

VIA CFTC PORTAL

07 May 2019

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

## **LCH Limited Self-Certification: Rulebook Miscellaneous Amendments**

Dear Mr Kirkpatrick

Pursuant to CFTC regulation §40.6(a), LCH Limited ("LCH"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification changes to its rules to correct and clean up rulebook provisions.

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

On a regular basis, LCH performs a review of its Rulebook to ensure it is as up to date as possible. Following such a review there were few correcting and conforming changes that need to be made.

The rule changes will go live on, or after, 22 May 2019.

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

The following changes are being proposed to be made to the LCH rulebook:

1. **General Regulations:** The definitions section and Regulation 107 have updated references related to Listed Interest Rate Contracts.
2. **Product Specific Contract Terms and Eligibility Criteria Manual and the FCM Product Specific Contract Terms and Eligibility Criteria Manual:** Section 2.6 of both have been updated to include all the Financial Centres available to members.
3. **Procedure Section 2J (Listed Interest Rate Clearing Service):** Section 1.1.3 has been corrected to note that the list of Listed Interest Rates Eligible Products can be found on LCH's website.
4. **FCM Procedures:** The Prescribed terms in section 2.1.23 has been moved to section 1.10. Also schedule 2.2A, B, and C have been updated with the new LCH logo and the removal of the version number.

The texts of the rule changes are attached hereto as:

- i. **Appendix I**, General Regulations
- ii. **Appendix II** Product Specific Contract Terms and Eligibility Criteria Manual
- iii. **Appendix III**, FCM Product Specific Contract Terms and Eligibility Criteria Manual
- iv. **Appendix IV**, Procedures Section 2J

v. **Appendix V, FCM Procedures**

**Part III: Core Principle Compliance**

LCH has reviewed the changes against the requirements of the Core Principles and finds it will continue to comply with all the requirements and standards therein.

**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 governing board or committee members, members of LCH or market participants that were not incorporated into the rule.

**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](mailto:julian.oliver@lch.com).

Yours sincerely



Julian Oliver  
Chief Compliance Officer  
LCH Limited

**Appendix I**  
General Regulations



**GENERAL REGULATIONS OF  
LCH LIMITED**

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**"Listed Interest Rates Excess Loss"**

means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of Listed Interest Rates Business, less (a) the proportion of the Capped Amount applicable to Listed Interest Rates Business under Default Rule 15(c) and (b) any sums then immediately payable in respect of Listed Interest Rates Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House

**"Listed Interest Rates Novation Transaction"**

means, in respect of a Rates Exchange, the matched Rates Exchange Particulars representing a bilateral transaction and either:

- (i) concluded other than through an order book of the Rates Exchange; or
- (ii) concluded through an order book of the Rates Exchange,

in each case:

- (a) presented for registration by, or on behalf of, one Listed Interest Rates Clearing Member identified as, or as acting as a clearing member for, the buyer and the same or another Listed Interest Rates Clearing Member identified as, or as acting as clearing member for, the seller; and
- (b) which the Clearing House and the Rates Exchange have agreed will be cleared in accordance with, and subject to, the Rates Exchange Rules and the Rulebook via novation under Regulation [98-109](#) (and not via the Listed Interest Rates Open Offer clearing mechanism)

**"Listed Interest Rates Novation Transaction Eligibility Criteria"**

has the meaning set out in Regulation [98-109](#)(b)

**"Listed Interest Rates Open Offer"**

means the open offer made by the Clearing House in respect of a Rates Exchange Match under Regulation [97-108](#)(c)

**"Listed Interest Rates Open Offer Eligibility Criteria"**

has the meaning set out in Regulation [97-108](#)(c)

**"Listed Interest Rates Regulations"**

means those Regulations which apply to Listed Interest Rates Contracts as specified in Regulation [96-107](#)

