



## **VIA CFTC PORTAL**

10 October 2014

Mr Christopher Kirkpatrick  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> 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 a rule changes which will extend the opening hours of the SwapClear service.

Please find the rule change attached as an appendix.

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

LCH.Clearnet is making a minor change to its rules to extend the opening hours of the SwapClear service. The service currently opens at 7.30am GMT and closes at 7.00pm EST, giving the service a 16.5\*5 model. Following the implementation of this change the service will open at 5.00am GMT and close at 7.00pm EST, giving the service a 19\*5 model.

The purpose of this proposal is to facilitate the acceptance of trades during the working day within the Australia time-zone.

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

This Submission requires a change to Rulebook Procedures Section 2C – SwapClear Service attached as Appendix I and FCM Procedures attached as Appendix II.

### **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](mailto:julian.oliver@lchclearnet.com).

Yours sincerely,

pp.  .

**Julian Oliver**  
**Chief Compliance Officer**

**Appendix I**



**LCH.CLEARNET LIMITED**

**PROCEDURES SECTION 2C**

**SWAPCLEAR CLEARING SERVICE**

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## 1.2 Operating Times and Calendars

### 1.2.1 *Opening Days*

The Clearing House will publish a circular detailing the days on which SwapClear will be open.

### 1.2.2 *Opening Hours*

Unless notified otherwise, the SwapClear clearing system will be operational during the following hours:

~~0705:30-00~~ London Time to 19:00 New York ~~Time~~time

However, SwapClear Clearing Members should note that Necessary Consents in relation to a Notification submitted during a business day shall be accepted by the Clearing House until ~~0019.01~~ New York time. The Clearing House will notify SwapClear Clearing Members in the event that the SwapClear clearing system is scheduled for closure for operational or other reasons (including compression runs).

### 1.2.3 *SwapClear Clearing System Calendars*

The SwapClear clearing system uses the *SwapsMonitor Financial Calendar* for its processing. This will require all SwapClear Clearing Members to be licensees of the *SwapsMonitor Financial Calendar*. The calendars, as applicable to the SwapClear clearing system, will be available online for inspection and for file download from the SwapClear Clearing Member reporting system (see Section 1.1.3).

## 1.3 Registration

### 1.3.1 *Executing Parties and Presentation for Clearing*

A SwapClear Transaction may be entered into by and presented for clearing by (or on behalf of), any of the following parties: (1) SwapClear Clearing Members (or the SCM Branch of any such a SwapClear Clearing Member); (2) SwapClear Dealers; (3) SwapClear Clearing Clients; and (4) FCM SwapClear Members.

The Clearing House receives details of a new eligible SwapClear Transaction using agreed format messages via an Approved Trade Source System. The Approved Trade Source System will send details of a SwapClear Transaction to the Clearing House once it has been bi-laterally agreed by two Executing Parties, or otherwise executed by or on behalf of two Executing Parties on a US Trading Venue or other similar venue or facility, and will confirm which SwapClear Clearing Member(s) has been elected to register the SwapClear Transaction. For the avoidance of doubt, an Executing Party may appoint a third party to present details of a SwapClear Transaction to the Clearing House on its behalf.

**SCHEDULE 1**  
**SWAPCLEAR PROCESSING SCHEDULE**

This table outlines the daily processes and timetable of the SwapClear operation. Clearing Members will be informed of changes to this timetable via member circular.

<b>SWAPCLEAR PROCESSING SCHEDULE</b>	
<b>Time</b>	
<del>0705:3000</del> (London time)	SwapClear Opens
16:00 (London time)	Deadline for PPS calls in London
16:00 (New York time)	Deadline for PPS calls in New York
19:00 (New York time)	SwapClear Closes



**Appendix II**



**FCM PROCEDURES OF  
THE CLEARING HOUSE**

**LCH.CLEARNET LIMITED**

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### 2.1.2 *Operating Times And Calendars*

#### (a) *Opening Days*

The Clearing House will publish a circular detailing the days on which the FCM SwapClear clearing system will be open.

#### (b) *Opening Hours*

Unless notified otherwise, the FCM SwapClear clearing system will be operational during the following hours:

~~0705:30-00~~ London time to 19:00 hours New York time (a “**Business Day**”).

However, FCM Clearing Members should note that FCM Acceptances of an FCM Notification submitted during a Business Day shall be accepted by the Clearing House until ~~0019:01~~ New York time on the following day. The Clearing House will notify FCM Clearing Members in the event that the FCM SwapClear clearing system is scheduled for closure for operational or other reasons (including compression runs).

#### (c) *FCM SwapClear Clearing System Calendars*

The FCM SwapClear clearing system uses the SwapsMonitor Financial Calendar for its processing. This will require all FCM Clearing Members to be licensees of the SwapsMonitor Financial Calendar. The calendars, as applicable to the FCM SwapClear clearing system, will be available online for inspection and for file download from FCM Clearing Member Reporting (see Section 2.1.1(c)).

### 2.1.3 *Registration*

#### (a) *Submission for Registration*

The Clearing House receives details of a new eligible FCM SwapClear Transaction using agreed format messages via an FCM Approved Trade Source System. The FCM Approved Trade Source System will send these trades to the Clearing House once they have been bi-laterally agreed by two Executing Parties, or otherwise executed by or on behalf of two Executing Parties on an FCM US Trading Venue or other similar venue or facility, and will confirm which FCM Clearing Member(s) has been elected to register the FCM SwapClear Transaction.

#### (b) *Conditions to Registration*

##### Non-FCM US Trading Venue Transactions

In respect of an FCM SwapClear Transaction that is not an FCM US Trading Venue Transaction, following receipt of information from the

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**SCHEDULE 2.1A  
SWAPCLEAR PROCESSING SCHEDULE**

This table outlines the daily processes and timetable of the FCM SwapClear operation and constitutes a “**Business Day**” for the purpose of the FCM Regulations. FCM Clearing Members will be informed of changes to this timetable via member circular. All times shown are in London time.

SWAPCLEAR PROCESSING SCHEDULE	
Time	
<del>07:05:300</del> 0	SwapClear Opens
by 09:30	Registration of Backloaded Trades and confirmation of deleted trades from T-1 (see Section 2.1.3(e))
16:00	Deadline for PPS calls in London
24:00	SwapClear Closes

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