18 February 2015

Mr Christopher Kirkpatrick  
Commodity Futures Trading Commission  
1155 21st Street NW  
Three Lafayette Centre  
Washington DC 20581

Dear Mr Kirkpatrick:

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 the introduction of a new fee for ad-hoc compression runs in the SwapClear service.

Part I: Explanation and Analysis

LCH.Clearnet proposes to offer, at the request of its Clearing Members, ad-hoc compression cycles. These will allow a member to perform compression at a time to suit it, rather than in the regularly scheduled and advertised LCH.Clearnet compression runs.

Ad-hoc compression runs are subject to a minimum size and will be scheduled at a mutually acceptable time for both the Clearing Member and LCH.Clearnet.

LCH.Clearnet will begin offering ad-hoc compression services on 6th March 2015.

The fee schedule has also been amended to remove effective dates from 2014, which are no longer necessary.

Part II: Description of Rule Changes

This Submission does not require any changes to the Rulebook. LCH.Clearnet will update its website to reflect these changes (at address http://www.lchclearnet.com/asset-classes/otc-interest-rate-derivatives/fees).

The text of the change is attached hereto as Appendix 1.

Part III: Core Principle Compliance

LCH.Clearnet has concluded that compliance with the Core Principles will not be adversely affected by this change.
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-regulations/proposed-rules-changes

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 julian.oliver@lchclearnet.com.

Yours sincerely,

Julian Oliver
Chief Compliance Officer
LCH.Clearnet Limited
Appendix I
LCH.Clearnet Website Change

http://www.lchclearnet.com/asset-classes/otc-interest-rate-derivatives/fees
Member Fees Tab

SwapClear Compression Fee Schedule

From time to time, LCH.Clearnet Limited ("LCH.Clearnet") may operate scheduled SwapClear compression. The tiered fee arrangement for scheduled compression is as follows:

Basic Tier

1. £15 for each trade compressed other than those initiated by a third party vendors (Approved Compression Service Provider (ACSP) as defined in the rules).
2. £7.50 for each trade compressed where initiated by an ACSP. (please note that this fee will take effect from 1st September 2014).
3. Fees will be collected monthly in arrears.
4. Where the cumulative fees reach £300,000 per annum the SwapClear Clearing Member will automatically move from the Basic Tier to the Standard Tier.

Standard Tier

1. £300,000 per annum (if a SwapClear Clearing Member has moved from the Basic Tier within that year this fee is not applicable) for up to 50,000 trades.
2. Per trade fee above 50,000 trades, up to a cumulative total of £500,000 per annum (this includes the £300,000 flat fee).
   I. £15 for each trade compressed other than those initiated by an ACSP.
   II. £7.50 for each trade compressed which are initiated by an ACSP. (please note that this fee will take effect from 1st September 2014).
   III. Fees will be collected monthly in arrears.

Ultimate Tier

1. One fee of £500,000 per annum (if a SwapClear Clearing Member has moved from the Standard Tier this fee is not applicable).
2. Unlimited trade compression.
3. Fees will be collected monthly in arrears.

In response to a request from one or more SwapClear Clearing Members, LCH.Clearnet may operate compression on an ad-hoc basis. The fixed-fee arrangement for ad-hoc compression is as follows:
1. Fees for ad-hoc compression are not included in the fee charged by LCH.Clearnet for scheduled compression cycles as set out above and the resulting compressed trades will not form part of any cumulative trade count totals.

2. Ad-hoc compression is subject to a processing fee of £15 per trade with a minimum charge of £100,000 per cycle per SwapClear Clearing Member.

Notes:

1. Fees will be charged on a 'per group' basis in line with our LCH.Clearnet’s Membership Fee Policy.

2. For the scheduled compression runs: SwapClear Clearing Members may select an initial plan as of 1st January each year. (For the purpose of 2014 Members may select on or before 21st March 2014)

3-2. Once a threshold has been reached the SwapClear Clearing Member will be automatically moved to the ‘higher’ fee plan. SwapClear Clearing Members may not ‘elect’ to move to a different plan during a calendar year.

3. The fee structure is independent of any fees clearing members may be charged by an ACSP for their compression services.

4. Ad-hoc compression runs will be carried out in LCH.Clearnet’s sole discretion.

5. For the purposes of the above, a ‘trade’ means a SwapClear Contract or FCM SwapClear Contract, as applicable.

6. Terms used above and not defined above have the meaning assigned to them in the Rulebook of LCH.Clearnet.