<b>"Put Currency Amount"</b>	means, in relation to a ForexClear Option Transaction or ForexClear Option Contract, as applicable, the amount specified as such in the ForexClear Option Contract Terms evidencing such ForexClear Option Transaction or ForexClear Option Contract, as applicable
<b>"Quarter Start Date"</b>	has the meaning assigned to it in Regulation 60A(c)
<b>"Rate X" and Rate "Y"</b>	means, in relation to a SwapClear Transaction or a SwapClear Contract, the outstanding payment obligations of each party to the transaction, such that Rate X comprises the outstanding payment obligations of one party to the other and Rate Y comprises the outstanding payment obligations of the other party to the first party
<b>"Rates Exchange"</b>	means any trading platform approved as such from time to time by the Clearing House in respect of the Listed Interest Rates Service
<b>"Rates Exchange Match"</b>	<p>means, in respect of a Rates Exchange, a match made on such Rates Exchange of Rates Exchange Particulars submitted by, or on behalf of, Listed Interest Rates Clearing Members, which is made either:</p> <ul style="list-style-type: none"> <li>(i) other than through an order book of the Rates Exchange; or</li> <li>(ii) through an order book of the Rates Exchange, and</li> </ul> <p>in each case:</p> <ul style="list-style-type: none"> <li>(a) which the Clearing House and the Rates Exchange have agreed will be cleared in accordance with, and subject to, the Rates Exchange Rules and the Rulebook via the Listed Interest Rates Open Offer clearing mechanism (and not via novation under Regulation <a href="#">98109</a>); and</li> <li>(b) regardless of whether such match is described or characterised as a trade, transaction or agreement in the relevant Rates Exchange Rules</li> </ul>
<b>"Rates Exchange Particulars"</b>	means the orders or trade particulars, in respect of a Listed Interest Rates Eligible Product, submitted to a Rates Exchange in accordance with the relevant Rates Exchange Rules by, or on behalf of, a Listed Interest Rates Clearing Member

## CHAPTER XXII LISTED INTEREST RATES REGULATIONS

### REGULATION 107 APPLICATION OF LISTED INTEREST RATES REGULATIONS

#### *General*

- (a) The Clearing House shall provide the Listed Interest Rates Service subject to and in accordance with the terms of these Listed Interest Rates Regulations and the Procedures.
- (b) Listed Interest Rates Clearing Members shall be bound by these Listed Interest Rates Regulations. Applications to become a Listed Interest Rates Clearing Member shall be made in accordance with Regulation 107(d) and (e). Other than as expressly specified in this Regulation 107, the remainder of the Regulations shall not apply to the Listed Interest Rates Clearing Service. A summary table of those Regulations which apply to the Listed Interest Rates Clearing Service as described in Regulation 107(a) to Regulation 107(u) is provided at Regulation 107(v).
- (c) Regulations 2 and 3 of the Regulations apply to the Listed Interest Rates Clearing Service.

#### *Listed Interest Rates Clearing Membership*

- (d) A Clearing Member may apply to become a Listed Interest Rates Clearing Member in accordance with the Procedures.
- (e) Regulation 4 applies to Listed Interest Rates Service and applications for such membership.
- (f) Regulation 5 applies to a Listed Interest Rates Clearing Member.
- (g) In the event of any inconsistency between a Rates Exchange Rule and the Listed Interest Rates Regulations, the Listed Interest Rates Regulations shall prevail.

#### *Accounts*

- (h) Regulation 10 applies to the opening and operation of accounts with respect to a Listed Interest Rates Clearing Member. Such accounts shall be designated in accordance with Regulation 15.

#### *Client Clearing*

- (i) Regulation 11 applies to those Listed Interest Rates Clearing Members who provide (or wish to provide) Client Clearing Services.

#### *Formation, registration and transfers of Listed Interest Rates Contracts*

- (j) Regulation 16(b), (c) and (e) to (l), Regulation 17, Regulation [98-107](#) and Regulation [99-108](#) apply to the formation and registration of a Listed Interest Rates Contract.
- (k) Regulation 107 to Regulation 114 apply to the Listed Interest Rates Service.

