for its Risk Management Procedures, which have been segregated and attached as Attachment A to the IDCH Self-Certification (the "Confidential Information"). The IDCH Self-Certification also indicates that the Confidential Information has been segregated.

The basis for this request is that disclosure of the Confidential Information would reveal confidential commercial information of the Clearinghouse relating to its risk management policies and procedures.

Pursuant to Commission Regulation 145.9(d)(5), the Clearinghouse requests that confidential treatment be maintained for the Confidential Information until further notice. We also request that the Commission notify the undersigned immediately after receiving any FOIA request for said documents or any other court order, subpoena or summons for same. Finally, we request that we be notified in the event the Commission intends to disclose such documents to Congress or to any other governmental agency or unit pursuant to Section 8 of the CEA. The Clearinghouse does not waive its notification rights under Section 8(f) of the CEA with respect to any subpoena or summons for such documents.

In the event that this material becomes subject to inquiry, please contact me at 301.978.8486.

Very truly yours,


Yolanda M. Goettsch

Enclosure