

VIA CFTC PORTAL

19 Aug 2016

Mr Christopher Kirkpatrick
Commodity Futures Trading Commission
115 21st Street NW
Three Lafayette Centre
Washington DC 20581

LCH.Clearnet Limited Self Certification: Changes to client fee schedule to reflect fees for multilateral compression facility for clients

Dear Mr Kirkpatrick,

Pursuant to Commodity Futures Trading Commission (the "CFTC") Regulation §40.6(a), LCH.Clearnet Limited ("LCH"), a derivatives clearing organization registered with the CFTC, is submitting for self-certification changes to its fees schedule for the SwapClear service.

Part I: Explanation and Analysis

LCH is making updates to its client fees schedule to reflect the fees for the extension of multilateral compression facility to its clients. Self-certification for the rule changes related to the extension of multi-lateral compression facility to clients has been submitted separately on August 4, 2016.

The fee changes will go live on, or after, September 12, 2016.

Part II: Description of Rule Changes

This Submission does not require any changes to the Rulebook. LCH will update its website to reflect these changes (at address <http://www.lch.com/asset-classes/otc-interest-rate-derivatives/fees>). The changes will be made to the Compression fees schedule section to reflect additional details for multi-lateral compression facility.

The text of the changed fees schedule is attached hereto as **Appendix I**.

Part III: Core Principle Compliance

LCH has concluded that compliance with the Core Principles will not be adversely affected by these changes.

Part IV: Public Information

LCH has posted a notice of pending certification with the CFTC and a copy of the submission on LCH's website at: <http://www.lch.com/rules-regulations/proposed-rules-changes>.

Part V: Opposing Views

There were no opposing views expressed to LCH by the governing board or committee members, members of LCH or market participants that were not incorporated into the change.

Certification

LCH 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 julian.oliver@lch.com.

Yours sincerely



Julian Oliver
Chief Compliance Officer
LCH.Clearent Limited

Appendix I
SwapClear website client fees schedule

'Client Clearing Fees' tab

Client Clearing Fees

Clearing fees under the SwapClear Client Clearing service are charged to the clearing member under a choice of two pricing plans.

Standard Pricing Plan

The Standard Pricing Plan has an up-front Booking fee and an ongoing Maintenance fee.

Booking fee:

- New trades are charged on a per-million notional basis in the currency of the trade – as set out in the table below
- Incurred at the time that the trade is cleared and collected monthly in arrears

Transaction Maturity	Interest Rate Swaps	Inflation Swaps
0 - 1year	0.9	1.4
1 year+ to 3 year	2.25	3.4
3 year+ to 5 year	4.05	6.1
5 year+ to 7 year	5.4	8.1
7 year+ to 10 year	7.2	10.8
10 year+ to 12 year	8.1	12.2
12 year+ to 15 year	9	13.5
15 year+ to 20 year	13.5	20.3
20 year+ to 25 year	16.2	24.3
25 year + to 51 year	18	27

Maintenance fee:

- Incurred annually on the anniversary date of the registration of each trade and collected monthly in arrears. Not payable for trades terminated before their anniversary date.
- Charged on a per-million notional basis in the currency of the trade as follows:
 - Interest rate swaps: 3 per-million of notional (e.g. \$30 for \$10 million notional)
 - Inflation swaps: 12 per-million of notional (e.g. €60 for €5 million of notional)

The Maintenance fee is reduced to 4.5 in perpetuity for all inflation swaps cleared or backloaded within one year of service go-live.

High Turnover Plan

The High Turnover Plan incurs an up-front booking fee and an on-going "risk consumption" maintenance fee.

Booking fee:

The Booking fee is incurred upon trade registration and payable monthly in arrears as follows:

- Interest Rate Swaps: USD 25 per ticket booking fee for each newly registered and backloaded trade charged upfront.
- Inflation Swaps: USD 37.5 for each newly registered and backloaded trade

Maintenance fee:

- The ongoing risk consumption fee is calculated at 10 basis points annualized on the client's Initial Margin requirement (regardless of type of collateral used to cover IM)
- Calculated daily, paid monthly in arrears – equivalent to \$1,000 per \$1 million (annualized) of IM
- Example: an average IM of \$50 million equals an annual risk consumption fee of \$50,000.

Blended Rate and Multilateral Compression Fee Schedule for SwapClear Clients

For each trade terminated from blended rate or Multilateral compression, the charge will be:

- Per trade terminated = (a) Registration replacement fee + (b) Processing fee
- Registration replacement fee is a charge for booking a notional offsetting position based on the client's current fee plan at the point of compression (eg \$25 for High Turnover plan and the published schedule for Standard Pricing Plan)
- Processing fee will be discounted based on the aggregate monthly sum of: cleared trades and trades compressed using blended rate, standard, and multilateral compression. The following processing fees will apply by compression type:

Band	Blended Rate	Multilateral
Activity greater or equal to 750	\$25	\$50
Activity greater or equal to 250, but less than 750	\$50	\$75
All other activity	\$75	\$100

- The applicable band will be assessed on a quarterly basis based on the preceding quarter's activity.
- Replacement swaps (i.e. those that are the result of the blending activity or multilateral compression activity) are not charged any blended rate or multilateral compression fee.

EMIR Account Structures

For more information on account structure fees under EMIR please click [here](#).

SwapClear charges all fees to clearing members; members individually make pricing arrangements with clients and confidentially notify SwapClear of the pricing plan for each client. Clients can switch pricing plans quarterly, and must give SwapClear, LCH.Clearnet reasonable advance notice to make the operational changes necessary to effectuate such a change, i.e. not less than fifteen (15) days prior to a calendar quarter that the firm elects to Service and the SwapClear USDomiciled Service are services of LCH.Clearnet Limited and LCH.Clearnet LLC respectively.