

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): LCHLTD

Organization: LCH.Clearent Limited

Filing as a: DCM SEF DCO SDR Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): **July 11, 2014** Filing Description: Introduction of JPY OIS up to 30 years

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Procedures 2C (Sections 2C.1.7.2, 2C.1.8.4 and 2C.1.8.12); FCM Procedures (Sections 2.1.6 and 2.1.7), The SCM Product Specific Contract Terms and Eligibility Criteria Manual at Part B 1.2 of Schedule 2, and FCM Product Specific Contract Terms and Eligibility Criteria Manual at Part B 1.1 of Schedule 1.

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name: _____

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(b)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:
Rule Numbers



VIA EMAIL TO: SUBMISSIONS@CFTC.GOV

July 11, 2014

Ms. Melissa Jurgens
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: Introduction of JPY OIS up to 30 years

Dear Ms. Jurgens:

Pursuant to §40.6(a) of the Commission Regulations, LCH.Clearnet Limited ("LCH.Clearnet"), a Derivatives Clearing Organization ("DCO") registered with the Commodity Futures Trading Commission ("CFTC"), hereby submits changes to its Rulebook.

LCH.Clearnet's SwapClear service is planning to extend its product eligibility by incorporating Overnight Index Swaps in JPY with maturities out to 30 years ("JPY OIS to 30Y").

The changes will be implemented with effect from July 28, 2014.

Part I: Explanation and Analysis

The changes to LCH.Clearnet's Rulebook reflect the introduction of JPY OIS to 30Y. JPY OIS to 30Y will be available in both SwapClear's FCM and SCM model.

An OIS is an interest rate swap agreement where a fixed rate is swapped against a pre-determined published index of a daily overnight reference rate like the TONA (JPY) – (Tokyo Overnight Average Rate) for an agreed period.

The SwapClear service already clears OIS in EUR, GBP and USD in maturities of up to 30 years and CAD and CHF in maturities of up to two (2) year. The analytics for pricing and risk managing JPY TONA OIS contracts up to 30 years is the same as for existing eligible OIS contracts within SwapClear.

LCH.Clearnet Limited Aldgate House, 33 Aldgate High Street, London EC3N 1EA
Tel: +44 (0)20 7426 7000 Fax: +44 (0)20 7426 7001 www.lchclearnet.com
LCH.Clearnet Group Limited | LCH.Clearnet Limited | LCH.Clearnet SA | LCH.Clearnet LLC



Part II: Description of Rule Changes

The Procedures 2C at Sections 2C.1.7.2, 2C.1.8.4 (OIS coupon calculation) and 2C.1.8.12 (Reset Rates) at **Appendix A-1**, and the FCM Procedures at Sections 2.1.6 and 2.1.7 at **Appendix A-2** will be updated to reflect the introduction of JPY OIS to 30Y.

The SCM and FCM Product Specific Contract Terms and Eligibility Criteria Manual at Part B 1.2 of Schedules 2 for the SCM Model, and at Part B 1.1 of Schedule 1 for the FCM model are modified to reflect the introduction of JPY OIS to 30Y into the SwapClear Eligibility Criteria for SwapClear Transaction.

The amendments to the Product Specific Contract Terms And Eligibility Criteria Manuals are attached in blackline for the SCM Model at **Appendix A-3** and for the FCM Model at **Appendix A-4**.

Part III: Public Information

LCH.Clearnet 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

Part IV: Compliance with Core Principles

LCH.Clearnet will continue to comply with all Core Principles following the introduction of these rule amendments. LCH.Clearnet has concluded that its compliance with Core Principles would not be adversely affected by these changes, specifically the rule changes comply with the requirement of Core Principle C.

Part V: Opposing Views

There were no opposing views expressed to LCH.Clearnet by its governing board or committee members, members of LCH.Clearnet or market participants that were not incorporated into the planned changes.

Part VI: Certification

LCH.Clearnet Limited hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in Commission regulation §40.6, that the attached rule submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.



Should you have any questions regarding this submission please contact me at julian.oliver@lchclearnet.com

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Julian Oliver', written in a cursive style.

Julian Oliver
LCH Clearnet Limited

cc: Shawn Durrani, CFTC

cc: Jay Iyer, LCH.Clearnet Limited



Appendix A-1 (Procedures Section 2C)



LCH.CLEARNET LIMITED

PROCEDURES SECTION 2C

SWAPCLEAR CLEARING SERVICE

Separate variation margin calculations are performed for an SCM's Proprietary Accounts and for each Individual Segregated Client Account and Omnibus Segregated Account (other than an Affiliated Client Omnibus Gross Segregated Account). In respect of each Omnibus Gross Segregated Clearing Client (other than a Combined Omnibus Gross Segregated Clearing Client) separate variation margin calculations are performed in respect of the SwapClear Contracts entered into by the relevant SCM on behalf of such Omnibus Gross Segregated Clearing Client. In respect of a group of Combined Omnibus Gross Segregated Clearing Clients a single variation margin calculation is performed in respect of SwapClear Contracts entered into by the relevant SCM on behalf of such Combined Omnibus Gross Segregated Clearing Clients.

