



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

15 October 2013

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 LLC ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification changes to its rulebook which are undertaken as a result of industry-wide changes to the EURIBOR, CIBOR, and NIBOR index rates. The rulebook changes regarding the EURIBOR index rate will be implemented and effective on 1 November 2013; and the changes regarding CIBOR and NIBOR index rates will be implemented and effective on 1 January 2014.

Please find attached as appendices the Submission Cover Sheet and the relevant changes to the LCH.Clearnet rulebook.

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

### **EURIBOR**

On 23 September 2013, the European Banking Federation announced the reduction in the number of EURIBOR tenors from 15 to 8.<sup>1</sup> As a result, LCH.Clearnet's SwapClear US service is amending its product eligibility criteria for Forward Rate Agreements ("FRAs").

### **CIBOR**

On 15 October 2013, the Danish Banker's Association Finansraadet announced that in 2014 the CIBOR<sup>2</sup> index rate will undergo a reduction in tenors.<sup>3</sup> As a result, LCH.Clearnet's SwapClear US service is amending its product eligibility criteria and will no longer accept CIBOR FRA tenors for 4M and 5M.

### **NIBOR**

---

<sup>1</sup> <http://www.euribor-ebf.eu/assets/files/D2832A-2013-Euribor%20tenors%20to%20be%20reduced%20as%20of%201%20November%202013.pdf>.

<sup>2</sup> Copenhagen Inter Bank Offered Rate, i.e. the index used on DKK swaps which is the index that SwapClear accepts to clear for the DKK currency.

<sup>3</sup> <http://www.finansraadet.dk/Tal--Fakta/Pages/satser/regler-for-fastlaeggelse-af-cibor/dagens-satser.aspx>.

On 22 May 2013, Finance Norway announced that in 2014 the NIBOR<sup>4</sup> index rate will undergo a reduction in tenors.<sup>5</sup> As a result, LCH.Clearnet's SwapClear US service is amending its product eligibility criteria and will no longer accept NIBOR FRA tenors for 2W, 4M, 5M, 9M and 12M; and the 12M float leg index tenor for NIBOR interest rate, zero-coupon, basis, and variable notional swaps.

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

The implementation of these changes requires amendments to Part B Section 1.1 of the Clearing House Regulations. The relevant pages of the rulebook are attached at Appendix II.

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

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 with the CFTC and a copy of the submission on LCH.Clearnet's website at: [http://www.lchclearnet.com/rules\\_and\\_regulations/lc/default.asp](http://www.lchclearnet.com/rules_and_regulations/lc/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 LLC 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 [laurian.cristea@lchclearnet.com](mailto:laurian.cristea@lchclearnet.com).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Laurian Cristea', enclosed within a blue oval scribble.

Laurian Cristea  
Senior Vice President, Compliance & Regulation  
US Contact: +1 212.513.5610

---

<sup>4</sup> NIBOR is the Norwegian Inter Bank Offered Rate, i.e. the index used on NOK swaps which is the index SwapClear accepts to clear for the NOK currency.

<sup>5</sup> [http://www.fnh.no/PageFiles/25890/\(en\)Download/Strengthening%20of%20NIBOR%20framework%2007.06.2013.pdf](http://www.fnh.no/PageFiles/25890/(en)Download/Strengthening%20of%20NIBOR%20framework%2007.06.2013.pdf).



**Appendix I**  
**Submission Cover Sheet**

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) LCHLLC Date: 15 October 13

**IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**

**ORGANIZATION** LCH.Clearnet LLC

**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

Part B Section 1.1 of the Clearing House Regulations

## DESCRIPTION

Due to industry-wide changes, LCH.Clearnet LLC’s eligibility criteria for the SwapClear service is being amended with changes to the EURIBOR, CIBOR, and NIBOR index rates for the affected products.



**Appendix II**  
**LCH.Clearnet LLC Rulebook**

## Part B

### Product Eligibility Criteria for Registration of a SwapClear Contract

#### 1. SwapClear Transaction

Without prejudice to the Rulebook, 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 SwapClear Product Eligibility Criteria as a 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.

#### 1.1 SwapClear 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 <sup>6</sup>	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				
		GBP-WMBA-SONIA-COMPOUND	Fixed	Single currency	10,970 days		
			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

<sup>6</sup> References in this column are to the 2006 ISDA Definitions.

