



CONFIDENTIAL TREATMENT
REQUESTED

Mr David A Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street NW
Washington DC 20581

15 August 2012

Dear Mr Stawick

Please find enclosed a submission to the Commodity Futures Trading Commission by LCH.Clearnet Limited under the procedure set out in 17 CFR Section 39.5 in relation to mandatory clearing determinations.

Should you have any questions regarding this submission please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jay Iyer".

Jay Iyer
CCO, LCH.Clearnet Limited

SUBMISSION OF SWAPS FOR COMMISSION CLEARING DETERMINATION

TO THE

COMMODITY FUTURES TRADING COMMISSION

SUBMITTED BY

LCH.Clearnet Limited

an English limited company

FILING AS A REGISTERED DERIVATIVES CLEARING ORGANIZATION

Pursuant to Commission Regulation § 39.5(b)

Submission of Swaps for mandatory clearing determination

- Canadian Dollar Overnight Index Swap

Submitted: 15 August ,2012

**LCH.CLEARNET LIMITED SUBMISSION OF SWAPS FOR COMMISSION MANDATORY
CLEARING DETERMINATION**

LCH.Clearnet Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC" or the "Commission"), is submitting a new swap for Commission determination on clearing requirements, pursuant to CFTC Regulation §39.5. LCH.Clearnet's SwapClear service will be offering the clearing of Overnight Index Swaps denominated in Canadian Dollar ("CAD CORRA OIS") up to and including two (2) years maturity, subject to regulatory approval.

This application follows the pattern established in Regulation 39.5(b)(3)(i) – (ix).

Part (i): Eligibility to clear swaps and ability to maintain compliance under a mandatory clearing determination

Under CFTC Regulation 39.5(a)(1), LCH.Clearnet notes that it is eligible to clear CAD CORRA OIS, being within the same class of swaps as those it already clears.

If the CFTC were to determine that CAD CORRA OIS were required to be cleared, LCH.Clearnet would be able to maintain compliance with section 5b(c)(2) of the Commodities Exchange Act (Core Principles for DCOs).

Part (ii): Information that will assist the CFTC in making a determination against the five factors

LCH.Clearnet would like to refer the Commission to the letter LCH.Clearnet submitted on February 24, 2012 regarding recommendations for the mandatory clearing requirement. As LCH.Clearnet already clears OIS in other currencies, the requirements of §39.5(b)(ii)(A)-(E) are addressed within the letter of February 24.

Part (iii): Product specifications

LCH.Clearnet's SwapClear service launched OIS in 2009. LCH.Clearnet's SwapClear service is proposing to offer CAD CORRA OIS, up to and including two (2) years maturity, for clearing within the SCM, International client clearing model and FCM Model, subject to regulatory approval.

An OIS is an interest rate swap agreement where a fixed rate is swapped against a pre-determined published index of a daily overnight reference rate eg. Canadian Overnight Repo Rate Average ("CORRA") (CAD) for an agreed period.

Part (iv) to (vii):

LCH.Clearnet would like to refer the Commission to the letter LCH.Clearnet submitted on February 24, 2012. The requirements of §39.5(b)(iv) - (vii) are addressed within this letter. A copy of the necessary changes to LCH.Clearnet's rulebook to incorporate CAD CORRA OIS is also attached at Exhibits A.

Part (viii): Notice of the submission to members

In compliance with §39.5(b)(viii), there is, at Exhibit B, attached a copy of the notice sent to LCH.Clearnet's clearing members, notifying the clearing members of LCH.Clearnet's intention to clear CAD CORRA OIS and submit this §39.5(b) submission.

Exhibit A-1
General Regulations
See Attached

Part B

Product Eligibility Criteria for Registration of a SwapClear Contract

1. SwapClear Transaction

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the eligibility criteria, set out in paragraphs 1.2.1.2 (a), (b) or (c) and 1.3, below for a SwapClear Transaction; and
- (b) each party to the transaction is either a SwapClear Dealer or a SwapClear Clearing Member (including an SCM Branch),

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

1.2. Product eligibility criteria for a SwapClear Transaction

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	
Vanilla interest rate swaps with constant notional principal	Sterling (GBP)	GBP-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99
		GBP-WMBA-SONIA-COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See Article 7.1w (vii) for definition	Floating vs. Floating			
	US Dollar (USD)	USD-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating			
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	736 days	
Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-	

