

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) LCH

Date: 15 August 2012

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION LCH.Clearnet Limited

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

FCM Procedures 2.7.6
FCM Regulations, Schedule A to the FCM Regulations, Part A 2.4
FCM Regulations, Schedule A to the FCM Regulations Part B 1.2(c), 3.1(a)(i) and (c)

DESCRIPTION

Introduction of Forward Rate Agreements into LCH.Clearnet Limited’s SwapClear Futures Commission Merchant Model.

SUBMISSION OF AMENDMENTS TO THE CLEARINGHOUSE RULES

TO THE

COMMODITY FUTURES TRADING COMMISSION

SUBMITTED BY

LCH.Clearnet Limited

an English limited company

FILING AS A REGISTERED DERIVATIVES CLEARING ORGANIZATION

Pursuant to Commission Regulation § 40.6

Submission of Amendments to the Clearing House Procedures:

- FCM Regulations
- FCM Procedures

Submitted: 15 August, 2012

LCH.CLEARNET LIMITED SELF-CERTIFICATION OF AMENDMENTS TO LCH.CLEARNET LIMITED'S RULES AND REGULATIONS

LCH.Clearnet Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification, pursuant to CFTC Regulation §40.6, amendments to LCH.Clearnet's Rulebook.

Part I: Explanation and Analysis

The changes to LCH.Clearnet's Rulebook reflect the introduction of Forward Rate Agreements ("FRAs") into its SwapClear Futures Commission Merchant ("FCM") model.

In December 2011, LCH.Clearnet launched FRAs in 10 currencies, USD, EUR, CHF, DKK, JPY, NOT, SEK, CZK PLN and HUF into its SwapClear Clearing Member ("SCM") model. LCH.Clearnet is now proposing to offer these same products, with the addition of GBP FRAs, in the SwapClear FCM model. The amendments to LCH.Clearnet's FCM Procedures and FCM Regulations are a replica of existing rules found in LCH.Clearnet's Clearing House Procedures and General Regulations.

Part II: Certification by LCH.Clearnet

LCH.Clearnet certifies to the CFTC, in accordance with CFTC Regulation §40.6, that the amendments to its rules comply with the Commodity Exchange Act and the CFTC Regulations promulgated thereunder. In addition, LCH.Clearnet certifies that 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/ltd/proposed_rules.asp. A signed certification is attached to this submission as Exhibit B.

Part III: Compliance with Core Principles

LCH.Clearnet complies, and will continue to comply, with all of the Core Principles.

Part IV: 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.

Exhibit A-1
FCM Procedures
See Attached

“i” is a series of whole numbers from 1 to d₀, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

“SONIA_i”, for any day “i” in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the Wholesale Market Brokers’ Association and appearing on the Reuters Screen SONIA Page in respect of that day;

“n_i” is the number of calendar days in the relevant Calculation Period on which the rate is SONIA_i; and

“d” is the number of calendar days in the relevant Calculation Period.

EUR-EONIA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{EONIA}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“d₀” for any Calculation Period is the number of TARGET Settlement Days in the relevant Calculation Period;

“i” is a series of whole numbers from 1 to d₀, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Days in the relevant Calculation Period;

“EONIA_i”, for any day “i” in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day;

“n_i” is the number of calendar days in the relevant Calculation Period on which the rate is EONIA_i; and

“d” is the number of calendar days in the relevant Calculation Period.

2.7.5 Calculation of Compounded Amount

Depending on whether the FCM SwapClear Contract is submitted under ISDA 2000 or ISDA 2006 Definitions, the Clearing House will calculate the compounded floating amount payable by an FCM Clearing Member on a Payment Date as an amount calculated in accordance with Articles 6.1 to 6.3 inclusive of the relevant Definitions.