**Appendix II**  
Product Specific Contract Terms and Eligibility Criteria Manual





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**PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA  
MANUAL**

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SwapClear Contracts registered by the Clearing House in respect of such vanilla inflation swaps with constant notional principal constitute "Inflation SwapClear Contracts".

## 2.6 *Financial Centres*

Detail of the relevant financial centre/s must be provided using the appropriate Markitwire/FpML code as set out below:

<b>Financial Centre</b>	<b>Markitwire/FpML</b>
Dubai	AEDU
Vienna	ATVI
Melbourne	AUME
Sydney	AUSY
Brussels	BEBR
<u>Manama</u>	<u>BHMA</u>
Brazil	BRBD
<u>Brasilia</u>	<u>BHMA</u>
Montreal	CAMO
Toronto	CATO
<u>Bogota</u>	<u>COBO</u>
Geneva	CHGE
Zurich	CHZU
Santiago	CLSA
Beijing	CNBE
Prague	CZPR
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA
Helsinki	FIHE
Paris	FRPA
London	GBLO
Athens	GRAT
Hong Kong	HKHK
Budapest	HUBU
Dublin	IEDU
Mumbai	INMU
Reykjavik	ISRE

<u>Financial Centre</u>	<u>Markitwire/FpML</u>
Milan	ITMI
Rome	ITRO
Tokyo	JPTO
Seoul	KRSE
<u>Kuwait City</u>	<u>KWKC</u>
Luxemburg	LULU
Mexico City	MXMC
Kuala Lumpur	MYKL
Amsterdam	NLAM
Oslo	NOOS
Auckland	NZAU
Wellington	NZWE
<u>Muscat</u>	<u>OMMU</u>
Lisbon	PLTI
Doha	QADO
Moscow	RUMO
Riyadh	SARI
Stockholm	SEST
Bangkok	THBA
Istanbul	TRIS
Taipei	TWTA
Chicago	USCH
Los Angeles	USLA
New York	USNY
Target/Euro	EUTA
Warsaw	PLWA
Singapore	SGSI
Johannesburg	ZAJO

**Appendix III**  
FCM Product Specific Contract Terms and Eligibility Criteria Manual



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FCM PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA  
MANUAL

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- (A) Fixed Rate Payer Payment Date;
- (B) Fixed Amount (see Article 4.4 of the ISDA 2006 Definitions for definition) [or Fixed Rate and Fixed Rate Day Count Fraction][or Fixed Rate Payer Schedule]
- (ii) Floating Rate Payer (see Article 2.2 of the ISDA 2006 Definitions for definition);
  - (A) Floating Rate Payer Payment Date;
  - (B) Index (see Article 1, Section 1.4 of the ISDA 2008 Inflation Definitions for definition);

(Note: The details of each Index are as provided in the FCM Procedures).

  - (C) Index Initial (being the Index level for the specified Reference Month (see Article 1, Section 1.7 of the ISDA 2008 Inflation Definitions for definition) or the specified Index level);
  - (D) Index Final (being the Index level for the specified Reference Month (see Article 1, Section 1.7 of the ISDA 2008 Inflation Definitions for definition));
  - (E) Information source (if applicable); and
  - (F) Interpolation (if applicable).

Any FCM SwapClear Contract registered with respect to an FCM SwapClear Transaction that is one of the vanilla inflation swaps described in this Section 2.5 shall constitute an “Inflation FCM SwapClear Contract”.

## 2.6 *Financial Centers*

Detail of the relevant financial center/s must be provided using the appropriate Markitwire/FpML code as set out below:

<b>Financial Center</b>	<b>Markitwire/FpML</b>
Dubai	AEDU
Vienna	ATVI
Melbourne	AUME
Sydney	AUSY
Brussels	BEBR
<u>Manama</u>	<u>BHMA</u>
Brazil	BRBD
<u>Brasilia</u>	<u>BHMA</u>
Montreal	CAMO
Toronto	CATO
<u>Bogota</u>	<u>COBO</u>
Geneva	CHGE