⁶ References in this column are to the 2006 ISDA Definitions

Instrument	Acceptable Currencies	Acceptable Indices ⁹	Types	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	
Vanilla interest rate swaps with constant notional principal		See Article 7.1(f)(vii) for definition	Floating vs. Floating		99,999,999,999.99	
		EUR-EURIBOR-Telerate				
		See article 7.1 (f)(ii) for definition				
		EUR-EONIA-OIS-COMPOUND	Fixed vs. Floating	736 days		
		See Article 7.1(f) (viii) for definition				
	Australian Dollar (AUD)	AUD-BBR-BBSW	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(a) (iv) for definition	Floating vs. Floating			
		AUD-LIBOR-BBA				
		See Article 7.1(a) (viii) for definition				
	Canadian Dollar (CAD)	CAD-BA-CDOR	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
	See Article 7.1(b) (ii) for definition	Floating vs. Floating				
	CAD-LIBOR-BBA					
	See Article 7.1(b) (viii) for definition					
	CAD-CORRA-OIS-COMPOUND	Floating vs. Floating	Single currency	736 days	0.01-99,999,999,999.99	
	See Article 7.1(b)(xii) for definition					
Czech Koruna (CZK)	CZK-PRIBOR-PRBO	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99	
	See Article 7.1r (i) for definition	FLOAT vs. FLOAT				

Exhibit A-2
Clearing House Procedures
See Attached

<p>OIS</p>	
------------	--

Zero coupon yield curves used for daily marking to market will be published on the Clearing House's Member Reporting website at intervals during the day as the prices and rates are captured.

2C.6.3 Net Present Value

The Clearing House will calculate the net present value (NPV) of each eligible SwapClear Contract using the Clearing House's zero coupon yield curves.

It is a condition of registration that sufficient cover, as determined by the Clearing House, is held with the Clearing House to cover both the NPV and Initial Margin of each SwapClear Transaction.

2C.6.4 Price Alignment Interest

The payment of variation margin, or change in NPV, on a daily basis without adjustment would distort the pricing for SwapClear Transactions cleared through the Clearing House. In order to minimise the impact of variation margin, the Clearing House will for each SCM either charge interest on cumulative variation margin received, or pay interest on cumulative variation margin paid (see section 3.5.2).

2C.7 COUPON PAYMENTS

2C.7.1 Calendars and Coupons

Payment dates for coupon payments will be set based on the SwapsMonitor Financial Calendar (see section 2C.2.3). Changes to the calendar that affect SwapClear Contracts will be published and made available to SCMs by the Clearing House in a Clearing Member Report. The central control and publication of these calendars will assist the reconciliation of coupon payments between SCMs and the Clearing House. Coupon payments will be adjusted, in the event of a holiday amendment, in accordance with the Contract Terms.

2C.7.2 Calculation of Fixed Amount

The Clearing House will calculate the Fixed Amount payable by a party on a Payment Date as either:

- (a) if an amount is specified for the SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, such amount; or
- (b) if an amount is not specified for the SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, an amount calculated on a formula basis for that Payment date or for the related Calculation Period as follows:

$$\begin{array}{ccccccc}
 \text{Fixed Amount} & = & \text{Calculation} & \times & \text{Fixed} & \times & \text{Fixed Rate Day} \\
 & & \text{Amount} & & \text{Rate} & & \text{Count Fraction}
 \end{array}$$

2C.7.3 Calculation of Floating Amount

The Clearing House will calculate the Floating Amount payable by a party on a Payment Date as an amount calculated on a formula basis for that Payment Date or for the related Calculation Period as follows:

$$\text{Floating Amount} = \text{Calculation Amount} \times \text{Floating Rate} \times \text{Floating Rate Day Count Fraction} \quad (+/- \text{ Spread})$$

2C.7.4 OIS coupon calculation**Compounding Rate Calculations**

The rate used for the OIS rate is calculated according to ISDA 2006 definitions. The formula for these calculations is given below.

USD-Federal Funds-H.15-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{FEDFUND}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"d0" for any Calculation Period is the number of New York Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from 1 to d0, each representing the relevant New York Banking Days in chronological order from, and including, the first New York Banking Day in the relevant Calculation Period;

"FEDFUND_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the rate set forth in H.15(519) in respect of the day under the caption "EFFECT", as such rate is displayed on the Reuters Screen FEDFUNDS1 Page, in respect of any day "i", the rate for that will be agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Reuters FEDFUNDS1 Page, in respect of the first preceding New York Banking Day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is FEDFUND_i; and

"d" is the number of calendar days in the relevant Calculation Period.