No offset between the "C" and the "H" accounts is allowed and, except pursuant to a Cross-ISA Client Excess Deduction, no offset is allowed between any Client Accounts.

Collateral provided pursuant to this Procedure must, subject to intra-day registration, be in the form of cash in the currency of the SwapClear Transaction. Where a SwapClear Transaction is registered intra-day, and the variation margin obligation covered with non-cash Collateral, the Clearing House will, the following business day, require the SCM to replace that non-cash amount.

All SwapClear Contracts will be marked-to-market daily using the Clearing House's zero coupon yield curves. The daily change in the net present value will be credited to or debited from the relevant position account.

For the avoidance of doubt, any transfers of cash Collateral by an SCM to the Clearing House in respect of the SCM's variation margin obligations or by the Clearing House to an SCM in respect of the Clearing House's variation margin obligations shall be for the purposes of collateralisation and not settlement of obligations under the relevant SwapClear Contracts.

1.7.1 *Zero Coupon Yield Curve Construction*

The Clearing House will determine, at its sole discretion, appropriate instruments, points and market prices for the construction of zero coupon curves and portfolio valuation. Details of the construction method and Instruments used are available on request from SwapClear Risk on +44 (0)20 7 426 7549, but may be subject to change without prior notification.

1.7.2 *Official Quotations*

Zero Coupon Yield curves will use prices and rates taken at:

All times quoted are London time

AUD	12:00
CAD	20:00
CHF LIBOR & OIS	16:30

CZK	16:30
DKK	16:30
EURO LIBOR	16:30
GBP LIBOR	16:30
HKD	12:00
HUF	16:30
JPY LIBOR & OIS	12:00
NOK	16:30
NZD	12:00
PLN	16:30
SEK	16:30
SGD	12:00
USD LIBOR & OIS	20:00
ZAR	16:30
EURO OIS	18:00
GBP OIS	18:00

Zero coupon yield curves used for daily marking to market will be published on the Clearing House's member reporting website at intervals during the day as the prices and rates are captured.

1.7.3 *Net Present Value*

The Clearing House will calculate the net present value ("NPV") of each eligible SwapClear Contract using the Clearing House's zero coupon yield curves.

It is a condition of registration that sufficient Collateral, as determined by the Clearing House, is held with the Clearing House to cover both the NPV and initial margin obligations in respect of each SwapClear Transaction (taking into account, for these purposes, any MER and/or SwapClear Tolerance, if any), except that such Collateral shall be required to be provided prior to registration as a condition thereto only if such SwapClear Transaction is a Block IRS Trade.

1.7.4 *Price Alignment Interest*

The transfer of Collateral in respect of variation margin, or change in NPV, on a daily basis without adjustment would distort the pricing for SwapClear Transactions cleared through the Clearing House. In order to minimise the impact of variation margin, the Clearing House will for each SCM either charge interest on cumulative amounts received by the SCM in respect of variation margin obligations, or pay interest on cumulative amounts paid by the SCM in respect of variation margin obligations (see Section 1.6.2 of Procedure 3 (*Financial Transactions*)).

1.8 **Coupon Payments**

1.8.1 *Calendars and Coupons*

Payment dates for coupon payments will be set based on the SwapsMonitor Financial Calendar (see Section 1.2.3). Changes to the calendar that affect SwapClear Contracts will be published and made available to SCMs by the Clearing House in a Clearing Member Report. The central control and publication of these calendars will assist the reconciliation of coupon payments between SCMs and the Clearing House. Coupon payments will be adjusted, in the event of a holiday amendment, in accordance with the Contract Terms.

1.8.2 *Calculation of Fixed Amount*

The Clearing House will calculate the Fixed Amount payable by a party on a Payment Date as either:

- (a) if an amount is specified for the SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, such amount; or
- (b) if an amount is not specified for the SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, an amount calculated on a formula basis for that Payment date or for the related Calculation Period as follows:

$$\text{Fixed Amount} = \text{Calculation Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

1.8.3 Calculation of Floating Amount

The Clearing House will calculate the Floating Amount payable by a party on a Payment Date as an amount calculated on a formula basis for that Payment Date or for the related Calculation Period as follows:

$$\text{Floating Amount} = \text{Calculation Amount (+/- Spread)} \times \text{Floating Rate} \times \text{Floating Rate Day Count Fraction}$$

1.8.4 OIS coupon calculation

Compounding Rate Calculations

The rate used for the OIS rate is calculated according to ISDA 2006 definitions. The formula for these calculations is given below.