[2.7.6 Calculation of FRA Discounting \(Article 8.4 of the 2006 ISDA Definitions\)](#)

[Where FRA Discounting is specified for CAD, CHF, CZK, DKK, EUR, HUF, JPY, NOK, PLN, SEK, USD, ZAR the FRA Amount will be calculated in accordance with the following formula:](#)

$$\text{FRA Amount} = \frac{\text{Calculation Amount} \times \left[\begin{array}{l} \text{(Floating Rate +} \\ \text{Spread)} \\ \text{- Fixed Rate} \end{array} \right] \times \left[\begin{array}{l} \text{Floating} \\ \text{Rate Day} \\ \text{Count} \\ \text{Fraction} \end{array} \right]}{1 + \left[\begin{array}{l} \text{Discount Rate} \times \\ \text{Discount} \\ \text{Rate Day} \\ \text{Count} \\ \text{Fraction} \end{array} \right]}$$

Where FRA Discounting is specified for AUD Forward Rate Transactions and NZD Forward Rate Transactions then FRA Yield Discounting will be applied and the FRA Amount calculated in accordance with the following formula:

$$\text{FRA Amount} = \text{Calculation Amount} \times 365 \times \left[\frac{1}{365 + [R_1 \times \text{ND}]} - \frac{1}{365 + [R_2 \times \text{ND}]} \right]$$

Where:

R1 is the sum of the Floating Rate and the Spread on the payment date, expressed as a decimal

R2 is the Fixed Rate, expressed as a decimal

ND is the actual number of days in the calculation period

2.7.7 ~~2.7.6~~ **Business Day and Business Day Convention**

In determining whether a day is a Business Day the Clearing House will only apply the Financial Centres specified in the matched FCM SwapClear Transaction message. The Clearing House will in the event of non-business days apply the Business Day Conventions as specified in the matched FCM SwapClear Transaction message.

2.7.8 ~~2.7.7~~ **Payment of Coupons**

After adjusting coupons, in accordance with the appropriate Business Day and Business Day Conventions, the Clearing House will credit or debit FCM Clearing Members' Accounts with the appropriate Fixed or Floating Amount with a value date matching the Coupon Payment Date. In the event of SwapClear being closed on a Coupon Payment Date it will pay the Fixed and Floating Amounts on the next Business Day following the Coupon Payment Date.

2.7.9 ~~2.7.8~~ **Calculation Periods**

In respect of any Calculation Period that is a not a whole calendar month (a stub period), the Reset Rate for the Reset Date in respect of that Calculation Period shall be determined by the Clearing House with reference to the rate(s) specified in the matched format message.

Exhibit A-2
FCM Regulations Part A
See Attached

SCHEDULE A TO THE FCM REGULATIONS

Part A**FCM SwapClear Contract Terms**

The terms of a registered FCM SwapClear Contract shall include these FCM SwapClear Contract Terms which shall comprise:

- (1) Interpretation; and
- (2) Economic Terms; and
- (3) Standard Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the FCM Regulations and the FCM Procedures, the Clearing House will use the FCM SwapClear Contract Terms applicable to an FCM SwapClear Contract to calculate the amounts due under the FCM SwapClear Contract to, or from, the Clearing House in accordance with the FCM Procedures.

1. Interpretation

- 1.1. "ISDA 2000 Definitions" means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and the same are incorporated by reference herein and "ISDA 2006 Definitions" means the 2006 ISDA Definitions as published by ISDA, and the same are incorporated by reference herein.
- 1.2. Words and expressions used in these FCM SwapClear Contract Terms which are not defined in the FCM Regulations and the FCM Procedures but which are defined in the "ISDA 2000 Definitions" or the "ISDA 2006 Definitions" shall have the same meaning herein as in the ISDA 2000 Definitions or the ISDA 2006 Definitions as the case may be, unless expressly provided otherwise. For the avoidance of doubt where the FCM SwapClear Contract identifies the ISDA 2000 Definitions as being applicable to that FCM SwapClear Contract then those definitions will apply and where the FCM SwapClear Contract identifies the ISDA 2006 Definitions as being applicable to that FCM SwapClear Contract then those definitions will apply
- 1.3. In the event of an inconsistency between the FCM Regulations and the FCM Procedures and either the ISDA 2000 Definitions or the ISDA 2006 Definitions, the FCM Regulations and FCM Procedures will prevail.
- 1.4. References in the ISDA 2000 Definitions and the ISDA 2006 Definitions to a "Swap Transaction" shall be deemed to be references to an "FCM SwapClear Transaction" for the purposes of SwapClear.
- 1.5. Except where expressly stated otherwise, all reference to "Articles" means Articles in the ISDA 2000 Definitions or the ISDA 2006 Definitions as the case may be as published by ISDA:
 - (a) in relation to any amendments to either the ISDA 2000 Definitions and the ISDA 2006 Definitions, the Clearing House may from time to time, by notice

delivered to the FCM Clearing Members and the SwapClear Clearing Members, give directions as to whether such amendment shall apply to FCM SwapClear Contracts with immediate effect or with such deferred effect as the Clearing House shall determine;