CHF-TOIS-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{TOIS}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"d₀" for any Calculation Period is the number of Zurich Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from 1 to d₀, each representing the relevant Zurich Banking Days in chronological order from, and including, the first Zurich Banking Day in the relevant Calculation Period;

"TOIS_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the rate for tomorrow next deposits in Swiss Francs which appears on the Reuters Screen CHFTOIS= as of 11:00 a.m., Zurich time, on the day that is one Zurich Banking Day preceding that day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is TOIS_i; and

"d" is the number of calendar days in the relevant Calculation Period.

GBP-WMBA-SONIA-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"d₀" for any Calculation Period is the number of London Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from 1 to d₀, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

"SONIA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the Wholesale Market Brokers' Association and appearing on the Reuters Screen SONIA Page in respect of that day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is SONIA_i; and

"d" is the number of calendar days in the relevant Calculation Period.

EUR-EONIA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{EONIA}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"d0" for any Calculation Period is the number of TARGET Settlement Days in the relevant Calculation Period;

"i" is a series of whole numbers from 1 to d0, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Days in the relevant Calculation Period;

"EONIA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is EONIA_i; and

"d" is the number of calendar days in the relevant Calculation Period.

CAD-CORRA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right] \frac{365}{d}$$

Where:

"d0" for any Calculation Period is the number of Toronto Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from one to d0, each representing the relevant Toronto Banking Day in chronological order from, and including, the first Toronto Banking Day in the relevant Calculation Period;

"CORRA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the daily fixing for Canadian Dollar overnight repurchase rate as published at approximately 9:00 am, Toronto time, on the day that is one Toronto Banking Day following that day "i" on the Bank of Canada website page address <http://www.bankofcanada.ca/fmd/monmrt.htm>. If such rate does not appear on such Bank of Canada website page in respect of any day "i", the rate for that day will be as agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Bank of Canada website page <http://www.bankofcanada.ca/fmd/monmrt.htm> in respect of the first preceding Toronto Banking Day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is CORRA_i; and

"d" is the number of calendar days in the relevant Calculation Period.

Exhibit A-3
FCM Regulations
See Attached

Part B

Product Eligibility Criteria for Registration of an FCM SwapClear Contract

1. FCM SwapClear Transaction

Without prejudice to the FCM Regulations and the FCM Procedures, the Clearing House will only register an FCM SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the eligibility criteria, set out in paragraph 1.2(A), (B) and 1.3, below for an FCM SwapClear Transaction; and
- (b) each party to the transaction is an Executing Party;

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

1.2. Product eligibility criteria for an FCM SwapClear Transaction

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Indices¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal	Sterling (GBP)	GBP-LIBOR-BBA	Fixed	Single currency	18,275 days	0.01-
			vs. Floating	Single currency	736 days	
		GBP-WMBA-SONIA-COMPOUND	Fixed	Single currency		
			vs. Floating			
		See Article 7.1w (vii) for definition	Floating vs. Floating			99,999,999,999.99
	US Dollar (USD)	USD-LIBOR-BBA	Fixed	Single currency	18,275 days	0.01-
			vs. Floating			
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating			99,999,999,999.99

¹ References in this column are to the 2006 ISDA Definitions

Instrument	Acceptable Currencies	Acceptable Indices ¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See article 7.1(ab)(xxxix) for definition				
	Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-
		See Article 7.1(f)(vii) for definition	Floating vs. Floating			99,999,999,999.99
		EUR-EURIBOR-Telerate				
		See article 7.1 (f)(ii) for definition				
		EUR-EONIA-OIS-COMPOUND	Fixed vs. Floating	736 days		
		See Article 7.1(f) (viii) for definition				
	Australian Dollar (AUD)	AUD-BBR-BBSW	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(a) (iv) for definition	Floating vs. Floating			

Instrument	Acceptable Currencies	Acceptable Indices ¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal	Canadian Dollar (CAD)	AUD-LIBOR-BBA	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999.99.99
		See Article 7.1(a) (viii) for definition				
		See Article 7.1(b) (ii) for definition	Floating vs. Floating			
		CAD-LIBOR-BBA	See Article 7.1(b) (viii) for definition			
		<u>CAD-CORRA-OIS-COMPOUND</u>	<u>Fixed vs. Floating</u>	<u>Single currency</u>	<u>736 days</u>	<u>0.01-99,999,999.99.99</u>
		<u>See Article 7.1(b) (xii) for definition</u>				
	Czech Koruna (CZK)	CZK-PRIBOR-PRBO	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999.99.99
		See Article 7.1r(i) for definition	FLOAT vs. FLOAT			

Exhibit A-4
FCM Procedures
See Attached

"i" is a series of whole numbers from 1 to d₀, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

"SONIA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the Wholesale Market Brokers' Association and appearing on the Reuters Screen SONIA Page in respect of that day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is SONIA_i; and

"d" is the number of calendar days in the relevant Calculation Period.