<b>Financial Center</b>	<b>Markitwire/FpML</b>
Zurich	CHZU
Santiago	CLSA
Beijing	CNBE
Prague	CZPR
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA
Helsinki	FIHE
Paris	FRPA
London	GBLO
Athens	GRAT
Hong Kong	HKHK
Budapest	HUBU
Dublin	IEDU
Mumbai	INMU
Reykjavik	ISRE
Milan	ITMI
Rome	ITRO
Tokyo	JPTO
Seoul	KRSE
<u>Kuwait City</u>	<u>KWKC</u>
Luxemburg	LULU
Mexico City	MXMC
Kuala Lumpur	MYKL
Amsterdam	NLAM
Oslo	NOOS
Auckland	NZAU
Wellington	NZWE
<u>Muscat</u>	<u>OMMU</u>
Lisbon	PLTI
Doha	QADO
Moscow	RUMO
Riyadh	SARI
Stockholm	SEST
Bangkok	THBA
Istanbul	TRIS
Taipei	TWTA
Chicago	USCH
Los Angeles	USLA
New York	USNY
Target/Euro	EUTA
Warsaw	PLWA
Singapore	SGSI
Johannesburg	ZAJO

### 3. **Standard Terms**

The following terms are designated as Standard Terms of a registered FCM SwapClear Contract:

**Appendix IV**  
Procedures Section 2J





**LCH LIMITED**

**PROCEDURES SECTION 2J**

**LISTED INTEREST RATES CLEARING SERVICE**

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## 1. THE LISTED INTEREST RATES CLEARING SERVICE

### 1.1 Introduction

#### 1.1.1 Background

These Procedures apply to the clearing of Listed Interest Rates Eligible Products listed for trading on Rates Exchanges, form part of the Rulebook and must be read in conjunction with the other parts of the Rulebook.

Listed Interest Rates Clearing Members must inform themselves fully of their obligations under the Rulebook and other relevant documentation, such as the Clearing Membership Agreement and the terms of any approval by the Clearing House to extend clearing activities. Listed Interest Rates Clearing Members should also familiarise themselves with the relevant Rates Exchange Rules and the Listed Interest Rates Contract Terms.

The Rulebook (including these Procedures) and the Listed Interest Rates Contract Terms are subject to change from time to time. Enquiries regarding these Procedures or any other aspects of the operation of the Listed Interest Rates Clearing Service should be directed to the Listed Rates Clearing House Client Services Department on +44 7426 7651 or [ListedRates.Ops.UK@lch.com](mailto:ListedRates.Ops.UK@lch.com). Enquiries regarding Listed Interest Rates Clearing Member status should be directed to the Onboarding Department on +44 (0) 20 7426 7949 or [onboarding@lch.com](mailto:onboarding@lch.com).

In the event of any conflict between any provision of these Procedures and any requirement or provision of any third party (including but not limited to any requirement or provision in any Rates Exchange Rules), these Procedures shall prevail.

Enquiries relating to (i) trading Listed Interest Rates Contracts; (ii) Rates Exchange Rules; or (iii) the Listed Interest Rates Contract Terms of any Listed Interest Rates Contract other than a Designated Listed Interest Rates Contract should be directed to the relevant Rates Exchange. Enquiries relating to (i) clearing Listed Interest Rates Contracts; (ii) the Rulebook ; or (iii) the Listed Interest Rates Contract Terms of any Designated Listed Interest Rates Contracts should be directed to the Clearing House.

#### 1.1.2 Interpretation

Capitalised terms used in these Procedures not otherwise defined herein have the meanings ascribed to them in the Rulebook.

