

VIA CFTC PORTAL

22 May 2017

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

LCH Limited Self-Certification: Closure of the NLX platform, removing restrictions on clearing STM contracts in Japan and conforming changes to the rulebook

Dear Mr Kirkpatrick,

Pursuant to Commodity Futures Trading Commission (the "CFTC") Regulation §40.6(a), LCH Limited ("LCH"), a derivatives clearing organization registered with the CFTC, is submitting for self-certification changes to its rules to affect the following changes:

- i. Reflecting the closure of NLX Futures platform that discontinued operations on April 28, 2017.
- ii. Removing the restriction on SwapClear Clearing Members (SCMs) and clients domiciled or incorporated in Japan from clearing Settled-To-Market (STM) contracts.
- iii. Making a number of conforming changes to the rulebook including change/alignment of references and removal of form/letter templates.

Part I: Explanation and Analysis

Closure of NLX platform

LCH's Listed Rates service allowed clearing of listed rates contracts traded on NLX and facilitated portfolio margining for members with OTC swap contracts. The NLX futures platform closed its operations on April 28, 2017. The changes remove all references to NLX and remove sections specific to NLX from the rulebook.

Restrictions on Japanese members and clients

SCMs incorporated or domiciled in Japan have been restricted from clearing STM contracts. In addition, SCMs have been restricted from clearing STM contracts on behalf of clients incorporated or domiciled in Japan. The proposed rule changes remove these restrictions. This reflects the completion of regulatory process in Japan.

Conforming changes to the rulebook

A number of conforming changes to various sections of the rulebook have been made to reflect consistent terms, removal of unnecessary portfolio transfer forms and uniform referencing of rulebook sections. In addition, minor changes have been made to the Settlement Finality Regulations to reflect changes in names of various entities and the closure of NLX platform.

The changes will go live on, or after, June 8, 2017.

Part II: Description of Rule Changes

Closure of NLX platform

Procedures section 2J (Listed Rates Clearing Service), sections 1.10, 1.11, 1.12, 1.13 related to the various Government Bonds have been amended to remove references to the NLX platform.

The texts of the above changes are attached hereto as:

- **Appendix I – Procedures Section 2J**

Restrictions on Japanese members and clients

Procedures Section 1(Clearing Member, Non-Member Market Participant and Dealer Status), Section 1.12 (Jurisdictional Requirements) have been amended to delete the clause restricting Clearing Members incorporated or domiciled in Japan from clearing STM contracts. This also removes the restriction on SCMs from clearing STM contracts on behalf of clients incorporated or domiciled in Japan.

The texts of the above changes are attached hereto as:

- **Appendix II – Procedures Section 1**

Conforming changes to the rulebook

General Regulations have been amended to reflect uniform use of the term 'LCH Approved Outsourcing Agent' and to reflect correct coverage of Rulebook sections for SwapClear and ForexClear services.

Procedures Section 2C and FCM Procedures have been amended to reflect correct referencing of rulebook sections. In addition, a number of portfolio transfer forms have been removed from the rulebook. New forms are maintained by SwapClear client services team and are not part of the rulebook.

A number of conforming changes have been made to the Settlement Finality Regulations including change in names and removal of references to NLX.

The texts of the above changes are attached hereto as:

- **Appendix III – General Regulations**
- **Appendix IV – Procedures Section 2C**
- **Appendix V – FCM Procedures**
- **Appendix VI – Settlement Finality Regulations**

Part III: Core Principles Compliance

LCH has reviewed the changes to its rules against the Core Principles and finds that these will continue to comply with all the requirements and standards therein.

Part IV: Public Information

LCH has posted a notice of pending certification with the CFTC and a copy of the submission on LCH's website at:

<http://www.lchclearnet.com/rules-regulations/proposed-rules-changes>

Part V: Opposing Views

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

Certification

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

Should you have any questions please contact me at julian.oliver@lch.com.

Yours sincerely



Julian Oliver
Chief Compliance Officer
LCH Limited

Appendix I
Procedures Section 2J



LCH.~~CLEARNET~~ LIMITED

PROCEDURES SECTION 2J

LISTED INTEREST RATES CLEARING SERVICE

amount (“**Dividend Adjustment Amount**”) equal to the gross amount of such dividend (without any withholding or deduction on account of any tax).

The delivery failure shall be “cured” on the business day on which the delivery has been made by the seller (including, where applicable, any Dividend Adjustment Amount) and the buyer to make payment (including, where applicable, any Settlement Adjustment Amount).

1.10 Long Gilt

The following abbreviations are used in these procedures:

- DVP means delivery versus payment;
- RVP means receipt versus payment;
- Delivery and receipt versus payment means a transfer of Gilts, against payment of the consideration amount specified in the Gilt contract terms; and
- Euroclear UK and Ireland - The Euroclear UK and Ireland System.

1.10.1 *Delivery Mechanism*

Deliveries under the Gilt contract must be made or taken via an account at Euroclear UK and Ireland (EUI).