EUR-EONIA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{EONIA}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"d₀" for any Calculation Period is the number of TARGET Settlement Days in the relevant Calculation Period;

"i" is a series of whole numbers from 1 to d₀, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Days in the relevant Calculation Period;

"EONIA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is EONIA_i; and

"d" is the number of calendar days in the relevant Calculation Period.

CAD-CORRA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right] \frac{365}{d}$$

Where:

"d₀" for any Calculation Period is the number of Toronto Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from one to d₀, each representing the relevant Toronto Banking Day in chronological order from, and including, the first Toronto Banking Day in the relevant Calculation Period;

"CORRA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the daily fixing for Canadian Dollar overnight repurchase rate as published at approximately 9:00 am, Toronto time, on the day that is one Toronto Banking Day

following that day "i" on the Bank of Canada website page address <http://www.bankofcanada.ca/fmd/monmrt.htm>. If such rate does not appear on such Bank of Canada website page in respect of any day "i", the rate for that day will be as agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Bank of Canada website page <http://www.bankofcanada.ca/fmd/monmrt.htm> in respect of the first preceding Toronto Banking Day;

"ni" is the number of calendar days in the relevant Calculation Period on which the rate is CORRAi; and

"d" is the number of calendar days in the relevant Calculation Period.

2.7.5 Calculation of Compounded Amount

Depending on whether the FCM SwapClear Contract is submitted under ISDA 2000 or ISDA 2006 Definitions, the Clearing House will calculate the compounded floating amount payable by an FCM Clearing Member on a Payment Date as an amount calculated in accordance with Articles 6.1 to 6.3 inclusive of the relevant Definitions.

2.7.6 ~~2.7.6~~ Business Day and Business Day Convention

In determining whether a day is a Business Day the Clearing House will only apply the Financial Centres specified in the matched FCM SwapClear Transaction message. The Clearing House will in the event of non-business days apply the Business Day Conventions as specified in the matched FCM SwapClear Transaction message.

2.7.7 ~~2.7.7~~ Payment of Coupons

After adjusting coupons, in accordance with the appropriate Business Day and Business Day Conventions, the Clearing House will credit or debit FCM Clearing Members' Accounts with the appropriate Fixed or Floating Amount with a value date matching the Coupon Payment Date. In the event of SwapClear being closed on a Coupon Payment Date it will pay the Fixed and Floating Amounts on the next Business Day following the Coupon Payment Date.

2.7.8 ~~2.7.8~~ Calculation Periods

In respect of any Calculation Period that is a not a whole calendar month (a stub period), the Reset Rate for the Reset Date in respect of that Calculation Period shall be determined by the Clearing House with reference to the rate(s) specified in the matched format message.

2.7.9 ~~2.7.9~~ Day Count Fractions: ISDA 2000

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the FCM SwapClear Transaction is submitted under the ISDA 2000 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the following principles:

if "Actual/365" or "Actual/Actual" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A)

Exhibit B
Notice of mandatory clearing determination submission to members
See Attached



PRIVATE AND CONFIDENTIAL

Date: 2nd August 2012

To: All SwapClear Clearing Members

Re: DCO submission for determination of clearing requirement

In accordance with Section 723 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank" or "the Act"), and §39.5 of the Commodity Futures Trading Commission ("CFTC") regulations, LCH.Clearnet Limited ("LCH.Clearnet") is submitting for clearing determination GBP Forward Rate Agreements ("GBP FRA") and Canadian Dollar Overnight Index Swaps ("CAD OIS") that it plans to accept for clearing, subject to regulatory approval, and at a date to be confirmed in due course.

As per CFTC Regulation §39.5(b)(viii) of the CFTC regulations, LCH.Clearnet would like to provide notice to Clearing Members of its submission such that members have suitable opportunity to comment. A summary of views expressed by members will subsequently be included in LCH.Clearnet's formal submission to the CFTC.