**Except where otherwise stated, all times shown are London time and the twenty four hour clock is used.**

#### 1.1.3 Listed Interest Rates Eligible Products

Listed Interest Rates Clearing Members are advised for the purposes of the Regulations and these Procedures that [the list of Listed Interest Rates Eligible Products may be found on the Clearing House's website \(http://www.lch.com\)](http://www.lch.com) ~~the eligibility criteria for Listed Interest Rates Eligible Products are set out in~~

~~the Product Specific Contract Terms and Eligibility Criteria Manual, which is available on the Clearing House's website ([www.leh.com](http://www.leh.com)).~~

#### 1.1.4 *Use of the Listed Interest Rates Clearing Service*

- (a) Where any Clearing Member wishes to participate in any part of the Listed Interest Rates Clearing Service, it must first seek appropriate authorisation from the Clearing House. Clearing Members seeking authorisation to participate in the Listed Interest Rates Clearing Service will be required to seek separate authorisation for business undertaken in relation to the service provided by each Rates Exchange.

Details of how to obtain such authorisations may be obtained from the Clearing House's Onboarding Department. The Clearing Member must comply with all membership and other requirements of the Clearing House, including requirements relating to settlement. Specifically with regard to settlement each Member must at all times ensure:

- (i) that it has PPS accounts in all relevant currencies to enable clearing and settlement; and
  - (ii) that it has settlement accounts with all relevant central securities depositories identified in these Procedures as relevant to such Member's Listed Interest Rates Clearing Business.
- (b) Failure to meet the requirements set out in sub-paragraph (a) (i)-(ii) above (and other applicable requirements) will result in that Clearing Member not having appropriate settlement arrangements in place and, as a result, any Listed Interest Rates Novation Transaction or Rates Exchange Match presented for registration by or on behalf of that Member will not fulfil the relevant eligibility criteria for registration as Listed Interest Rates Contracts (see Regulation 97(c) and Regulation 98(b)). In such a case, such Listed Interest Rates Novation Transaction or Rates Exchange Match may be rejected by the Clearing House and no Listed Interest Rates Contracts would arise. The Listed Interest Rates Novation Transaction or Rates Exchange Match would then be governed by any applicable Rates Exchange Rules.

#### 1.1.5 *Suspension of Trading*

For the avoidance of doubt, any action by a Rates Exchange to suspend, de-list or take any other action with regard to a Listed Interest Rates Eligible Product shall not affect any obligations that a Listed Interest Rates Clearing Member may have to the Clearing House with regard to any open Listed Interest Rates Contracts in such Listed Interest Rates Eligible Product.

#### 1.1.6 *Liability*

- (a) Listed Interest Rates Clearing Members are asked to note that any statements set out in these Procedures regarding the liability of the

**Appendix V**  
FCM Procedures



**FCM PROCEDURES OF THE CLEARING HOUSE**

**LCH LIMITED**

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The relevant additional conditions imposed on an FCM Clearing Member may include, but are not limited to, a requirement to furnish additional cash or non-cash Collateral to the Clearing House, as determined by the Clearing House.

## 1.9 Other Conditions

### 1.9.1 Singaporean Clients

FCM Clearing Members are required to provide a copy of the 'Notice to Singapore Clearing Clients' to FCM Clients incorporated in or operating through a branch in Singapore. The 'Notice to Singapore Clearing Clients' is available here: <http://www.lch.com/members-clients/members/fees-ltd/annual-account-structure-fees>.

### 1.9.2 Restrictions on Japanese FCM Clients

- (a) FCM Clearing Members shall not permit FCM Clients incorporated in or domiciled in Japan to participate in the Portfolio Margining Service.
- (b) FCM Clearing Members shall not clear Yen-denominated FCM SwapClear Contracts on behalf of FCM Clients incorporated in or domiciled in Japan.

## 1.10 Prescribed Terms

Pursuant to FCM Regulation 7 the Clearing House may prescribe certain provisions that an FCM Clearing Member must include in its agreement with an FCM Client.