(a) *Clearing House Delivery Account Details*

Details of the Clearing House's account at Euroclear UK and Ireland (EUI) are as follows:

Clearing House account number 5172

Clearing Members must ensure that Long Gilt settlement instructions originating from the Curve Exchange must be submitted and matched in Euroclear UK and Ireland with a trade system of origin (“**TSO**”) name as London Stock Exchange, ~~whereas instructions originating from the NLX Exchange must be submitted and matched in Euroclear UK and Ireland with a blank TSO.~~

1.10.2 *Delivery Communication and the Delivery System*

Delivery documentation must be submitted using The Delivery System. When using The Delivery System, Clearing Members must always ensure they allow sufficient time to input their delivery details within the deadlines prescribed in these procedures. Failure to do so will constitute late delivery of documentation and may be subject to disciplinary action. Clearing Members experiencing difficulties should contact Client Services staff at the Clearing House immediately.

PO Box 65755
 Eschborn
 Germany

~~Clearing House account number for NLX transactions : 7077~~

Clearing House account number for Curve transactions : 7770

Details of the Clearing House's accounts at Euroclear and Clearstream Luxembourg are as follows:

Euroclear : ~~Clearing House account number for NLX transactions 10167~~

Clearing House account number for Curve transactions 79317

Clearstream Luxembourg : ~~Clearing House account number NLX transactions 18764~~

Clearing House account number for Curve transactions 24270

The Clearing House retains the right to amend the above list without prior notification to Clearing Members.

For each Euro Bund delivery, Clearing Members are advised of the Clearing House's delivery systems, agents, accounts and reference numbers, on the *Delivery Instructions Report*.

1.11.2 *Delivery Communication and the Delivery System*

Delivery documentation must be submitted using The Delivery System. When using The Delivery System, Clearing Members must always ensure they allow sufficient time to input their delivery details within the deadlines prescribed in these procedures. Failure to do so will constitute late delivery of documentation and may be subject to disciplinary action. Clearing Members experiencing difficulties should contact Client Services staff at the Clearing House immediately.

1.11.3 *Consideration Value Calculation*

The amounts due to Sellers from Buyers are calculated in accordance with the Euro Bund contract terms.

Consideration value per lot = (1000 x FSP x Price Factor) + Accrued Interest

Consideration Calculation Example

FSP = 113.41
 Price Factor = 0.950491

Securities & Custody Services
PO Box 65755
Eschborn
Germany

~~Clearing House account number for NLX transactions : 7077~~

Clearing House account number for Curve transactions : 7770

Details of the Clearing House's accounts at Euroclear and Clearstream Luxembourg are as follows:

Euroclear : ~~Clearing House account number for NLX transactions 10167~~

Clearing House account number for Curve transactions 79317

Clearstream Luxembourg : ~~Clearing House account number for NLX transactions 18764~~

Clearing House account number for Curve transactions 24270

The Clearing House retains the right to amend the above list without prior notification to Clearing Members.

For each delivery, Clearing Members are advised of the Clearing House's delivery systems, agents, accounts and reference numbers, on the *Delivery Instructions Report*.

1.12.2 *Delivery Communication and the Delivery System*

Delivery documentation must be submitted using The Delivery System. When using The Delivery System, Clearing Members must always ensure they allow sufficient time to input their delivery details within the deadlines prescribed in these procedures. Failure to do so will constitute late delivery of documentation and may be subject to disciplinary action. Clearing Members experiencing difficulties should contact Client Services staff at the Clearing House immediately.

1.12.3 *Consideration Value Calculation*

The amounts due to Sellers from Buyers are calculated in accordance with the Bobl Futures Contract terms.

Consideration value per lot = (1000 x FSP x Price Factor) + Accrued Interest

Consideration Calculation Example

FSP = 113.41
Price Factor = 0.950491

Securities & Custody Services
PO Box 65755
Eschborn
Germany

~~Clearing House account number for NLX transactions : 7077~~

Clearing House account number for Curve transactions : 7770

Details of the Clearing House's accounts at Euroclear and Clearstream Luxembourg are as follows:

Euroclear : ~~Clearing House account number for NLX transactions 10167~~

Clearing House account number for Curve transactions 79317

Clearstream Luxembourg : ~~Clearing House account number for NLX transactions 18764~~

Clearing House account number for ~~NLX Curve~~ transactions 24270

The Clearing House retains the right to amend the above list without prior notification to Clearing Members.

For each delivery, Clearing Members are advised of the Clearing House's delivery systems, agents, accounts and reference numbers, on the *Delivery Instructions Report*.

1.13.2 *Delivery Communication and the Delivery System*

Delivery documentation must be submitted using The Delivery System. When using The Delivery System, Clearing Members must always ensure they allow sufficient time to input their delivery details within the deadlines prescribed in these procedures. Failure to do so will constitute late delivery of documentation and may be subject to disciplinary action. Clearing Members experiencing difficulties should contact Client Services at the Clearing House immediately.

1.13.3 *Consideration Value Calculation*

The amounts due to Sellers from Buyers, are calculated in accordance with the Listed Interest Rates Contract Terms for Schatz Futures Contracts.

Consideration value per lot = (1000 x FSP x Price Factor) + Accrued Interest

Consideration Calculation Example

FSP = 113.41
Price Factor = 0.950491
Accrued Interest = 2258.22

Appendix II
Procedures Section 1



LCH.CLEARNET LIMITED

PROCEDURES SECTION 1

**CLEARING MEMBER, NON-MEMBER MARKET
PARTICIPANT AND DEALER STATUS**

at: <http://www.lchclearnet.com/members-clients/members/fees-ltd/annual-account-structure-fees>.