USD-Federal Funds-H.15-OIS-COMPOUND

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

Where:

"d0" for any Calculation Period is the number of New York Banking Days in the relevant Calculation Period;

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

"FEDFUND_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the rate set forth in H.15(519) in respect of the day under the caption "EFFECT", as such rate is displayed on the Reuters Screen FEDFUNDS1 Page, in respect of any day "i", the rate for that will be agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Reuters FEDFUNDS1 Page, in respect of the first preceding New York Banking Day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is FEDFUND_i; and

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

CHF-TOIS-OIS-COMPOUND

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

Where:

"d0" for any Calculation Period is the number of Zurich Banking Days in the relevant Calculation Period;

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

"TOIS_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the rate for tomorrow next deposits in Swiss Francs which appears on the Reuters Screen CHFTOIS= as of 11:00 a.m., Zurich time, on the day that is one Zurich Banking Day preceding that day;

"n_i" is the number of calendar days in the relevant Calculation Period on which the rate is TOIS_i; and

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

GBP-WMBA-SONIA-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"d0" for any Calculation Period is the number of London Banking Days in the relevant Calculation Period;

"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.

CAD-CORRA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right] \frac{365}{d}$$

Where:

"d0" for any Calculation Period is the number of Toronto Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from one to d0, each representing the relevant Toronto Banking Day in chronological order from, and including, the first Toronto Banking Day in the relevant Calculation Period;

"CORRA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the daily fixing for Canadian Dollar overnight repurchase rate as published at approximately 9:00 am, Toronto time, on the day that is one Toronto Banking Day following that day "i" on the Bank of Canada website page address <http://www.bankofcanada.ca/fmd/monmrt.htm>. If such rate does not appear on such Bank of Canada website page in respect of any day "i", the rate for that day will be as agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Bank of Canada website page <http://www.bankofcanada.ca/fmd/monmrt.htm> in respect of the first preceding Toronto Banking Day;

"ni" is the number of calendar days in the relevant Calculation Period on which the rate is CORRA_i; and

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

JPY-TONA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{TONA_i \times ni}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"d0" for any calculation period is the number of Tokyo Banking Days in the relevant Calculation Period;

"i" is a series of whole numbers from one to d0, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant Calculation Period;

"TONA_i", for any day "i" in the relevant Calculation Period, is a reference rate equal to the Tokyo OverNight Average rate (TONA) as published by the Bank of Japan on the Reuters Screen TONAT Page as of approximately 10:00 a.m., Tokyo time, on the Tokyo Banking Day next following that day "i". If such rate does not appear on the Reuters Screen TONAT Page in respect of any day "i", the rate for that day will be as agreed between the parties, acting in good faith and a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Reuters Screen TONAT Page in respect of the first preceding Tokyo Banking Day;

"ni" is the number of calendar days in the relevant Calculation Period on which the rate is TONA_i; and

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

1.8.5 *Calculation of Compounded Amount*

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

1.8.6 *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:

R_1 is the sum of the Floating Rate and the Spread on the payment date, expressed as a decimal

R_2 is the Fixed Rate, expressed as a decimal; and

ND is the actual number of days in the calculation period

1.8.7 *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 SwapClear Transaction message. The Clearing House will in the event of non-business days apply the Business Day Conventions as specified in the matched SwapClear Transaction message.

1.8.8 *Payment of Coupons*

If applicable, the Clearing House will credit or debit Clearing Members' Accounts with the appropriate Fixed or Floating Amount with a value date matching the Coupon Payment Date, after adjusting coupons in accordance with the appropriate Business Day and Business Day Conventions. 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.

1.8.9 Calculation Periods

In respect of any Calculation Period that is 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.

1.8.10 Day Count Fractions: ISDA 2000

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the SwapClear Contract is submitted under the ISDA 2000 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the following principles:

- (a) if "Actual/365" or "Actual/Actual" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 (Fixed)" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (c) if "Actual/360" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (d) if "30/360", "360/360", "Bond Basis", "30E/360" or "Eurobond Basis" is specified the actual number of days in the Calculation Period in respect of which payment is being made will be determined in accordance with the following formula:

$$((Y_2 - Y_1) * 360) + ((M_2 - M_1) * 30) + (D_2 - D_1)$$

where D_1 , M_1 and Y_1 are the day, month and year respectively on which the period begins and D_2 , M_2 and Y_2 are the day, month and year respectively on which the period ends (coupon payment date).

In accordance with this formula the following will be applied:

- (i) if "30/360", "360/360" or "Bond Basis" is specified the Clearing House will:

if D_1 is 31 amend it to 30,

if D_2 is 31 amend it to 30 only if D_1 is 30 or 31; or

- (ii) if "30E/360" or "Eurobond Basis" is specified the Clearing House will:

if D_1 is 31 then amend it to 30; or

if D_2 is 31 then amend it to 30.

- (e) For Actual/Actual (ISMA): "The [Fixed/Floating] Amount will be calculated in accordance with Rule 251 of the statutes, by-laws, rules and recommendations of the International Securities Market Association, as published in April 1999, as applied to straight and convertible bonds issued after 31 December 1998, as though the [Fixed/Floating] Amount were the interest coupon on such a bond".