Where an FCM Clearing Member provides FCM Clearing Services to an FCM Client that is a registered investment company, as defined in the Investment Company Act of 1940, it shall include provisions in its agreement with that FCM Client to the following effect:

- (a) the FCM Clearing Member shall comply with Applicable Law relating to the segregation of FCM Client Funds, including Part 22 of the CFTC Regulations;
- (b) FCM Client Funds delivered by the FCM Client shall be held in accordance with the CEA and the CFTC Regulations, and the FCM Clearing Member shall obtain an acknowledgement, to the extent required by Parts 1.20 and 22 of the CFTC Regulations, that those FCM Client Funds are being held in accordance with the CEA and the CFTC Regulations;
- (c) the FCM Clearing Member will promptly furnish copies of or extracts from its records or such other information pertaining to the FCM Client's assets as the Securities Exchange Commission, through its employees or agents, may request;
- (d) any gains on FCM Contracts held on behalf of an FCM Client (other than de minimus amounts) may be maintained by the FCM Clearing Member only until the next Business Day following receipt; and

- (e) the FCM Client has the ability to withdraw its assets from the FCM Clearing Member as soon as reasonably practicable if the FCM Clearing Member's or the Clearing House's custody of FCM Client Funds no longer meets the requirements of Rule 17f-6 under the Investment Company Act of 1940.

### 2.1.21 *Withholding Taxes*

In the event an FCM Clearing Member is required under Applicable Law to withhold an amount in respect of any tax, levy or charge from any payment made to the Clearing House, (i) such amount payable shall be increased such that the Clearing House receives an amount equal to that it would have received had such withholding not been required under Applicable Law and (ii) the FCM Clearing Member shall provide the Clearing House the relevant tax certificates (or similar form) confirming the payment of such withholding.

The Clearing House shall provide reasonable cooperation to the given FCM Clearing Member to ensure that payments made to the Clearing House may be made without deduction or withholding in respect of any tax, levy or charge

### 2.1.22 *Sales Tax; Value Added Tax*

All fees and other payments payable under the Clearing House's rules are exclusive of sales tax, purchase or turnover tax, levies, duties and their equivalent in each jurisdiction, which, if applicable, shall be payable by FCM Clearing Members at the applicable rate in force at the given time.

### 2.1.23 *~~Prescribed Terms~~[Reserved.]*

~~Pursuant to FCM Regulation 7 the Clearing House may prescribe certain provisions that an FCM Clearing Member must include in its agreement with an FCM Client.~~

~~Where an FCM Clearing Member provides FCM Clearing Services to an FCM Client that is a registered investment company, as defined in the Investment Company Act of 1940, it shall include provisions in its agreement with that FCM Client to the following effect:~~

- ~~(a) — the FCM Clearing Member shall comply with Applicable Law relating to the segregation of FCM Client Funds including without limitation Part 22 of the CFTC Regulations;~~
- ~~(b) — FCM Client Funds delivered by the FCM Client shall be held in accordance with the CEA and the CFTC Regulations and the FCM Clearing Member shall obtain an acknowledgement, to the extent required by Parts 1.20 and 22 of the CFTC Regulations, that those FCM Client Funds are being held in accordance with the CEA and the CFTC Regulations;~~
- ~~(c) — the FCM Clearing Member will promptly furnish copies of or extracts from its records or such other information pertaining to the FCM Client's assets as the Securities Exchange Commission, through its employees or agents, may request;~~
- ~~(d) — any gains on FCM SwapClear Contracts held on behalf of an FCM Client (other than de minimus amounts) may be maintained by the FCM Clearing Member only until the next Business Day following receipt;~~



- ~~(e) — the FCM Client has the ability to withdraw its assets from the FCM Clearing Member as soon as reasonably practicable if the FCM Clearing Member's or the Clearing House's custody of FCM Client Funds no longer meets the requirements of Rule 17f-6 under the Investment Company Act of 1940.~~

#### 2.1.24 *FCM Portfolio Margining Service*

(a) *Introduction*

The Clearing House offers FCM Clients of FCM Clearing Members an optional service (“**FCM Portfolio Margining Service**”) that provides portfolio-margining functionality in respect of pairs of accounts that are held in the FCM SwapClear Clearing Service and FCM Listed Interest Rates Clearing Services by transferring FCM Portfolio Margining Eligible FCM Listed Interest Rates Contracts between accounts in each Service (such transferred FCM Portfolio Margining Eligible FCM Listed Interest Rates Contracts, “**FCM Portfolio Margined Contracts**”).