Instrument	Acceptable Currencies	Acceptable Indices <sup>6</sup>	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
Vanilla interest rate swaps with constant		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	10,970 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		10,970 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					

<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Indices<sup>6</sup></b>	<b>Types</b>		<b>Maximum Residual Term</b>	<b>Notional Amount (Min-Max of the relevant currency unit)</b>
notional principal		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			
	Danish Krone (DKK)	DKK-CIBOR-DKNA13	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(e) (i) for definition	Floating vs. Floating			



<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Indices<sup>6</sup></b>	<b>Types</b>		<b>Maximum Residual Term</b>	<b>Notional Amount (Min-Max of the relevant currency unit)</b>
		DKK-CIBOR2-DKNA13				
		See Article 7.1(e) (ii) for definition				
	Hong Kong Dollar (HKD)	HKD-HIBOR-HIBOR=	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(g) (ii) for definition	Floating vs. Floating			
		HKD-HIBOR-HKAB				
		See Article 7.1(g) (iii) for definition				
		HKD-HIBOR-ISDC				
		See Article 7.1(g) (i) for definition				
	Hungarian Forint (HUF)	HUF-BUBOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	1-10,000,000,000,000
		See Article 7.1r(i) for definition	FLOAT vs. FLOAT			
	Japanese Yen (JPY)	JPY-LIBOR-BBA	Fixed vs. Floating	Single currency	14620 days	1-10,000,000,000,000
		See Article 7.1(l) (iv) for definition	Floating vs. Floating			

<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Indices<sup>6</sup></b>	<b>Types</b>		<b>Maximum Residual Term</b>	<b>Notional Amount (Min-Max of the relevant currency unit)</b>
	New Zealand Dollar (NZD)	NZD-BBR-Telerate	Fixed vs. Floating	Single currency	5495 days	0.01-99,999,999,999.99
		See Article 7.1(p) (iii) for definition	Floating vs. Floating			
	Norwegian Krone (NOK)	NOK-NIBOR-NIBR	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			
	Singapore Dollar (SGD)	SGD-SOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(t) (iii) for definition	Floating vs. Floating			
		SGD-SOR-VWAP	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See Procedure 2C.7.12.1(v) for definition	Floating vs. Floating			
	Swedish Krona (SEK)	SEK-STIBOR-SIDE	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(x) (i) for definition	Floating vs. Floating			
	Swiss Franc (CHF)	CHF-LIBOR-BBA	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(y) (ii) for				

<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Indices<sup>6</sup></b>	<b>Types</b>		<b>Maximum Residual Term</b>	<b>Notional Amount (Min-Max of the relevant currency unit)</b>
		definition				
		CHF- TOIS_OIS_ COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See Article 7.1(y) (iv) for definition	Floating vs. Floating			
	Polish Zloty (PLN)	PLN	FIXED vs. FLOAT	Single currency	3670 days	0.01- 99,999,999,999.99
		WIBOR- WIBO				
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	South African Rand (ZAR)	ZAR	FIXED vs. FLOAT	Single currency	3670 days	0.01- 99,999,999,999.99
		JIBAR- SAFEX				
		See Article 7.1v (i) for definition	FLOAT vs. FLOAT			

(b) Variable notional swaps having the characteristics set out in the table below;

<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Rate Options (as further set out in Article 7.1 of the 2000 ISDA Definitions and Article 7.1 of the 2006 ISDA Definitions)</b>	<b>Types</b>	<b>Single currency</b>	<b>Maximum Residual Term</b>	<b>Notional Amount (Min - Max of the relevant currency unit)</b>
Variable Notional Swap	USD	USD-LIBOR-BBA	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	USD	USD-LIBOR-BBA	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	USD	USD-LIBOR-BBA	Zero Coupon Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Zero Coupon Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Zero Coupon Swap	Single currency	18,275 Days	
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Interest Rate Swap	Single currency	18,275 Days	

<b>Instrument</b>	<b>Acceptable Currencies</b>	<b>Acceptable Rate Options (as further set out in Article 7.1 of the 2000 ISDA Definitions and Article 7.1 of the 2006 ISDA Definitions)</b>	<b>Types</b>	<b>Single currency</b>	<b>Maximum Residual Term</b>	<b>Notional Amount (Min - Max of the relevant currency unit)</b>
Variable Notional Swap	GBP	GBP-LIBOR- BBA	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	GBP	GBP-LIBOR- BBA	Zero Coupon Swap	Single currency	18,275 Days	