1.12.2 Restrictions on Clearing Members and SCM Branches incorporated in or domiciled in Japan (each a “**Japanese Clearing Member**” or “**Japanese SCM Branch**”, respectively)

(a) Japanese Clearing Members and Japanese SCM Branches are not permitted to participate in the Portfolio Margining Service.

~~(b) Japanese Clearing Members and Japanese SCM Branches are not permitted to clear SwapClear STM Contracts.~~

~~(e)(b)~~ Japanese Clearing Members and Japanese SCM Branches shall not clear Yen-denominated SwapClear Contracts.

1.12.3 Restrictions on Clearing Clients incorporated in or domiciled in Japan (“**Japanese Clearing Clients**”)

(a) Clearing Members may not participate in the Portfolio Margining Service on behalf of Japanese Clearing Clients.

~~(b) Clearing Members may not clear SwapClear STM Contracts on behalf of Japanese Clearing Clients.~~

~~(e)(b)~~ Clearing Members shall not clear Yen-denominated SwapClear Contracts on behalf of Japanese Clearing Clients.

Appendix III
General Regulations



**GENERAL REGULATIONS OF
LCH LIMITED**

“Intra-Day Non-Bulk Transfer”	means an intra-day transfer of some or all of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member, where such transfer: (i) does not exceed the Bulk Threshold; and (ii) does not include the transfer of an Associated Collateral Balance
“Intra-Day Partial Bulk Transfer”	means an intra-day transfer of some (but not all) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member, where such transfer does not include the transfer of an Associated Collateral Balance
"IRS FCM SwapClear Contract"	has the meaning assigned to it in the FCM Regulations
"IRS SwapClear Contract"	means a SwapClear Contract of the type of Contracts which are identified as being IRS SwapClear Contracts in the Product Specific Contract Terms and Eligibility Criteria Manual, which includes, in the case of the Default Rules (including the Rates Service DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an IRS FCM SwapClear Contract
"Joint Rates Service Clearing Member"	means, for purposes of the Portfolio Margining Service, a clearing member who is both a SwapClear Clearing Member and a Listed Interest Rates Clearing Member
"Key Tenors"	means the Key Tenors as set out in the Inflation Swaps Operational Specifications
"Key Tenors Market Data"	has the meaning assigned to it in Regulation 60A(1)
"LCH Approved Outsourcing Party Agent"	means a party approved for these purposes by the Clearing House, as set out in the FCM Procedures
"LCH.Cleernet Group"	means the group of undertakings consisting of LCH Limited, LCH.Cleernet Group Limited, LCH.Cleernet LLC, — LCH Service Company Limited and Banque Centrale de Compensation S.A. trading as LCH SA. (any references to a " member " of LCH.Cleernet Group Limited within these Regulations is to be construed accordingly)
"LCH EnClear Clearing Client"	means, in respect of LCH EnClear Client Clearing Business, an Individual Segregated Account Clearing Client or an Omnibus Segregated Clearing Client

Margin and Collateral

- (m) Regulation 20 applies to a SwapClear Clearing Member.

Reference prices and Revaluation

- (n) Regulation 22 applies to open SwapClear Contracts.

Other Applicable Regulations

- (o) Regulation 37 to Regulation 46^A inclusive apply to SwapClear Clearing Members and SwapClear Contracts.

Default Rules

- (p) The Default Rules (including the Rates Service DMP Annex) apply to SwapClear Clearing Members and SwapClear Contracts.

Clearing House Settlement Finality Regulations

- (q) The Clearing House Settlement Finality Regulations apply in relation to SwapClear Clearing Members and SwapClear Contracts.

Summary table of Regulations which apply to the SwapClear Service

- (r) The Regulations listed in this Regulation 54(r) apply to the SwapClear Service as described under Regulation 54(a) to (q).

<i>Regulation</i>	<i>Title</i>
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 8	Dealer Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 15	Designation
Regulation 16(b)	Registration

Regulation	Title
and (c)	
Regulation 17	Trading Information
Regulation 20	Margin and Collateral
Regulation 22	Official Quotations and Reference Price
Regulation 25	Other Modes of Settlement and Revaluation
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45 and Regulation 46	Netting and Distribution of Assets
Regulation 46A	Solvency Threatening Treasury Default Loss
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50(a)	Validity of Regulations and Action
Regulation 51	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 54 to Regulation 60	SwapClear Regulations
Default Rules	Default Rules (including Rates Service DMP Annex)

Reference prices and Revaluation

- (m) Regulation 22 and Regulation 93 apply to open ForexClear Contracts.

Other Applicable Regulations

- (n) Regulations 37 to 46^A inclusive apply to ForexClear Clearing Members and ForexClear Contracts.

Default Rules

- (o) The Default Rules (including the ForexClear DMP Annex) apply to ForexClear Clearing Members and ForexClear Contracts.

Clearing House Settlement Finality Regulations

- (p) The Clearing House Settlement Finality Regulations apply in relation to ForexClear Clearing Members and ForexClear Contracts.

Summary table of Regulations which apply to the ForexClear Service

- (q) The Regulations listed in this Regulation 90(q) apply to the ForexClear Service as described under Regulation 90(a) to (p).