1.8.11 Day Count Fractions: ISDA 2006

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the SwapClear contract is submitted under the ISDA 2006 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the following principles:

- (a) if "Actual/Actual", "Actual/Actual (ISDA)", "Act/Act", or "Act/Act-(ISDA)" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 (Fixed)" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (c) if "Actual/360" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (d) "30/360", "360/360" or "Bond Basis" is specified the number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1))}{360}$$

Where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation or Compounding Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period or Compounding Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation period or Compounding Period, unless such number would be 31, in which case D1 will be 30 and

"D2" is the Calendar day, expressed as a number, immediately following the last day included in the Calculation Period or Compounding Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (e) if "30/E60" or "Eurobond basis is specified, the number of days in the Calculation or Compounding Period in respect of which payment is being made divided by 360, calculate on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1))}{360}$$

Where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation or Compounding Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period or Compounding Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation period or Compounding Period, unless such number would be 31, in which case D1 will be 30 and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation or Compounding Period, unless such number would be 31, in which case D2 will be 30.

- (f) if 30E/360(ISDA) is specified, the number of days in the Calculation or Compounding period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1))}{360}$$

Where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation or Compounding Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period or Compounding Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation period or Compounding Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation or Compounding Period, unless (i) that day is the last day of February but NOT the termination date or (ii) such number would be 31, in which case D2 will be 30.

- (g) If "Actual/Actual" (ICMA) or "Act/Act" (ICMA) is specified, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "ICMA RuleBook"), calculated in accordance with Rule 251 of the ICMA RuleBook as applied to non US Dollar denominated straight and convertible bonds issued after 21 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period or Compounding Period in respect of which payment is being made.

1.8.12 *Reset Rates*

- (a) Reset Rates will be published by the Clearing House via the Rate Reset reports.

Where applicable, the Clearing House will apply the following principles in calculating Reset Rates:

- (i) "GBP-LIBOR-BBA" means that the rate for a Reset Date will be the rate for deposits in Sterling for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 hours, London time, on that Reset Date.
- (ii) "USD-LIBOR-BBA" the rate for US Dollar deposits for a period of the Designated Maturity which appears on Reuters Screen LIBOR01 as of 11:00 hours London time, on the day that is two London Banking Days preceding that Reset Date.
- (iii) "Euro-LIBOR-BBA" the rate for Euro deposits for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours London time, on the day that is two TARGET Settlement Days preceding that Reset Date.
- (iv) "Euro-EURIBOR-Telerate (ISDA2000)" / "Euro-EURIBOR-Reuters" the rate for Euro deposits for a period of the Designated Maturity which appears on the Reuters Screen EURIBOR01 as of 11:00 hours Brussels time, on the day that is two TARGET Settlement Days preceding that Reset Date.
- (v) "JPY-LIBOR-BBA" the rate for Japanese Yen deposits or a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours London time, on the day that is two London Banking Days preceding that Reset Date.
- (vi) "JPY-TONA-OIS-COMPOUND" means that the rate for a Reset Date, calculated in accordance with the formula set forth in section 1.8.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day interbank JPY market in Tokyo).
- ~~(vi)~~(vii) "CHF-LIBOR-BBA" means that the rate for a Rest Date will be the rate for deposits in Swiss Francs for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
- ~~(vii)~~(viii) "AUD-BBR-BBSW" means that the rate for a Reset Date will be the average mid rate, for Australian Dollar bills of

exchange having a tenor of the Designated Maturity, which appears on the Reuters screen BBSW Page at approximately 10:10 hours, Sydney time, on that Reset Date.

~~(viii)~~(ix) "AUD-LIBOR-BBA" means that the rate for a Reset Date will be the rate for deposits in Australian Dollars for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.

~~(ix)~~(x) "CAD-BA-CDOR" means that the rate for a Reset Date will be the average rate for Canadian Dollar bankers acceptances for a period of the Designated Maturity which appears on the Reuters Screen CDOR page as of 10:00 hours, Toronto time, on that Reset Date.

~~(x)~~(xi) "CAD-LIBOR-BBA" means that the rate for a Reset Date will be the rate for deposits in Canadian Dollars for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.

~~(xi)~~(xii) "CZK-PRIBOR-PRBO" means that the rate for a Reset Date will be the rate for deposits in Czech Koruna for a period of the Designated Maturity which appears on the Reuters Screen PRBO page as of 10:00 hours, Prague time, on the day that is two Prague Banking Days preceding that Reset Date.

~~(xii)~~(xiii) "DKK-CIBOR-DKNA13" means that the rate for a Reset Date will be the rate for deposits in Danish Kroner for a period of the Designated Maturity which appears on the Reuters Screen DKNA13 Page as of 11:00 hours, Copenhagen time, on that Reset Date.

~~(xiii)~~(xiv) "DKK-CIBOR2-DKNA13" means that the rate for a Reset Date will be the rate for deposits in Danish Kroner for a period of the Designated Maturity which appears on the Reuters Screen DKNA13 Page as of 11:00 hours, Copenhagen time, on the day that is two Copenhagen Banking Days preceding that Reset Date.

~~(xiv)~~(xv) "HKD-HIBOR-HIBOR=" means that the rate for a Reset Date will be the rate for deposits in Hong Kong Dollars for a period of the Designated Maturity which appears on the Reuters Screen HIBOR1=R Page (for Designated Maturities of one month to six months, inclusive) or the Reuters Screen HIBOR2=R Page (for Designated Maturities of seven months to one year, inclusive), in each case across from the caption "FIXING@11:00" as of 11:00 hours, Hong Kong time, on that Reset Date.