(c) Forward rate agreements having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Section 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	FRA Tenors	Minimum and Maximum FRA Terms (Days)
Forward Rate Agreement	AUD	AUD-BBR-BBSW	Fixed v floating	Single currency	740 days		1m, 2m, 3m, 4m, 5m, 6m	Min 25 Max 190
Forward Rate Agreement	AUD	AUD-LIBOR-BBA	Fixed v floating	Single currency	740 days		1m, 2m, 3m, 4m, 5m, 6m, 7m, 8m, 9m, 10m, 11m, 1y	Min 25 Max 375
Forward Rate Agreement	CAD	CAD-BA-CDOR	Fixed v floating	Single currency	740 days		1m, 2m, 3m, 6m, 1y	Min 25 Max 375
Forward Rate Agreement	CAD	CAD-LIBOR-BBA	Fixed v floating	Single currency	740 days		1w, 2w, 1m, 2m, 3m, 4m, 5m, 6m, 7m, 8m, 9m, 10m, 11m, 1y	Min 3 Max 375
Forward Rate Agreement	CHF	CHF-LIBOR-BBA	Fixed v floating	Single currency	740 days		1w, 2w, 1m, 2m, 3m, 4m, 5m, 6m, 7m, 8m, 9m, 10m, 11m, 1y	Min 3 Max 375

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Section 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	FRA Tenors	Minimum and Maximum FRA Terms (Days)
Forward Rate Agreement	CZK	CZK-PIBOR-PRBO	Fixed v floating	Single currency	740 days		1w, 2w, 1m, 2m, 3m, 6m, 9m, 1y	Min 3  Max 375
Forward Rate Agreement	DKK	DKK-CIBOR2-DKNA13	Fixed v floating	Single currency	740 days		1w, 1m, 2m, 3m, <del>4m,</del> <del>5m,</del> 6m, 9m, 1y	Min 3  Max 375
Forward Rate Agreement	EUR	EUR-LIBOR-BBA	Fixed v floating	Single currency	1105 days		1w, 2w, 1m, 2m, 3m, 4m, 5m, 6m, 7m, 8m, 9m, 10m, 11m, 1y	Min 3  Max 375
Forward Rate Agreement	EUR	EUR-EURIBOR-REUTERS	Fixed v floating	Single currency	1105 days		1w, 2w, <del>3w,</del> 1m, 2m, 3m, <del>4m,</del> <del>5m,</del> 6m, <del>7m,</del> <del>8m,</del> 9m, <del>10m,</del> <del>11m,</del> 1y	Min 3  Max 375
Forward Rate Agreement	GBP	GBP-LIBOR-BBA	Fixed v floating	Single Currency	1105 days		1w, 2w, 1m, 2m, 3m, 4m, 5m,	Min 3  Max 375

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Section 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	FRA Tenors	Minimum and Maximum FRA Terms (Days)
							6m, 7m, 8m, 9m, 10m, 11m, 1y	
Forward Rate Agreement	HUF	HUF-BUBOR-REUTERS	Fixed v floating	Single currency	740 days		1w, 2w, 1m, 2m, 3m, 4m, 5m, 6m, 7m, 8m, 9m, 10m, 11m, 1y	Min 3 Max 375
Forward Rate Agreement	JPY	JPY-LIBOR-BBA	Fixed v floating	Single currency	1105 days		1w, 2w, 1m, 2m, 3m, 4m, 5m, 6m, 7m, 8m, 9m, 10m, 11m, 1y	Min 3 Max 375
Forward Rate Agreement	NOK	NOK-NIBOR-NIBR	Fixed v floating	Single currency	740 days		1w, 1m, 2m, 3m, <del>4m,</del> <del>5m,</del> <del>6m,</del> <del>7m,</del> <del>8m,</del> <del>9m,</del> <del>10m,</del> <del>11m,</del> <del>1y</del>	Min 3 Max 375
Forward Rate Agreement	NZD	NZD-BBR-FRA	Fixed v floating	Single currency	740 days		1m, 2m, 3m, 4m, 5m,	Min 25 Max 190