Regulation	Title
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 8	Dealer Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 15	Designation
Regulation 16 (except Regulation 16(a), (d), (i))	Registration

Regulation	Title
and (m))	
Regulation 17	Trading Information
Regulation 18	Transfer
Regulation 20	Margin and Collateral
Regulation 22	Official Quotations and Reference Price
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45 and Regulation 46	Netting and Distribution of Assets
<u>Regulation 46A</u>	<u>Solvency Threatening Treasury Default Loss</u>
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50(a)	Validity of Regulations and Action
Regulation 51(a) and (c) to (e)	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 90 to Regulation 94	ForexClear Regulations

Regulation	Title
Regulation 29	Delivery Contracts
Regulation 30	Open Contracts Subject to Tender
Regulation 31	Arrangements for Delivery and Payment of Price
Regulation 32	Restrictions on Clearing House's Obligations and Liability
Regulation 36	Default of a Member: Substituted Obligation
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45	Netting
Regulation 46	Distribution of Assets
Regulation 46A	Solvency Threatening Treasury Default Loss
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50	Validity of Regulations and Action
Regulation 51(a), and (c) to (e)	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 59	Portfolio Margining Service
Regulation 95 to	Listed Interest Rates Regulations

Appendix IV
Procedures Section 2C



LCH.~~CLEARNET~~ LIMITED

PROCEDURES SECTION 2C

SWAPCLEAR CLEARING SERVICE

The Clearing House reserves the right to revoke an entity's status as an LCH Approved Outsourcing Agent, in its sole discretion and without notice. In the event of such a revocation, the relevant SCM shall be required to assume those responsibilities that were previously outsourced. Such revocation may occur where the Clearing House considers that there is an insufficient number of third party entities that are providing outsourced default management services (usually a minimum of five providers at any one time).

Other than in exceptional circumstances and in the Clearing House's sole discretion, an LCH Approved Outsourcing Agent may not act on behalf of more than three clearing members.

The appointment of an LCH Approved Outsourcing Agent does not relieve a SwapClear Clearing Member of its obligations in relation to a Rates Service DMP (including its obligation to participate in an Auction) and an LCH Approved Outsourcing Agent's participation in the Rates Service DMP on behalf of an SCM, in the event of a default, shall not extend beyond the provision of operational and other ancillary support to that SCM.

1.27.8 *Rates Service DMG*

The necessary involvement of SCMs and the Rates Service DMG in the Rates Service DMP entails the assessment and dissemination of information that could give rise to conflicts of interest. To ensure that such potential conflicts are demonstrably contained, ~~Schedule 5~~ [Schedule 2](#) establishes binding obligations of confidentiality, anonymity and the extent of dissemination of information on SCMs (and their executives or directors who participate from time to time in the Rates Service DMG) and on the Clearing House.

Each SCM who makes available a representative to serve on the Rates Service DMG agrees, and shall procure that, to the extent applicable, its representatives agree to be bound by and to ensure that it and any of its executives or directors serving on the Rates Service DMG complies with ~~Schedule 5~~ [Schedule 2](#) covering confidentiality, non-disclosure and other terms.

1.27.9 *Procedures for Liquidation of Rates Service Contracts of Clearing Clients*

Upon the default of a Rates Service Clearing Member, the Clearing House has the power and authority, pursuant to the Rulebook, to liquidate the Rates Service Contracts of Clearing Clients which, pursuant to the Rulebook, would be conducted in accordance with the Rates Service DMP Annex. This section sets forth certain supplementary procedures (in addition to the Default Rules and other applicable provisions of the Rulebook) that will apply under such circumstances.

In certain circumstances the Clearing House may deem, in its sole discretion, that the Rates Service Contracts entered into by the defaulting Rates Service Clearing Member in respect of one or more Clearing Clients should be liquidated. Such determination may result from factors including: (i) the Clearing House determining that the Rates Service Contracts entered into by

Schedule 2
~~SWAPCLEAR CLEARING CLIENT PARTIAL TRANSFER FORM~~



SWAPCLEAR CLEARING CLIENT
PARTIAL TRANSFER FORM

[V.[]]
:[] 201[]