- (b) any such notice may provide that the amendment to the ISDA 2000 Definitions and the ISDA 2006 Definitions may take effect so as to apply to FCM SwapClear Contracts registered in an FCM Clearing Member's name at the time such amendment comes into effect if the Clearing House so determines;
- (c) the accidental omission to give notice under this provision to, or the non-receipt of notice under this provision by, an FCM Clearing Member or a SwapClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. Economic Terms

- 2.1. The Economic Terms of an FCM SwapClear Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding FCM SwapClear Transaction in respect of the terms designated as Economic Terms in this Schedule.
- 2.2. It is part of the eligibility criteria for registration as an FCM SwapClear Contract that the particulars of an FCM SwapClear Transaction presented to the Clearing House must include matched information in respect of such designated Economic Terms, except that information in respect of (i), (viii) or (ix) (not both) for vanilla interest rate swaps with constant notional principal and variable notional swaps must be provided.
- 2.3. The Economic Terms for vanilla interest rate swaps with constant notional principal and variable notional swaps comprise:
 - (a) Notional Amount (see Article 4.7 of the ISDA 2000 Definitions and Article 4.7 of the ISDA 2006 Definitions for definition) (for variable notional swaps, the Notional Amount can be set out in a Notional Amount Schedule¹;
 - (b) Currency (see Article 1.7 of the ISDA 2000 Definitions and Article 1.7 of the ISDA 2006 Definitions for definition);
 - (c) Trade Date (see Article 3.7 of the ISDA 2000 Definitions and Article 3.7 of the ISDA 2006 Definitions for definition);
 - (d) Effective Date (see Article 3.2 of the ISDA 2000 Definitions and Article 3.2 of the ISDA 2006 Definitions for definition);
 - (e) Termination Date (see Article 3.3 of the ISDA 2000 Definitions and Article 3.3 of the ISDA 2006 Definitions for definition);

¹ SwapClear will accept IRS, Basis or zero coupon swaps with a Notional Amount which for each payment calculation period may remain unchanged, increase or decrease relative to its previous value. The changes in notional can only take place at the calculation period start dates and must be pre-determined at the point of registration. The notional schedule will be applied at the start of the corresponding calculation period, adjusted (or unadjusted) with the calculation period calendar specified in the trade. Notional schedules need not be identical for the two legs of the trade.

- (f) Additional Payments/Fees:
 - (i) the Payer of the Additional Payments/Fees (if any);
 - (ii) the amount of the Additional Payments/Fees (specify zero if none).
- (g) Business Days (see Article 1.4 of the ISDA 2000 Definitions and Article 1.4 of the ISDA 2006 Definitions for definition);
- (h) Business Day Convention (see Article 4.12 of the ISDA 2000 Definitions and Article 4.12 of the ISDA 2006 Definitions for definition);
- (i) Where Fixed Rate – Floating Rate Swap:
 - (i) Fixed Rate Payer (see Article 2.1 of the ISDA 2000 Definitions and Article 2.1 of the ISDA 2006 Definitions for definition);
 - (ii) Fixed Rate Payer Payment Dates;
 - (iii) Fixed Amount (see Article 4.4 of the ISDA 2000 Definitions and Article 4.4 of the ISDA 2006 Definitions for definition) [or Fixed Rate and Fixed Rate Day Count Fraction] [or Fixed Rate Payer Schedule]²;
 - (iv) Floating Rate Payer (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition);
 - (v) Floating Rate Payer Payment Dates;
 - (vi) Floating Rate Payer compounding dates (if applicable);
 - (vii) Floating Amount (see Article 4.5 of the ISDA 2000 Definitions and Article 4.5 of the ISDA 2006 Definitions for definition);
 - (viii) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition);
(Note: The details of each such option are as provided in the Procedures).
 - (ix) Designated Maturity (see Article 7.3(b) and Article 7.3 (b) of the ISDA 2006 Definitions of the “Annex to the 2000 ISDA Definitions (June 2000 Version)” for definition);
 - (x) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)³;
 - (xi) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);

² SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a Fixed Rate on the fixed leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The Fixed Rate must be greater than or equal to 0%.

³ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

- (xii) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition).

- (j) Where Floating Rate – Floating Rate Swap (“basis” swap):
 - (i) Floating Rate Payer 1 (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition):
 - (a) Floating Rate Payer Payment Dates;
 - (b) Floating Rate Payer compounding dates (if applicable);
 - (c) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition);

(Note: the details of each such option are as provided in the Procedures)
 - (ii) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);
 - (iii) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)⁴;
 - (iv) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
 - (v) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition);
 - (vi) Floating Rate Payer 2 (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition):
 - (a) Floating Rate Payer Payment Dates;
 - (b) Floating Rate Payer compounding dates (if applicable);
 - (c) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition)

(Note: The details of each such option are as provided in the Procedures)
 - (vii) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);

⁴ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

- (viii) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)⁵;
- (ix) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
- (x) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition) .

In respect of forward rate agreements either (s) or (v) but not both should be selected.

2.4. The Economic Terms for Forward Rate Agreements (using only the ISDA 2006 Definitions):

- (a) Notional Amount (see Article 4.7 for definition):
- (b) Currency (see Article 1.7 for definition):
- (c) Trade Date (see Article 3.7 for definition):
- (d) Effective Date (see Article 3.2 for definition):
- (e) Termination Date (see Article 3.3 for definition):
- (f) Additional Payments/Fees:
 - (i) the Payer of the Additional Payments/Fees (if any):
 - (ii) the amount of the Additional Payments/Fees (specify zero if none):
- (g) Business Days (see Article 1.4 for definition):
- (h) Business Day Convention (see Article 4.12 for definition):
- (i) Fixed Rate Payer (see Article 2.1 for definition):
- (j) Fixed Rate Payer Payment Dates:
- (k) Fixed Rate:
- (l) Floating Rate Payer (see Article 2.2 for definition):
- (m) Floating Rate Payer Payment Dates:
- (n) Floating Rate Option (see Article 6.2(i) for definition):
- (o) Designated Maturity (see Article 7.3(b) for definition):
- (p) Spread (see Article 6.2(f) for definition):

⁵ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

(g) Reset Dates (see Article 6.2(b) for definition):

(r) Floating Rate Day Count Fraction (see Article 6.2(g) for definition):

(s) FRA Discounting (see Article 8.4 (b) for definition):

(t) Discount Rate (see Article 8.4. (c) for definition):

(u) Discount Rate Day Count Fraction (see Article 8.4. (d) for definition):

FRA Yield Discounting (see Article 8.4. (e) for definition):

2.5. ~~2.4.~~ Financial Centers

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

Financial Center	Marketwire/FpML
Sydney	AUSY
Brussels	BEBR
Montreal	CAMO
Toronto	CATO
Geneva	CHGE
Zurich	CHZU
Prague	CZPR
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA
Helsinki	FIHE
Paris	FRPA
London	GBLO
Hong Kong	HKHK
Budapest	HUBU
Milan	ITMI
Rome	ITRO
Tokyo	JPTO

Financial Center	Marketwire/FpML
Luxemburg	LULU
Amsterdam	NLAM
Oslo	NOOS
Auckland	NZAU
Wellington	NZWE
Stockholm	SEST
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:

3.1. Business Days

In addition to the Business Days for the financial centers specified in the Economic Terms, (such Business Days to be determined in accordance with the SwapsMonitor Financial Calendar) the Business Days specified in the calendar published by the Clearing House, from time to time, will apply to an FCM SwapClear Contract.

3.2. Negative Interest Rates

The “Negative Interest Rate Method” as set out in Article 6.4(b) of the ISDA Definitions, will apply to an FCM SwapClear Contract.

3.3. Withholding Tax Provisions

All payments due under an FCM SwapClear Contract shall be made by the FCM Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the FCM Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

The Clearing House shall make any payments due to an FCM Clearing Member net of any deduction or withholding for or on account of any tax it is required to make from such payments.