~~(xv)~~(xvi) "HKD-HIBOR-HKAB" means that the rate for a Reset Date will be the rate for deposits in Hong Kong Dollars for a period of the Designated Maturity which appears on the Reuters Screen HKABHIBOR as of 11:00 hours, Hong Kong time, on that Reset Date.

~~(xvi)~~(xvii) "HKD-HIBOR-ISDC" (ISDA2000) means that the rate for a Reset Date will be the rate for deposits in Hong Kong Dollars for a period of the Designated Maturity which appears on the Reuters Screen ISDC Page as of 11:00 hours, Hong Kong time, on that Reset Date.

~~(xvii)~~(xviii) "HUF-BUBOR-Reuters" means that the rate for a Reset Date will be the rate for deposits in Hungarian Forint for a period of the Designated Maturity which appears on the Reuters Screen BUBOR= Page as of 10:00 hours, Budapest time, on the day that is two Budapest Banking Days preceding that Reset Date.

~~(xviii)~~(xix) "NOK-NIBOR-NIBR" means that the rate for a Reset Date will be the rate for deposits in Norwegian Kroner for a period of the Designated Maturity which appears on the Reuters Screen NIBR Page as of 12:00 noon, Oslo time, on the day that is two Oslo Banking Days preceding that Reset Date.

~~(xix)~~(xx) "NZD-BBR-Telerate" (ISDA2000) means that the rate for a Reset Date will be the fixed midrate for New Zealand Dollar bills of exchange for a period of the Designated Maturity which appears on the Telerate Page 2484 as of 11:00 hours, Wellington time, on that Reset Date.

~~(xx)~~(xxi) "NZD-BBR-FRA" means that the rate for a Reset Date will be the rate for the New Zealand Dollar bills of exchange for a period of designated maturity which appears on the Reuters Screen BKBM Page opposite the caption of "FRA" as of 11:00 hours, Wellington time, on that Reset Date.

~~(xxi)~~(xxii) "SEK-STIBOR-SIDE" means that the rate for a Reset Date will be the rate for deposits in Swedish Kronor for a period of the Designated Maturity which appears on the Reuters Screen SIDE Page under the caption "FIXINGS" as of 11:00 hours, Stockholm time, on the day that is two Stockholm Banking Days preceding that Reset Date.

~~(xxii)~~(xxiii) "SGD-SOR-Reuters" means that the rate for a Reset Date will be the rate for deposits in Singapore Dollars for a period of the Designated Maturity which appears on the Reuters Screen ABSIRFIX01 as of 11:00 hours, Singapore time, on the day that is two Singapore Banking Days preceding that Reset Date.

~~(xxiii)~~(xxiv) "SGD-SOR-VWAP" means that the rate for a Reset Date will be the synthetic rate for deposits in Singapore Dollars for a period of the Designated Maturity which appears on the Reuters Screen ABSFIX01 Page under the heading "SGD SOR rates" as of 11:00 a.m., London time, on the day that is two Singapore and London Banking Days preceding that Reset Date.

~~(xxiv)~~(xxv) "PLN-WIBOR-WIBO" means that the rate for a Reset Date will be the rate for deposits in Polish Zloty for a period of the Designated Maturity which appears on the Reuters Screen WIBO page under the caption "FIXINGS" as of 11:00 hours, Warsaw time, on the day that is two Warsaw Banking Days preceding that Reset Date.

~~(xxv)~~(xxvi) "ZAR-JIBAR-SAFEX" means that the rate for a Reset Date will be the mid-market rate for deposits in South African Rand for a period of the Designated Maturity which appears on the Reuters screen SAFEY page under the caption "YIELD" as of 11:00 hours, Johannesburg time, on that reset date. If such rate does not appear on the Reuters screen SAFEY page, the rate for that Reset Date will be determined as if the parties had specified "ZAR-JIBAR-Reference Banks" as the applicable Floating Rate Option.

~~(xxvi)~~(xxvii) "CHF-TOIS-OIS-COMPOUND" means that the rate for a Reset Date, calculated in accordance with the formula set forth in Section 1.8.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day Swiss interbank money market).

~~(xxvii)~~(xxviii) "GBP-WMBA-SONIA-COMPOUND" means that the rate for a Reset Date, calculated in accordance with the formula set forth in Section 1.8.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Sterling daily overnight reference rate).

~~(xxviii)~~(xxix) "USD-Federal Funds-H.15-OIS-Compound" means that the rate for a Reset Date, calculated in accordance with the formula set forth in Section 1.8.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the daily effective federal funds rate determined by the Federal Reserve as the weighted average of the rates on brokered trades).

