



VIA EMAIL TO: SUBMISSIONS@CFTC.GOV

26 September 2013

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 a Circular to SwapClear Clearing Members which describes a process for terminating cleared SwapClear contracts.

Please find the Submission Cover Sheet and Circular attached as appendices.

Part I: Explanation and Analysis

LCH.Clearnet is issuing a circular to SwapClear Clearing Members announcing a process for effecting terminations of SwapClear Contracts, as that term is defined in the Rulebook of LCH.Clearnet, that were originally executed with other SwapClear Clearing Members. Currently, these terminations can be effected on an ad hoc basis. The process described in the Circular is available to all SwapClear Clearing Members subject to volume limitations described in the Circular.

Part II: Description of Rule Changes

This Submission does not require any changes to the Rulebook. LCH.Clearnet is issuing a Circular to SwapClear Clearing Members. The Circular is attached hereto as Appendix II.

Part III: Core Principle Compliance

These rule change relates primarily to LCH.Clearnet's compliance with Core Principle D (Risk Management). LCH.Clearnet has concluded that compliance with the Core Principles will not be adversely affected by the rule change.

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



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 please contact me at susan.milligan@lchclearnet.com.

Yours sincerely,

A handwritten signature in black ink that reads 'Susan Milligan' followed by a horizontal line.

Susan Milligan
Interim Chief Compliance Officer, LCH.Clearnet LLC
US Contact: +1 212.513.8264



Appendix I
Submission Cover Sheet

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) LCHLTD Date: 26 Sept 13

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION LCH.Clearnet Limited

FILING AS A: DCM SEF DCO SDR ECM/SPDC

TYPE OF FILING

• Rules and Rule Amendments

- Certification under § 40.6 (a) or § 41.24 (a)
- “Non-Material Agricultural Rule Change” under § 40.4 (b)(5)
- Notification under § 40.6 (d)
- Request for Approval under § 40.4 (a) or § 40.5 (a)
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

• Products

- Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

Not applicable.

DESCRIPTION

LCH.Clearnet Limited is issuing a circular to provide a process for effecting bilateral terminations of SwapClear contracts by SwapClear Clearing members.



Appendix II
LCH.Clearnet Limited Circular

Company Circular No.: LCH.Clearnet Ltd Circular No.
Service Circular No: SwapClear Global No.
Date:
To: All SwapClear Clearing Members

Bilateral Termination

As of October 11, 2013,* LCH.Clearnet Ltd will offer SwapClear Clearing Members the ability to terminate a series of cleared SwapClear Contracts entered into with the Clearing House. Termination will be subject to the original counterparties to a SwapClear Transaction submitting matched details to the Clearing House and completing applicable documentation.

Bilateral termination is only available on SwapClear Transactions executed between two SwapClear Clearing Members and is subject to the following (per SwapClear Clearing member) volume parameters:

Parameters	
Number of compressions a day	1
Members in a compression run	2
Max Terminations a day	1,000
Max Termination package size	200
No Cash flows within Settlement window	

Further information and applicable documentation is available from [swapclearclientservices@lchclearnet.com].

*Subject to regulatory review.

*Terms used and not defined herein shall have the meaning assigned to them in the Rulebook of LCH.Clearnet Limited.

- For queries please contact:

SwapClear Client Services | LCH.Clearnet | Tel + 44 20 7426 7651
Email: swapclearclientservices@lchclearnet.com
Website: www.lchclearnet.com

- Owen Taylor Owen.taylor@lchclearnet.com