3.4. Payment of Stamp Tax

Each FCM Clearing Member will pay any stamp tax or duty levied or imposed upon it in respect of any FCM SwapClear Contract to which it is a party by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located or by any other jurisdiction, and will indemnify the Clearing House against any stamp tax or duty levied or imposed upon the Clearing House by any such jurisdiction in respect of any FCM SwapClear Contract registered by the Clearing House and to which that FCM Clearing Member is a party.

3.5. Payments under an FCM SwapClear Contract

Payments under, and in respect of, an FCM SwapClear Contract shall be calculated by the Clearing House and shall be made by, or to, the FCM Clearing Member in accordance with the provisions of the FCM Procedures.

3.6. FCM Regulations

An FCM SwapClear Contract shall be subject to the FCM Regulations and the FCM Procedures, which shall form a part of its terms. In the event of any inconsistency between these FCM SwapClear Contract Terms and the FCM Regulations and the FCM Procedures, the FCM Regulations and the FCM Procedures will prevail.

3.7. Governing Law

Each FCM SwapClear Contract shall be governed by and construed in accordance with the laws of the State of New York in the United States of America without regard to principles of conflicts of law and the parties hereby irrevocably agree for the benefit of the Clearing House that (i) the courts of the State of New York, Borough of Manhattan in the United States of America, (ii) the United States District Court for the Southern District of New York, or (iii) the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise herefrom. The FCM Clearing Member party hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the exclusive jurisdiction of the courts of the State of New York, Borough of Manhattan in the United States of America, the United States District Court for the Southern District of New York or the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

3.8. Third Party Rights

A person who is not a party to this FCM SwapClear Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of this FCM SwapClear Contract are expressly excluded.

Exhibit A-2
FCM Regulations Part B
See Attached

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

Instrument	Acceptable Currencies	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)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
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	

Instrument	Acceptable Currencies	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)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
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	
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:

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

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

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

2. [Intentionally Omitted]

3. Additional Criteria for an FCM SwapClear Transaction

3.1. A contract must also meet the following additional criteria to be eligible as an FCM SwapClear Transaction:

- (a) Day Count Fractions

(See Article 4.16 of the “Annex to 2000 ISDA Definitions (June 2000 Version)”, and Article 4.16 of the ISDA 2006 Definitions for definition)

- (i) The Clearing House will only accept the following day count fractions for vanilla interest rate swaps with constant notional principal and variable notional swaps. Day Count Fractions are applied to each deal leg independently, as communicated via the affirmed MarkitWire trade detail:

Day Count Fractions using the ISDA 2000 Definitions

Day Count Fraction	MarkitWire/FpML Code
30/360 (or Bond Basis)	30/360
30E/360 (or Eurobond Basis)	30E/360
Actual/360	ACT/360
Actual/365 (Fixed)	ACT/365.FIXED
Actual/365 (or Actual/Actual)	ACT/365.ISDA
Actual/Actual (ISMA)	ACT/ACT.ISMA

Day Count Fractions using the ISDA 2006 Definitions:

Day Count Fraction	MarkitWire/FpML Code
30/360 (or Bond Basis)	30/360
30E/360 (or Eurobond Basis)	30E/360
Actual/360	ACT/360
Actual/365 (Fixed)	ACT/365.FIXED
Actual/Actual	ACT/ACT.ISDA
30E/360 (ISDA)	30E/360.ISDA
Actual/Actual (ICMA)	ACT/ACT.ICMA

Fraction	SWIFT Code
Actual/365, Actual/Actual (See Article 4.16(b) for definition)	ACT/365
Actual/365 (Fixed) (See Article 4.16(c) for definition)	AFI/365
Actual/360 (See Article 4.16(d) for definition)	ACT/360
30/360, 360/360, Bond Basis (See Article 4.16(e) for definition)	360/360
30E/360 (See Article 4.16(f) for definition)	30E/360

The Clearing House will only accept the following Day Count Fractions for Forward Rate Agreements. Day Count Fractions are applied to each deal leg independently, as communicated via the affirmed MarkitWire trade detail:

Day Count Fractions using the ISDA 2006 Definitions:

<u>Day Count Fraction</u>	<u>MarkitWire/FpML Code</u>	<u>Currency</u>
<u>Actual/365 (Fixed)</u>	<u>ACT/365.FIXED</u>	<u>CAD, AUD, NZD, PLN, ZAR, GBP</u>
<u>Actual/360</u>	<u>ACT/360</u>	<u>USD, EUR, CHF, DKK, JPY, NOK, SEK, CZK, HUF</u>