~~(xxix)~~(xxx) "EUR-EONIA-OIS-COMPOUND" means that the rate for a Reset Date, calculated in accordance with the formula set forth in Section 1.8.4, will be the rate of return of a daily compound interest investment (it being understood that the



Appendix A-2 (FCM Procedures)



**FCM PROCEDURES OF
THE CLEARING HOUSE**

LCH.CLEARNET LIMITED

	<u>Code</u>
Additional Margin accounts (House), used for holding additional cash in relation to Proprietary business	B
Additional Margin account (Client), used for holding additional cash in relation to FCM Client Business	E

The E account is a Cleared Swaps Customer Account as defined in Part 22 of the CFTC Regulations.

(c) *Default Fund (DF) Account*

Each FCM Clearing Member's Contribution is held in a separate financial account. The DF account code is "F".

2.1.6 ***FCM SwapClear Contract Valuation***

(a) *Net Present Value*

The Clearing House will calculate the Net Present Value (NPV) of each eligible FCM SwapClear Contract using the Clearing House's zero coupon yield curves.

It is a condition of registration that sufficient Margin, as determined by the Clearing House, is furnished to the Clearing House to cover the Clearing House's Margin requirement for each FCM SwapClear Transaction (taking into account, for these purposes, available SwapClear Tolerance, if any), except that such Margin shall be required to be furnished prior to registration as a condition thereto only if such FCM SwapClear Transaction is a Block IRS Trade.

All FCM SwapClear Contracts credited to an FCM Clearing Member will, on submission to the Clearing House, be marked-to-market, in accordance with FCM Regulation 46 (*Collateralization of FCM SwapClear Contracts*). The NPV so determined must, subject to Intra-day Registration (see Section 2.1.3(e)), be paid by the FCM Clearing Member in cash in the currency of the FCM SwapClear Contract. Where an FCM SwapClear Transaction is registered intra-day, and the NPV is covered with non-cash Collateral, the Clearing House will, the following Business Day, require payment of the full cash amount.

(b) *Zero Coupon Yield Curve Construction*

The Clearing House will determine, at its sole discretion, appropriate instruments, points and market prices for the construction of zero coupon curves and portfolio valuation. Details of the construction method and Instruments used are available on request from the Clearing House Risk Management Department at +44 (0)20 7426 7549, but may be subject to change without prior notification.

(c) *Official Quotations*

Zero Coupon Yield curves will use prices and rates taken at:

All times quoted, are London time.

AUD	12:00
CAD	20:00
CHF LIBOR & OIS	16:15
CZK	16:15
DKK	16:15
EURO LIBOR	16:15
GBP LIBOR	16:15
HKD	12:00
HUF	16:15
JPY <u>LIBOR & OIS</u>	12:00
NOK	16:15
NKD	12:00
PLN	16:15
SEK	16:15
SGD	12:00
USD LIBOR & OIS	20:00
ZAR	16:15
EURO OIS	18:15

GBP	
OIS	17:15

Zero coupon yield curves used for daily marking to market will be published on the Clearing House's Member Reporting website after the end of each Business Day.

(d) *Variation Margin*

On the date of registration, the Net Present Value of an FCM SwapClear Contract will be credited to or debited from the applicable FCM Clearing Member's financial accounts in cash in denomination currency.

On all subsequent days, the change in the Net Present Value from one Business Day to the next will be credited to or debited from such FCM Clearing Member's financial accounts in cash in denomination currency.

Separate Variation Margin calculations are performed in respect of an FCM Clearing Member's house "H" account and in respect of an FCM Clearing Member's client "C" account. No offset between the "C" and the "H" accounts is permitted. The Clearing House shall make or receive a separate Variation Margin payment in respect of each house "H" account and each client "C" account (subject to the Default Rules) of each FCM Clearing Member.

(e) *Price Alignment Interest*

In order to compensate for the payment of changes in NPV on a daily basis for FCM SwapClear Transactions cleared through the Clearing House, the Clearing House will for each FCM Clearing Member either charge interest on cumulative variation margin received, or pay interest on cumulative variation margin paid (see Section 3.5.2). Price Alignment Interest is debited, credited and netted in accordance with the Clearing House's normal practices.

2.1.7 *Coupon Payments*

(a) *Calendars and Coupons*

Payment dates for coupon payments will be set based on the SwapsMonitor Financial Calendar (see Section 2.1.2(c)). Changes to the calendar that affect FCM SwapClear Contracts will be published and made available to FCM Clearing Members by the Clearing House in an FCM Clearing Member Report. The central control and publication of these calendars will assist the reconciliation of coupon payments between FCM Clearing Members and the Clearing House.

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

“**CORRAi**”, for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the daily fixing for Canadian Dollar overnight repurchase rate as published at approximately 9:00 am, Toronto time, on the day that is one Toronto Banking Day following that day “**i**” on the Bank of Canada website page address <http://www.bankofcanada.ca/fmd/monmrt.htm>. If such rate does not appear on such Bank of Canada website page in respect of any day “**i**”, the rate for that day will be as agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Bank of Canada website page <http://www.bankofcanada.ca/fmd/monmrt.htm> in respect of the first preceding Toronto Banking Day;

“**ni**” is the number of calendar days in the relevant Calculation Period on which the rate is **CORRAi**; and

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

JPY-TONA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d0} \left(1 + \frac{TONAi \times ni}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

“**d0**” for any calculation period is the number of Tokyo Banking Days in the relevant Calculation Period;

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

“**TONAi**”, for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the Tokyo OverNight Average rate (TONA) as published by the Bank of Japan on the Reuters Screen TONAT Page as of approximately 10:00 a.m., Tokyo time, on the Tokyo Banking Day next following that day “**i**”. If such rate does not appear on the Reuters Screen TONAT Page in respect of any day “**i**”, the rate for that day will be as agreed between the parties, acting in good faith and a commercially reasonable manner. If the parties cannot agree, the rate

for that day will be the rate displayed on the Reuters Screen TONAT Page in respect of the first preceding Tokyo Banking Day;

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

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

(e) *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.