~~TERMS USED IN THIS FORM ARE AS DEFINED IN LCH.CLEARNET LIMITED'S
RULEBOOK UNLESS DEFINED HEREIN~~

~~T
O: LCH.CLEARNET LIMITED~~

~~F
ROM: RECEIVING CLEARING
MEMBER~~

~~D
ATE:~~

~~WE,.....[INSERT NAME OF RECEIVING CLEARING
MEMBER] (THE "RECEIVING CLEARING MEMBER") HAVE RECEIVED A
REQUEST FROM [INSERT NAME OF TRANSFERRING
SWAPCLEAR CLEARING CLIENT] (THE "SWAPCLEAR CLEARING CLIENT") TO
TRANSFER (I) IN THE CASE OF A SWAPCLEAR CLEARING CLIENT WHICH IS AN
INDIVIDUAL SEGREGATED ACCOUNT CLEARING CLIENT OR AN INDIVIDUAL
OMNIBUS GROSS SEGREGATED CLEARING CLIENT (OTHER THAN A COMBINED
OMNIBUS GROSS SEGREGATED CLEARING CLIENT), PART OF ITS PORTFOLIO
OF SWAPCLEAR CONTRACTS; AND (II) IN THE CASE OF A SWAPCLEAR
CLEARING CLIENT WHICH IS AN IDENTIFIED OMNIBUS NET SEGREGATED
CLEARING CLIENT, AN AFFILIATED OMNIBUS NET SEGREGATED CLEARING
CLIENT OR A COMBINED OMNIBUS GROSS SEGREGATED CLEARING CLIENT,
PART OR ALL OF ITS PORTFOLIO OF SWAPCLEAR CONTRACTS,
FROM[INSERT NAME OF CARRYING CLEARING MEMBER] TO US. WE
HEREBY REQUEST THE TRANSFER OF THE SWAPCLEAR CONTRACTS AS
IDENTIFIED BELOW PURSUANT TO REGULATION 60(C) AND THE PROCEDURES.~~

~~OR~~

~~WE[INSERT NAME OF RECEIVING CLEARING
MEMBER] (THE "RECEIVING CLEARING MEMBER") ARE AN INDIVIDUAL
SEGREGATED ACCOUNT CLEARING CLIENT OR AN INDIVIDUAL OMNIBUS
GROSS SEGREGATED CLEARING CLIENT (OTHER THAN A COMBINED OMNIBUS
GROSS SEGREGATED CLEARING CLIENT) AND A SWAPCLEAR CLEARING
MEMBER AND ARE WRITING IN BOTH SUCH CAPACITIES TO REQUEST THE
TRANSFER OF PART OF OUR PORTFOLIO OF SWAPCLEAR CONTRACTS FROM
OUR CARRYING CLEARING MEMBER TO OUR PROPRIETARY ACCOUNT. WE
HEREBY REQUEST THE TRANSFER OF THE SWAPCLEAR CONTRACTS AS
IDENTIFIED BELOW PURSUANT TO REGULATION 60(C) AND THE PROCEDURES.~~

~~PLEASE INSERT THE LCH TRADE IDS OF THE TRANSFERRING~~

SWAPCLEAR CONTRACTS, USING THE SCHEDULE BELOW:

~~PLEASE INSERT THE LCH TRADE ID AND APPROVED TRADE SOURCE (ATS) ID OF THE TRANSFERRING SWAPCLEAR CONTRACTS.~~

~~PLEASE APPEND A LIST OF ADDITIONAL SWAPCLEAR CONTRACTS TO THIS FORM, IF REQUIRED~~

LCH TRADE ID	ATS TRADE ID
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

~~SIGNATORIES FOR AND ON BEHALF OF THE RECEIVING CLEARING MEMBER:~~

~~WE ACKNOWLEDGE AND CONFIRM THE ABOVE AND ARE AUTHORISED TO SIGN FOR AND ON BEHALF OF THE RECEIVING CLEARING MEMBER~~

~~_____~~

_____	_____	_____	_____
(AUTHORISE D-SIGNATORY)	NAME	POSITION	DATE

~~_____~~

_____	_____	_____	_____
(AUTHORISE D-SIGNATORY)	NAME	POSITION	DATE

~~_____~~

~~SIGNATORIES FOR AND ON BEHALF OF THE TRANSFERRING SWAPCLEAR CLEARING CLIENT:~~

~~TO: RECEIVING CLEARING MEMBER~~

~~WE ACKNOWLEDGE AND CONFIRM:~~

THE ATTENTION OF CLIENT SERVICES.

EMAIL: SWAPCLEARCLIENTSERVICES@LCHCLEARNET.COM

TELEPHONE: +44 (0) 207 426 7651 OR +1 212 513 8265

**SWAPCLEAR CLIENT
SERVICES**

**SWAPCLEAR CLIENT
SERVICES**

ALDGATE HOUSE

17 STATE STREET

**33 ALDGATE HIGH
STREET**

NEW YORK NY 10004

LONDON EC3N 1EA

USA



Schedule 3
~~SWAPCLEAR CLEARING CLIENT FULL TRANSFER FORM~~



~~SWAPCLEAR CLEARING CLIENT
FULL TRANSFER FORM~~

~~V.[]: []
20[]~~

~~TERMS USED IN THIS FORM ARE AS DEFINED IN LCH.CLEARNET LIMITED'S RULEBOOK
UNLESS DEFINED HEREIN~~

~~T
O: LCH.CLEARNET LIMITED~~

~~F
ROM: RECEIVING CLEARING
MEMBER~~

~~E
DATE:~~

~~WE, [INSERT NAME OF RECEIVING CLEARING MEMBER] (THE "RECEIVING
CLEARING MEMBER") HAVE RECEIVED A REQUEST FROM
[INSERT NAME OF TRANSFERRING SWAPCLEAR
CLEARING CLIENT] (THE "SWAPCLEAR CLEARING CLIENT") TO TRANSFER ITS
ENTIRE PORTFOLIO OF SWAPCLEAR CONTRACTS FROM [INSERT NAME OF
CARRYING CLEARING MEMBER] TO US. WE HEREBY REQUEST THE TRANSFER OF
ALL SWAPCLEAR CONTRACTS REGISTERED IN THE NAME OF THE CARRYING
CLEARING MEMBER ON BEHALF OF THE RELEVANT SWAPCLEAR CLEARING
CLIENT PURSUANT TO REGULATION 60(B) AND THE PROCEDURES.~~

