19 January 2016

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 changes to its rules in respect of the SwapClear Duo Compression service.

Part I: Explanation and Analysis

The existing SwapClear Duo Compression service enables a Clearing Member to offset linked positions with another Clearing Member. A Clearing Member selects a counterparty and determines with them what to compress, Clearing Members can also choose to add in risk replacement trades.

LCH.Clearnet is proposing rule changes which will allow it to generate reports to Clearing Members using the Duo Compression service. Two Clearing Members will be able to request that LCH.Clearnet produces a Duo Compression opportunities report for them, based on trades they submit. The report will identify potential position flattening trades which the Clearing Members could execute with each other. The Clearing Members will agree between themselves which, if any, positions they will flatten and any risk replacement trades that are required. The Clearing Members will execute the agreed flattening and risk replacements trades and send them for clearing. Each Clearing Member will independently request Coupon Blending to be performed, which will achieve the notional reduction for the offset positions.

The changes will go live on, or after, February 3, 2016.

Part II: Description of Rule Changes

Paragraph 1.17 (Duo Compression) has been added to Rulebook Procedures Section 2C. The section sets out how Clearing Members can make use of the new report.

The text of the changes is attached hereto as Appendix I.

Part III: Core Principle Compliance

LCH.Clearnet has concluded that compliance with the Core Principles will not be adversely affected by this change, which is in line with the CFTC requirement 39.13, (h) (4).
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,

[Signature]

Julian Oliver
Chief Compliance Officer
LCH.Clearnet Limited
Appendix I
PROCEDURES SECTION 2C - SWAPCLEAR CLEARING SERVICE
Approved Trade Source System previously approved by the Clearing House for such purpose.

A SwapClear Clearing Member that elects to provide notices or reports to the Clearing House through any Approved Trade Source System specifying which SwapClear Contracts should be compressed, have been compressed or any other information in relation to compressions, or to receive any notices or reports from the Clearing House in connection with compressions via an Approved Trade Source System acknowledges and agrees that (i) the Clearing House makes no warranty (and will accept no liability) as to the effectiveness, efficiency, performance or any other aspect of the services provided by any Approved Trade Source System or the timeliness or otherwise of the delivery of any compression-related details by that Approved Trade Source System to the Clearing House of the SwapClear Clearing Member, (ii) the Clearing House will process and use any compression-related information provided to it via an Approved Trade Source System on an “as is” basis (with no obligation to verify any details), (iii) the Clearing House accepts no liability for any error within or corruption of any data sent by an Approved Trade Source System to the Clearing House or to the SwapClear Clearing Member or any delay in or failure of the transmission of such data to the Clearing House or the SwapClear Clearing Member. In the event that the Clearing House terminates, registers or otherwise effects an action in connection with a compression relating to any SwapClear Contract on the basis of incorrect or corrupted data sent to it by an Approved Trade Source System, the SwapClear Clearing Member concerned shall be bound by the results of such actions. Such matters form part of the relationship between the SwapClear Clearing Member and the relevant Approved Trade Source System. Notwithstanding anything in this Section 1.16 of the Procedures, the Clearing House records in relation to any compression and the status of any SwapClear Contract prior to, during or following a compression run shall be the definitive record in connection therewith and shall prevail over any such records maintained by any Approved Trade Source System.

Any request for the Clearing House to approve an Approved Trade Source System for the purposes of this Section 1.16 must be made in writing and using the Clearing House’s standard documentation. Through making a request, an SCM is deemed to represent and warrant that the individual making the request is appropriately authorized to do so.

Following the compression process described above and as further set out in Regulation 56, the applicable SwapClear Clearing Member shall promptly notify the Clearing House if it believes that any errors have occurred in the compression process or if its books and records do not reconcile with those of the Clearing House in respect of the compressed SwapClear Contracts as notified to the SwapClear Clearing Member by the Clearing House.

1.17 Duo Compression

Subject to completion of the Clearing House’s standard form documentation and in response to a request from two SwapClear Clearing Members, the Clearing House may identify compression opportunities for those SwapClear Clearing Members. SwapClear Clearing Members should contact swapclear.clientservices@lchclearnet.com for further information.