(f) *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:

$$\text{FRA Amount} = \frac{\text{Calculation Amount} \times \{(\text{Floating Rate} + \text{Spread}) - \text{Fixed Rate} \times \text{Floating Rate Day Count Fraction}\}}{1 + \{\text{Discount Rate} \times \text{Discount Rate Day Count Fraction}\}}$$

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:

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

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

(g) *Business Day and Business Day Convention*

In determining whether a day is a Business Day the Clearing House will only apply the Financial Centers 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.

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation or Compounding Period, unless (i) that day is the last day of February but NOT the termination date or (ii) such number would be 31, in which case D2 will be 30.

- (vii) If “**Actual/Actual**” (ICMA) or “**Act/Act**” (ICMA) is specified, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the “**ICMA Rule Book**”), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non-US Dollar denominated straight and convertible bonds issued after 21 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period or Compounding Period in respect of which payment is being made.

(l) *Reset Rates*

Reset Rates will be published by the Clearing House via the Rate Reset reports.

The Clearing House will apply the following principles in calculating Reset Rates:

- (i) “**GBP-LIBOR-BBA**” means that the rate for a Reset Date will be the rate for deposits in Sterling for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 hours, London time, on that Reset Date.
- (ii) “**USD--LIBOR-BBA**” the rate for US Dollar deposits for a period of the Designated Maturity which appears on Reuters Screen LIBOR01 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
- (iii) “**Euro-LIBOR-BBA**” the rate for Euro deposits for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours, London time, on the day that is two TARGET Settlement Days preceding that Reset Date.
- (iv) “**Euro-EURIBOR-Telerate (ISDA2000)**” / “**Euro-EURIBOR-Reuters**” the rate for Euro deposits for a period of the Designated Maturity which appears on the Reuters Screen EURIBOR01 as of 11:00 hours, Brussels time, on the day that is two TARGET Settlement Days preceding that Reset Date.
- (v) “**JPY-LIBOR-BBA**” the rate for Japanese Yen deposits or a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours, London time, on

the day that is two London Banking Days preceding that Reset Date.

- (vi) [“JPY-TONA-OIS-COMPOUND”](#) means that the rate for a Reset Date, calculated in accordance with the formula set forth in section 2.1.7(d) will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day interbank JPY market in Tokyo).
- (vii) ~~(vi)~~ **“CHF-LIBOR-BBA”** means that the rate for a Rest Date will be the rate for deposits in Swiss Francs for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
- (viii) ~~(vii)~~ **“AUD-BBR-BBSW”** means that the rate for a Reset Date will be the average mid-rate, for Australian Dollar bills of exchange having a tenor of the Designated Maturity, which appears on the Reuters screen BBSW Page at approximately 10:10 hours, Sydney time, on that Reset Date.
- (ix) ~~(viii)~~ **“AUD-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in Australian Dollars for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
- (x) ~~(ix)~~ **“CAD-BA-CDOR”** means that the rate for a Reset Date will be the average rate for Canadian Dollar bankers acceptances for a period of the Designated Maturity which appears on the Reuters Screen CDOR page as of 10:00 hours, Toronto time, on that Reset Date.
- (xi) ~~(x)~~ **“CAD-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in Canadian Dollars for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
- (xii) ~~(xi)~~ **“CZK-PRIBOR-PRBO”** means that the rate for a Reset Date will be the rate for deposits in Czech Koruna for a period of the Designated Maturity which appears on the Reuters Screen PRBO page as of 10:00 hours, Prague time, on the day that is two Prague Banking days preceding that Reset Date.
- (xiii) ~~(xii)~~ **“DKK-CIBOR-DKNA13”** means that the rate for a Reset Date will be the rate for deposits in Danish Kroner for a period of the Designated Maturity which appears on the Reuters



Appendix A-3 (SCM Product Specific Contract Terms And Eligibility Criteria Manual)

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

PART B PRODUCT ELIGIBILITY CRITERIA FOR REGISTRATION OF A SWAPCLEAR CONTRACT

1. SwapClear Transaction

Without prejudice to the Regulations and the Procedures, 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 eligibility criteria, set out in paragraphs 1.2(a), (b) or (c) and 1.3, below for a SwapClear Transaction; and
- (b) each party to the transaction is either a SwapClear Dealer or a SwapClear Clearing Member (including an SCM Branch),