LCH.Clearnet invites Clearing Members to provide comments and requests that Clearing Member comments are received no later than five business days from the date of this letter.

GBP FRA and CAD OIS product offering

GBP FRA

A FRA is a short-term forward interest rate agreement where a fixed rate leg is swapped against a floating leg. This is linked to a published (IBOR) index and discounted back from the maturity date to the settlement date, which is the start date of the interest period. FRA trades have only one cashflow on the settlement date, therefore FRAs are in effect a single coupon interest rate swap with the coupon payment discounted back to an upfront settlement. As such FRAs are a new product but are sufficiently similar to currently cleared swaps and contain no new or novel risk features.

SwapClear launched FRAs in ten currencies on 5th December 2011. GBP FRAs were not launched in December 2011 because the same day settlement characteristics could not be supported in an automated fashion at the time. Following further development additional functionality to support intraday settlement has now been delivered. Following assessment of the product's risk profile, operational considerations and market liquidity, the SwapClear service proposes clearing GBP FRA contracts with the following restrictions:

- Maximum maturity for GBP is three years which is in line with the other major currencies;
- Maximum tenor of contract one year.

LCH.Clearnet Limited Aldgate House, 33 Aldgate High Street, London EC3N 1EA
Tel: +44 (0)20 7426 7000 Fax: +44 (0)20 7426 7001 www.lchclearnet.com
LCH.Clearnet Group Limited | LCH.Clearnet Limited | LCH.Clearnet SA

- Trades under ISDA 2006 rules and regulations are accepted.

CAD OIS


The Overnight Index Swap market has grown significantly in importance during recent years. This was due in part to the concept of collateral discounting but also to its importance as a measure of risk and liquidity in the money market. The LIBOR-OIS spread can be viewed as indication of banks perception of the creditworthiness of other financial institutions and the general availability of funds for lending purposes. An OIS is an interest rate swap agreement where a fixed rate is swapped against a pre-determined published index of a daily overnight reference rate.

The OIS product was launched by SwapClear in 2009. Following the assessment of the product's risk profile and market liquidity, it is proposed that the SwapClear service accepts the eligible maturity to 2 years for CAD CORRA OIS contracts.

Conclusion

LCH.Clearnet looks forward to continuing to work with Clearing Members and the CFTC in the determination of clearing requirements for the SwapClear service. Please do not hesitate to contact me regarding any questions raised by this letter at david.stanley@lchclearnet.com.

Yours faithfully,

A handwritten signature in black ink, appearing to read "D Stanley", with a large, stylized flourish at the end.

David Stanley
Director
SwapClear, LCH.Clearnet



VIA EMAIL TO: FOIAsubmissions@cftc.gov

15 August 2012

US Commodity Futures Trading Commission
Attention: FOIA Compliance Office
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

CONFIDENTIAL TREATMENT
REQUESTED

RE: FOIA Request for Confidential Treatment

Dear Sir/Madam:

In accordance with Commission Regulation 145.9(d), LCH.Clearnet Limited hereby respectfully requests confidential treatment under the Freedom of Information Act (the "FOIA"), 5 U.S.C. § 552, for the SwapClear product characteristics matrix (filename: Swapclear_Product_Characteristics_Matrix (LCHClearnet Ltd Confidentiality Requested).xlsm) submitted electronically to the Commission and staff ("the Information").

LCH.Clearnet Limited is requesting confidential treatment for the Information pursuant to Commission Regulation 145.9(d)(ii), which provides that confidential treatment may be requested on the grounds that disclosure would reveal trade secrets or confidential commercial or financial information. LCH.Clearnet Limited further requests that the Information receives confidential treatment in perpetuity.

This request is not to be construed as a waiver of any other protection from disclosure or confidential treatment accorded by law, and LCH.Clearnet Limited will rely on and invoke any such confidentiality protection. LCH.Clearnet Limited requests notification from the Commission in advance of any disclosure of the Information pursuant to the FOIA or the Commission's Rules of Practice so that this request for confidential treatment may be substantiated.

Yours faithfully,

Jay Iyer
Chief Compliance Officer
LCH.Clearnet Limited

LCH.Clearnet Limited Aldgate House, 33 Aldgate High Street, London EC3N 1EA
Tel: +44 (0)20 7426 7000 Fax: +44 (0)20 7426 7001 www.lchclearnet.com
LCH.Clearnet Group Limited | LCH.Clearnet Limited | LCH.Clearnet SA