(b) Business Day Conventions

The Business Day Convention specified in the Economic Terms must be one of the following:

Following (see Article 4.12 (i) of the ISDA 2000 Definitions and Article 4.12 (i) of the ISDA 2006 Definitions for definition)

Modified Following (see Article 4.12 (ii) of the ISDA 2000 Definitions and Article 4.12(ii) of the ISDA 2006 Definitions for definition)

Preceding (see Article 4.12 (iii) of the ISDA 2000 Definitions and Article 4.12 (iii) of the ISDA 2006 Definitions for definition)

For vanilla interest rate swaps with constant notional principal SwapClear does not support trades where a different business day convention is used for:

- (i) fixed period end dates and the termination date
- (ii) float period end dates and the termination date

(c) Minimum and Maximum Residual Term of the Trade (Termination date – Today)

Trades in respect of vanilla interest rate swaps with constant notional principal and variable notional swaps are subject to a minimum and maximum Residual Term on the day they are received by SwapClear.

Minimum Residual Term of trade:

Termination date - Today \geq 1 + currency settlement lag

where currency settlement lag is:

1 day for EUR, USD, GBP and CAD denominated trades

2 days for JPY, CHF, AUD, DKK, HKD, NZD, SEK, NOK, PLN, ZAR, SAD, HUF & CZK denominated trades

Maximum Residual Term of trade:

Termination date - Today <= 3,670 days for DKK, HKD, NZD, NOK, PLN, ZAR, SAD, HUF & CZK (10 years)

Termination date - Today <= 10,970 days for AUD, CAD, CHF, JPY & SEK (30 years)

Termination date – Today <= 18,275 days for GBP, EUR & USD (50 years)

Maximum Residual Term to Maturity for Forward Rate Agreements

The maximum residual term to maturity for forward rate agreements is as follows:

<u>Currency</u>	<u>Maximum Residual Term to Maturity</u>
<u>EUR, JPY, USD, GBP</u>	<u>1105 days (3 years)</u>
<u>AUD, CAD, CHF, DKK, NOK, NZD, PLN, SEK, ZAR, CZK, HUF</u>	<u>740 days (2 years)</u>

(d) Designated Maturity

The Designated Maturity must be no less than one month and no more than twelve months. The Clearing House will, excepting stub periods, only accept a Designated Maturity that is a whole calendar month.

(e) Calculation Periods

(See Article 4.13 of the ISDA 2000 Definitions and Article 4.13 of the ISDA 2006 Definitions for definition.)

For vanilla interest rate swaps with constant notional principal and variable notional swaps the Clearing House will only accept non-standard Calculation Periods (“stub periods”) at either the start or end of the contract. Transactions with stub periods at both the start and end of the transaction will not be eligible as FCM SwapClear Transactions.

For variable notional swaps the stub rate should be detailed either as a percentage (i.e. 5.5%), an interpolation (i.e. 1 month/3months) or as a designated maturity (i.e. 1 month). Stub Rates within the Final Stub are calculated via interpolation or as a designated maturity.

For interpolated coupons, payment dates must fall between the rolled dates, according to the Modified Following business day convention, of the specified designated maturities. Where this does not occur and extrapolation would be required, SwapClear will reject the trade.

The minimum stub period of a variable notional swap accepted by SwapClear is 1 + Currency Settlement Lag. The minimum stub rate tenor must be ≥ 1 week for IRS and basis swap and ≥ 1 month for zero coupon swaps.

SwapClear also calculates floating periods subject to 'IMM settlement dates as per ISDA definitions.

Exhibit B
Certification
See Attached

AMENDED RULES SELF CERTIFICATION

LCH.Clearnet Limited ("LCH.Clearnet") hereby certifies to the Commodity Futures Trading Commission ("CFTC"), pursuant to the procedures set forth in the Commission Regulations 40.6, that the following:

- Amendments to LCH.Clearnet's Rules and Regulations to reflect the introduction of FRAs into LCH.Clearnet's SwapClear FCM Model, comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Signed as of 15 August 2012

By: _____



Name: Jay Iyer

Title: Chief Compliance Officer

LCH.Clearnet Limited