~~OR~~

~~WE [INSERT NAME OF RECEIVING CLEARING
MEMBER] (THE "RECEIVING CLEARING MEMBER") ARE AN INDIVIDUAL
SEGREGATED ACCOUNT CLEARING CLIENT OR AN INDIVIDUAL OMNIBUS GROSS
SEGREGATED CLEARING CLIENT (OTHER THAN A COMBINED OMNIBUS GROSS
SEGREGATED CLEARING CLIENT) AND A SWAPCLEAR CLEARING MEMBER AND
ARE WRITING IN BOTH SUCH CAPACITIES TO REQUEST THE TRANSFER OF OUR
ENTIRE PORTFOLIO OF SWAPCLEAR CONTRACTS FROM OUR CARRYING CLEARING
MEMBER TO OUR PROPRIETARY ACCOUNT. WE HEREBY REQUEST THE TRANSFER
OF THE SWAPCLEAR CONTRACTS PURSUANT TO REGULATION 60(B) AND THE
PROCEDURES.~~

~~PLEASE INSERT:~~

~~NAME OF CARRYING CLEARING MEMBER:~~

~~IN ORDER TO ENABLE LCH.CLEARNET TO IDENTIFY THE RELEVANT
SWAPCLEAR CONTRACTS THAT ARE TO BE TRANSFERRED.~~

~~PLEASE TICK THE RELEVANT BOX BELOW TO CONFIRM WHETHER THE SWAPCLEAR CLEARING CLIENT WISHES TO TRANSFER AN ASSOCIATED COLLATERAL BALANCE IN ACCORDANCE WITH REGULATION 60(B).~~

~~THE SWAPCLEAR CLEARING CLIENT WISHES TO TRANSFER AN ASSOCIATED COLLATERAL BALANCE~~

~~THE SWAPCLEAR CLEARING CLIENT DOES NOT WISH TO TRANSFER AN ASSOCIATED COLLATERAL BALANCE~~

~~SIGNATORIES FOR AND ON BEHALF OF THE RECEIVING CLEARING MEMBER:~~

~~WE ACKNOWLEDGE AND CONFIRM THE ABOVE AND ARE AUTHORISED TO SIGN FOR AND ON BEHALF OF THE RECEIVING CLEARING MEMBER~~

(AUTHORISED SIGNATORY)	NAME	POSITION	DATE

(AUTHORISED SIGNATORY)	NAME	POSITION	DATE

~~SIGNATORIES FOR AND ON BEHALF OF THE TRANSFERRING SWAPCLEAR CLEARING CLIENT:~~

~~TO: RECEIVING CLEARING MEMBER~~

~~WE ACKNOWLEDGE AND CONFIRM:~~

~~I. THE REQUEST TO TRANSFER AS DETAILED HEREIN;~~

~~II. THAT OUR CARRYING CLEARING MEMBER SHALL NOT BE PERMITTED TO REGISTER ADDITIONAL SWAPCLEAR CONTRACTS ON OUR BEHALF DURING THE PERIOD COMMENCING AT THE END OF THE SWAPCLEAR SERVICE OPERATING HOURS ON THE DAY ON WHICH IT RECEIVED NOTICE THAT A SWAPCLEAR CLEARING CLIENT FULL TRANSFER FORM HAS BEEN RECEIVED AND ENDING AT THE TIME AT WHICH THE RELEVANT TRANSFER (INCLUDING THE TRANSFER OF THE RELEVANT ASSOCIATED COLLATERAL BALANCE, IF APPLICABLE) IS ACTUALLY EFFECTED OR IS REJECTED;~~

~~III. THAT LCH.CLEARNET LIMITED WILL CONTACT OUR CARRYING CLEARING MEMBER IN RELATION TO THIS TRANSFER AND WILL DISCLOSE OUR IDENTITY TO SUCH CARRYING CLEARING MEMBER;~~

~~IV. THAT, IN ACCORDANCE WITH THE CLEARING HOUSE'S RULEBOOK, LCH.CLEARNET LIMITED IS ENTITLED TO RELY CONCLUSIVELY ON THE INSTRUCTIONS AND INFORMATION RECEIVED FROM THE RECEIVING CLEARING MEMBER AND THE CARRYING CLEARING MEMBER AND SHALL HAVE NO LIABILITY OR RESPONSIBILITY THEREFOR;~~

~~V. THAT THE TRANSFER DETAILED ABOVE MAY REQUIRE THAT ADDITIONAL COLLATERAL BE TRANSFERRED TO LCH.CLEARNET LIMITED (AND/OR BY US TO THE RECEIVING CLEARING MEMBER) EVEN WHERE AN ASSOCIATED COLLATERAL BALANCE IS TRANSFERRED, AND THAT LCH.CLEARNET LIMITED IS NOT REQUIRED TO EFFECT THE TRANSFER IF IT HAS NOT RECEIVED ADEQUATE COLLATERAL IN RESPECT OF THE TRANSFER OR IF ANY OF THE OTHER CONDITIONS SET FORTH IN THE CLEARING HOUSE'S RULEBOOK APPLICABLE TO THE TRANSFER ARE UNSATISFIED;~~

