

**VIA EMAIL TO: SUBMISSIONS@CFTC.GOV**

12 May 2014

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

Dear Ms. Jurgens:

Pursuant to CFTC regulation §40.6(a), LCH.Clearnet SA (“LCH.Clearnet”), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the “CFTC”), is submitting for self-certification a change in the remuneration of all its default funds including that of CDS. This change was approved by the LCH.Clearnet LMC (Local Management Committee) on the 5<sup>th</sup> of May.

### **Part I: Explanation and Analysis**

The current market conditions require LCH.Clearnet to modify the remuneration of its default fund. The interest rate paid will move for Euro cash from EONIA flat to EONIA minus 10 bps. This change will be applicable on balances from June 1<sup>st</sup>.

The other interest rates & fees applied on cash & non cash collateral will remain unchanged.

### **Part II: Description of Rule Changes**

No Rules will be modified as a result of the entry into force the new fee grid.

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

### **Part III: Core Principle Compliance**

The changes described above relate primarily to LCH.Clearnet's compliance with Core Principle L (Public Information). 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 would not be adversely affected by these changes.

### **Part IV: Public Information**

LCH.Clearnet has posted a notice of pending certification and a copy of the submission on LCH.Clearnet's website at

[http://www.lchclearnet.com/rules\\_and\\_regulations/sa/proposed\\_cds\\_clearing\\_rules.asp](http://www.lchclearnet.com/rules_and_regulations/sa/proposed_cds_clearing_rules.asp)

### **Part V: Opposing Views**

There were no opposing views expressed to LCH.Clearnet by LMC members.

### **Certification**

LCH.Clearnet SA 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: [François.faure@lchclearnet.com](mailto:François.faure@lchclearnet.com).

François Faure  
Chief Compliance Officer

A handwritten signature in blue ink, appearing to read 'Faure', written over a horizontal line.



SUBMISSION COVER SHEET

APPENDIX

**LCH.Clearnet SA**  
**TREASURY FEES**

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## FEES ON COLLATERAL

These rates are applied on the 3<sup>rd</sup> business day of the following month.

### A. Cash

LCH.Clearnet SA applies the following interest rates:

<b>on EURO cash assets:</b>	
▪ NYSE Euronext Cash and Derivative transactions payments:	EONIA minus 0.30%
▪ Luxembourg transactions payment:	EONIA minus 0.30%
▪ Equiduct transactions payment:	EONIA minus 0.30%
▪ Fixed Income transactions payments:	EONIA minus 0.175%
▪ CDS/Clear transaction payments:	EONIA minus 0.30%
▪ Default Fund payments:	EONIA minus 0.10%
<b>on GBP cash assets:</b>	
▪ Transactions payments:	GBP Rate minus 0.35%
<b>on USD cash assets:</b>	
▪ Transactions payments:	USD Rate minus 0.30%

#### Notes:

GBP rate is based on Daily SONIA Rate

USD rate is based on Daily Fed Fund Effect Rate

LCH.Clearnet SA will continually review this against market conditions.

### B. Securities

LCH.Clearnet SA charges a fee of 0.10% on the amount of allocated securities collateral (No charge for Default Fund).

### C. Central Bank Guarantee

LCH.Clearnet SA charges a fee of 0.02% on the amount in Central Bank Guarantee.

## COLLATERAL MANAGEMENT

LCH.Clearnet SA charges a fee for each movement of collateral securities depending on the type of securities and the depository:

#### Equities

- Deposited in EUROCLEAR France, EUROCLEAR Belgium, Interbolsa 15 euros
- Deposited in EUROCLEAR Bank 25 euros



### Bonds

- Deposited in EUROCLEAR France, EUROCLEAR Belgium, NBB, Interbolsa 10 euros
- Deposited in EUROCLEAR Bank 20 euros

## **PAYMENT AGENT REPORT**

An added value service for the paying agent has been created; two reports are available:

- **First report:** Net payment position document; this consolidated report provides, for a given paying agent:
  - The entire list of its clients' payments,
  - The payment limits (for each client),
  - And the difference between the payments and the limits if the latter have been exceeded.
- **Second report:** Cash document of exceeded payment limits; this specific report focuses, for a given paying agent, on all clients that exceed their payment limit.

The subscription to this optional added value service is charged €530 per year for the two reports (it is not possible to subscribe to only one report).

For further information on this new service, please send your request to:  
[Lchclearnetsa\\_treasury@lchclearnet.com](mailto:Lchclearnetsa_treasury@lchclearnet.com)