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

1.2 *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 ⁶	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 vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99
		See Article 7.1w(vii) for definition	Floating vs. Floating			
		GBP-WMBA-SONIA-COMPOUND	Fixed vs. Floating	Single Currency	10,970 days	
	US Dollar (USD)	USD-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99
		See Article 7.1(ab)(xxii) for definition	Floating vs. Floating			
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	10,970 days	
Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-99,999,999,999.99-	
	See Article 7.1(f)(vii) for	Floating vs. Floating				

⁶ References in this column are to the 2006 ISDA Definitions

Product Specific Contract Terms and Eligibility Criteria Manual

Instrument	Acceptable Currencies	Acceptable Indices ⁶ definition	Types		Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	
Vanilla interest rate swaps with constant notional principal		EUR-EURIBOR-Telerate See article 7.1(f)(ii) for definition	Fixed vs. Floating	Single currency	10,970 days		
	Australian Dollar (AUD)	AUD-BBR-BBSW See Article 7.1(f)(viii) for definition	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99	
			Floating vs. Floating				
	Canadian Dollar (CAD)	CAD-BA-CDOR See Article 7.1(a)(iv) for definition	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99	
			Floating vs. Floating				
			CAD-CORRA-OIS-COMPOUND See Article 7.1(b)(ii) for definition	Fixed vs. Floating	Single currency	750 days	
				Floating vs. Floating			
	Czech Koruna (CZK)	CZK-PRIBOR-PRBO See Article 7.1r(i) for definition	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99	
				FLOAT vs. FLOAT			
	Danish Krone (DKK)	DKK-CIBOR-DKNA13 See Article 7.1(e)(i) for definition	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99	
			Floating vs. Floating				
		DKK-CIBOR2-DKNA13 See Article 7.1(e)(ii) for definition					
Hong Kong Dollar (HKD)	HKD-HIBOR-HIBOR= See Article 7.1(g)(ii) for definition	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99		
			Floating vs. Floating				
		HKD-HIBOR-					

Product Specific Contract Terms and Eligibility Criteria Manua

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types		Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
		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			
		JPY-TONA-OIS-COMPOUND	Fixed vs. Floating	Single currency	10970 days	1-10,000,000,000,000
		See Article 7.1(D)(xix) for definition				
	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(l)(iii) for definition	Floating vs. Floating			
		NZD-BBR-FRA	Fixed vs. Floating	Single currency	5495 days	
		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 Procedure 2C.1.8.12.(a)(xxi) for definition	Floating vs. Floating			
		SGD-SOR-VWAP	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			
	Swedish Krona (SEK)	SEK-STIBOR-SIDE	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types		Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
		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 definition	Floating vs. Floating			
		CHF-TOIS_OIS_CO MPOUND	Fixed vs. Floating	Single currency	750 days	
		See Article 7.1(y)(iv) for definition				
	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 interest rate 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	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-EURIBOR-REUTERS	Interest Rate Swap	Single currency	18,275 Days	



Appendix A-4 (FCM Product Specific Contract Terms And Eligibility Criteria Manual)

FCM PRODUCT SPECIFIC CONTRACT TERMS AND
ELIGIBILITY CRITERIA MANUAL

PART B
PRODUCT ELIGIBILITY CRITERIA FOR REGISTRATION OF AN FCM
SWAPCLEAR CONTRACT

1. FCM SwapClear Transaction

Without prejudice to the FCM Regulations and the FCM Procedures, the Clearing House will only register an FCM SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the FCM SwapClear Product Eligibility Criteria for registration as an FCM 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 FCM SwapClear Product Eligibility Criteria for an FCM SwapClear Transaction

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Indices⁶	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 vs. Floating	Single currency	18,275 days	0.01-
		GBP-WMBA-SONIA-COMPOUND	Fixed vs. Floating	Single currency	10,970 days	
		See Article 7.1w (vii) for definition	Floating vs. Floating			99,999,999,999.99
	US Dollar (USD)	USD-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-

⁶ References in this column are to the 2006 ISDA Definitions.

Instrument	Acceptable Currencies	Acceptable Indices⁶	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating			99,999,999,999.99
		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			

Instrument	Acceptable Currencies	Acceptable Indices⁶	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal		AUD-LIBOR-BBA				
		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-	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,

Instrument	Acceptable Currencies	Acceptable Indices⁶	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		DKNA13				999.99
		See Article 7.1(e) (i) for definition	Floating vs. Floating			
		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			

Instrument	Acceptable Currencies	Acceptable Indices⁶	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
	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			
		JPY-TONA-OIS-COMPOUND	Fixed vs. Floating	Single Currency	10970 days	1-10,000,000,000,000
		See Article 7.1(l)(xix) for definition				
	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			
	New Zealand Dollar (NZD)	NZD-BBR-FRA	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	Floating vs.			

Instrument	Acceptable Currencies	Acceptable Indices⁶	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		definition	Floating			
		SGD-SOR-VWAP	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See FCM Procedure 2A.7.12(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 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			

Instrument	Acceptable Currencies	Acceptable Indices⁶	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
	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;

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	

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-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	
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,	Min 25