A list of FCM Portfolio Margining Eligible FCM Listed Interest Rates Contracts is published on the Clearing House's website from time to time.

An FCM Joint Rates Service Clearing Member must opt-in to the FCM Portfolio Margining Service in accordance with the procedure set out in paragraph 2.1.24(b) below and meet the FCM Portfolio Margining Eligibility Criteria (as defined below) in order to benefit from the portfolio-margining functionality provided by the service. However, it should be noted that, regardless of whether or not an FCM Joint Rates Service Clearing Member opts in, the FCM SwapClear Clearing Service and the FCM Listed Interest Rates Clearing Services share a common default fund. Accordingly, the risk profile of participating in either one of such Services may be impacted by other FCM Clearing Members participating in the other such Service. In particular, the resources of an FCM Clearing Member that is a member of the FCM SwapClear Clearing Service and the FCM Listed Interest Rates Clearing Services will be made available to cover the Clearing House's losses in a different manner to those of an FCM Clearing Member that is only a member of one of those Services, regardless of whether that FCM Clearing Member opts-in to the FCM Portfolio Margining Service. FCM Clearing Members should therefore familiarise themselves with the provisions of the FCM Rulebook and the Default Rules.

(b) *Opt-In Procedure*

- (i) FCM Clearing Member Status – Opt In. An FCM Joint Rates Service Clearing Member wishing to opt-in to the FCM Portfolio Margining Service in respect of one or more FCM Clients (each, a “**Nominated FCM Client**”) must submit a

**SCHEDULE 2.2A  
FCM CLIENT – PARTIAL TRANSFER FORM**

  	<p align="center"><b>FCM CLIENT - PARTIAL TRANSFER FORM</b></p> <p align="right"><del>V.1.0: November 2011</del></p> <p><i>Terms used in this form are as defined in LCH Limited's FCM Rulebook unless defined herein</i></p> <p><b>To:</b> LCH Limited</p> <p><b>From:</b> Receiving Clearing Member</p> <p><b>Date:</b></p>																						
<p>We, ..... [insert name of Receiving Clearing Member] (the “Receiving Clearing Member”) have received a request from..... [insert name of transferring FCM Client] (the “FCM Client”) to transfer part of its portfolio of FCM ForexClear Contracts from its Carrying Clearing Member to us. We hereby request the transfer of the FCM ForexClear Contracts as identified below pursuant to FCM Regulation 13 (<i>Transfer</i>) and the FCM Procedures.</p>																							
<p>Please insert the LCH trade IDs of the transferring FCM ForexClear Contracts, using the Schedule below:</p> <p>**Please insert the LCH trade ID and Approved Trade Source (ATS) ID of the transferring FCM ForexClear Contracts.</p> <p>**Please append a list of additional FCM ForexClear Contracts to this form, if required.</p>																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">LCH Trade ID</th> <th style="width: 50%; padding: 5px;">ATS Trade ID</th> </tr> </thead> <tbody> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> <tr><td style="height: 20px;"> </td><td> </td></tr> </tbody> </table>		LCH Trade ID	ATS Trade ID																				
LCH Trade ID	ATS Trade ID																						





**Signatories for and on behalf of the transferring FCM Client:****To: Receiving Clearing Member**

We acknowledge and confirm:

- i. the request to transfer as detailed herein;
- ii. that we will be unable to submit further FCM ForexClear Contracts through our Carrying Clearing Member from the date that this form is received by the Clearing House until the transfer has been effected;
- iii. that the Clearing House will contact our Carrying Clearing Member in relation to this transfer and will disclose our identity to such Carrying Clearing Member;
- iv. that, in accordance with the FCM Rulebook, the Clearing House is entitled to rely conclusively on the instructions and information received from the Receiving Clearing Member and the Carrying Clearing Member and shall have no liability or responsibility therefor;
- v. that the transfer detailed above may require that additional Margin be furnished to the Clearing House (and/or by us to the Receiving Clearing Member listed above) even where Collateral is transferred, and that the Clearing House is not required to affect the transfer if it has not received adequate Margin in respect of the transfer or if any of the other conditions set forth in the FCM Rulebook applicable to the transfer are unsatisfied;
- vi. that, where we have requested the transfer of Collateral, (x) we should contact our Carrying Clearing Member to ensure that they contact the Clearing House to identify the correct Collateral to be transferred, and (y) while the Clearing House will attempt to transfer the specified Collateral to the Receiving Clearing Member, LCH is permitted to transfer alternative Collateral as it deems appropriate in accordance with the FCM Rulebook;
- vii. that the FCM Client is not insolvent; and has no outstanding obligations that are due and payable to the Carrying Clearing Member and/or its affiliates in respect of FCM ForexClear Contracts; and
- viii. that we are authorized to make these acknowledgements and confirmations and do so on behalf of the FCM Client listed above in accordance with the FCM Regulations.

For and on behalf of the FCM Client:

.....  
Authorized signatory

.....  
Authorized signatory

.....  
Date

.....  
Date

All forms should be returned to LCH Limited for the attention of Business Operations.

~~Insert e~~Email: [ForexClear.BusOps@lch.com](mailto:ForexClear.BusOps@lch.com)

~~Insert telephone~~Telephone number: [+44 (0) 207 426 3729]

ForexClear Business Operations  
Aldgate House  
33 Aldgate High Street  
London EC3N 1EA  
UNITED KINGDOM



SCHEDULE 2.2C
FCM CLIENT TRANSFER – CARRY FCM CLEARING MEMBER REPOSSES
FORM



FCM CLIENT TRANSFER - CARRYING
CLEARING MEMBER RESPONSE FORM



V.1.0: November 2011

Terms used in this form are as defined in LCH Limited's FCM Rulebook unless defined herein

To: LCH Limited
From: Carrying Clearing Member
Date:

We, ..... [insert name of Carrying Clearing Member] (the "Carrying
Clearing Member") have received a request from LCH Limited in relation to
.....'s [insert name of transferring FCM Client] (the "FCM Client")
request to transfer [its entire/part of its\*] portfolio of FCM ForexClear Contracts held by us. We are writing to
inform you that:

\* Delete as appropriate

[ ] (Please tick if applicable) The transferring FCM Client has become insolvent and its FCM
ForexClear Contracts should therefore not be transferred in accordance
with FCM Regulation 13 (Transfer).

[ ] (Please tick if applicable) The transferring FCM Client has outstanding obligations that are due
and payable to us and/or our affiliates and therefore its FCM
ForexClear Contracts should not be transferred in accordance with
FCM Regulation 13 (Transfer).

[ ] (Please tick if applicable) The transferring FCM Client has asked that Collateral be transferred
and the relevant Collateral is described in the schedule below.

Schedule of Collateral:

[ ] The Collateral of the FCM Client consists solely of cash in the following
amount and currency:

CASH AMOUNT & CURRENCY

[ ] The Collateral of the FCM Client consists of the following cash and non-cash
Collateral:

CASH AMOUNT & CURRENCY

ISIN	Notional Value

All forms should be returned to LCH Limited for the attention of Business Operations.

Email: ForexClear.BusOps@lch.com

Telephone: [+44 (0) 207 426 3729]

Fax: [TBC]

ForexClear Business Operations  
 Aldgate House  
 33 Aldgate High Street  
 London EC3N 1EA  
 UNITED KINGDOM

**Signatories for and on behalf of the Carrying Clearing Member:**

We acknowledge and confirm the above and that we are authorized to sign for and on behalf of the Carrying Clearing Member:

1. \_\_\_\_\_  
 (Authorized Signatory)                      Name                      Position                      Date
  
2. \_\_\_\_\_  
 (Authorized Signatory)                      Name                      Position                      Date