~~VI. THAT, WHERE WE HAVE REQUESTED THE TRANSFER OF AN ASSOCIATED COLLATERAL BALANCE, LCH.CLEARNET LIMITED IS PERMITTED TO IDENTIFY THE CORRECT ASSOCIATED COLLATERAL BALANCE AVAILABLE FOR TRANSFER;~~

~~VII. IN ORDER FOR THE TRANSFER DETAILED ABOVE TO BE EFFECTED, WE WILL BE REQUIRED TO SATISFY ANY REQUIREMENTS AS BETWEEN OURSELVES AND THE CARRYING CLEARING MEMBER AND/OR ITS AFFILIATES AT THE TIME OF, OR ARISING AS A RESULT OF, SUCH TRANSFER, TO THE EXTENT THE CLEARING HOUSE'S RULEBOOK STATES THAT SUCH REQUIREMENTS MUST BE SATISFIED IN ORDER FOR THE TRANSFER TO BE EFFECTED, INCLUDING, WITHOUT LIMITATION, ANY OUTSTANDING OBLIGATIONS THAT ARE DUE AND PAYABLE TO THE CARRYING CLEARING MEMBER AND/OR ITS AFFILIATES AT THE TIME OF, OR ARISING AS A RESULT OF, SUCH TRANSFER, AS PROVIDED FOR IN SUB-PARAGRAPH (VII) OF REGULATION 60(B);~~

~~VIII. THAT WE ARE AUTHORISED TO MAKE THESE ACKNOWLEDGEMENTS AND CONFIRMATIONS AND DO SO ON BEHALF OF THE SWAPCLEAR CLEARING CLIENT LISTED ABOVE IN ACCORDANCE WITH THE REGULATIONS.~~

~~FOR AND ON BEHALF OF THE SWAPCLEAR CLEARING CLIENT:~~

_____	_____
_____ AUTHORISED SIGNATORY	_____ AUTHORISED SIGNATORY
_____	_____
_____ DATE	_____ DATE

~~ALL FORMS SHOULD BE RETURNED TO LCH.CLEARNET LIMITED FOR THE ATTENTION OF CLIENT SERVICES.~~

~~INSERT EMAIL:SWAPCLEARCLIENTSERVICES@LCHCLEARNET.COM~~

~~INSERT TELEPHONE NUMBER: +44 (0) 207 426 7651~~

~~SWAPCLEAR CLIENT SERVICES~~

~~SWAPCLEAR CLIENT SERVICES~~

~~ALDGATE HOUSE~~

~~17 STATE STREET~~

~~33 ALDGATE HIGH STREET~~

~~NEW YORK NY 10004~~

~~LONDON EC3N 1EA~~

~~USA~~

~~UNITED KINGDOM~~

~~_____~~



Schedule 4

~~SWAPCLEAR CLEARING CLIENT TRANSFER CARRYING CLEARING
MEMBER RESPONSE FORM~~



~~SWAPCLEAR CLEARING CLIENT
TRANSFER CARRYING~~

~~CLEARING MEMBER RESPONSE FORM~~

~~[VI]: [I]~~

~~TERMS USED IN THIS FORM ARE AS DEFINED IN LCH.CLEARNET LIMITED'S RULEBOOK UNLESS
DEFINED HEREIN~~

~~TO: LCH.CLEARNET LIMITED~~

~~FROM: CARRYING CLEARING MEMBER~~

~~DATE:~~

~~WE, [INSERT NAME OF CARRYING CLEARING MEMBER] (THE "CARRYING
CLEARING MEMBER") HAVE RECEIVED A REQUEST FROM LCH.CLEARNET
LIMITED IN RELATION TO 'S [INSERT
NAME OF TRANSFERRING SWAPCLEAR CLEARING CLIENT] (THE
"SWAPCLEAR CLEARING CLIENT") REQUEST TO TRANSFER [ITS
ENTIRE]/[PART OF ITS] * PORTFOLIO OF SWAPCLEAR CONTRACTS HELD
BY US. WE ARE WRITING TO INFORM YOU THAT:~~

~~* DELETE AS APPROPRIATE~~

~~THE TRANSFERRING SWAPCLEAR CLEARING CLIENT
(PLEASE TICK IF HAS BECOME INSOLVENT AND NO SWAPCLEAR
APPLICABLE) CONTRACTS SHOULD THEREFORE BE TRANSFERRED IN
ACCORDANCE WITH REGULATION 60(B)(I) OR
REGULATION 60(C)(I), AS APPLICABLE.~~

~~THE TRANSFERRING SWAPCLEAR CLEARING CLIENT
(PLEASE TICK IF HAS OR WOULD HAVE, AS A CONSEQUENCE OF THE
APPLICABLE) OCCURRENCE OF THE REQUESTED TRANSFER,
UNSATISFIED REQUIREMENTS WHICH THE CLEARING
HOUSE'S RULEBOOK STATES MUST BE SATISFIED IN
ORDER FOR THE TRANSFER TO BE EFFECTED AS
BETWEEN ITSELF AND US AND/OR OUR AFFILIATES AT
THE TIME OF, OR ARISING AS A RESULT OF, SUCH
TRANSFER, INCLUDING, WITHOUT LIMITATION,
OUTSTANDING OBLIGATIONS AS DESCRIBED IN SUB-
PARAGRAPH (VII) OF REGULATION 60(B) OR
REGULATION 60(C) (AS APPLICABLE) AND, THEREFORE,
NO SWAPCLEAR CONTRACTS SHOULD BE
TRANSFERRED.~~

~~THE TRANSFERRING SWAPCLEAR CLEARING CLIENT
(PLEASE TICK IF HAS ASKED THAT AN ASSOCIATED COLLATERAL
APPLICABLE) BALANCE BE TRANSFERRED AND THE RELEVANT
COLLATERAL COMPRISING THE ASSOCIATED
COLLATERAL BALANCE IS DESCRIBED IN THE~~

SCHEDULE BELOW.

~~SCHEDULE OF COLLATERAL COMPRISING ASSOCIATED COLLATERAL BALANCE:~~

~~THE ASSOCIATED COLLATERAL BALANCE OF THE SWAPCLEAR CLEARING CLIENT CONSISTS SOLELY OF CASH IN THE FOLLOWING AMOUNT AND CURRENCY:~~

~~CASH AMOUNT & CURRENCY~~

~~THE ASSOCIATED COLLATERAL BALANCE OF THE SWAPCLEAR CLEARING CLIENT CONSISTS OF THE FOLLOWING CASH AND NON-CASH COLLATERAL:~~

~~CASH AMOUNT & CURRENCY~~

ISIN	NOTIONAL VALUE

~~ALL FORMS SHOULD BE RETURNED TO LCH.CLEARNET LIMITED FOR THE ATTENTION OF CLIENT SERVICES.~~

~~EMAIL: SWAPCLEARCLIENTSERVICES@LCHCLEARNET.COM~~

~~TELEPHONE: +44 (0) 207 426 7651 OR +1 212 513 8265~~

~~FAX: +1 212 513 8290~~

SWAPCLEAR SERVICES	CLIENT	SWAPCLEAR CLIENT SERVICES	
ALDGATE HOUSE		17 STATE STREET	
33 ALDGATE HIGH STREET		NEW YORK NY 10004	
LONDON		USA	
EC3N 1EA			
UNITED KINGDOM			

~~SIGNATORIES FOR AND ON BEHALF OF THE CARRYING CLEARING MEMBER:~~

~~WE ACKNOWLEDGE AND CONFIRM THE ABOVE AND THAT WE ARE AUTHORISED TO SIGN FOR AND ON BEHALF OF THE CARRYING CLEARING MEMBER:~~

~~1.~~

(AUTHORISED SIGNATORY)	NAME	POSITION	DATE
 	 	 	

~~2.~~

(AUTHORISED SIGNATORY)	NAME	POSITION	DATE
 	 	 	

|

~~Schedule 5~~ **SCHEDULE 2**
**CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN THE
DEFAULT MANAGEMENT GROUP**

1. Definitions

- 1.1 **"Confidential Material"** means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the SCM, its associated companies and advisers, or to which the SCM, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the SCM).
- 1.2 **"DMG Member"** means an individual appointed by a Nominating SCM.
- 1.3 **"Nominating SCM"** means a SwapClear Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the DMG.
- 1.4 **"Permitted Purpose"** means proper fulfilment by the SCM of its duties under the Rates Service DMP and includes, after the completion of the Auction, the use by the SCM, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction for the purposes of its own ongoing portfolio management and to enable it to comply with ongoing legal or regulatory requirements.
- 1.5 References denoting the masculine (including "his" and "he") shall be construed as the feminine if the DMG Member is female.
- 1.6 All other terms have the meaning ascribed to them in the Default Rules (including the Rates Service DMP Annex).

Confidentiality and Non-Disclosure: General Obligations of the SCM

2. Confidentiality

- 2.1 The SCM agrees that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Agreement in respect thereof and, subject to Section 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the SCM shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:
- 2.1.1 it comes into the public domain other than through a breach by the SCM of this Agreement; or
- 2.1.2 the SCM is expressly obliged to do so by order of a court of competent jurisdiction upon the application of a third party, or as a result of any request to disclose such part or parts of the Confidential Material in connection with any inquiry or other request by a regulatory authority or self-regulatory authority asserting jurisdiction over the SCM.

Appendix V
FCM Procedures



FCM PROCEDURES OF THE CLEARING HOUSE

LCH LIMITED

Clearing House is entitled to reject a bid in the event that it considers, in its reasonable discretion that accepting the bid may:

- (i) cause the Clearing House to breach Applicable Law by virtue of its being a Recognised Clearing House or a Derivatives Clearing Organization;
- (ii) cause the Clearing House or its membership any reputational harm;
- (iii) cause legal action or proceedings to be taken against the Clearing House;
- (iv) endanger the Clearing House, any of its clearing members or the financial markets in which the Clearing House operates.

Where the Clearing House receives more than one bid from the same FCM Clearing Member and in respect of the same Auction the Clearing House is entitled to accept the last bid received by it in respect of that Auction. Where the Clearing House does not receive a bid that was made by an FCM Clearing Member or SwapClear Clearing Member for operational, technological or other similar reasons and as a result of which a bid does not reach the Clearing House, the Clearing House will be unable to accept a bid and shall not be liable for any failure to accept such bid.

(c) *Affiliate Bidding*

SwapClear Clearing Members are entitled to bid for an Auction Portfolio on behalf of an affiliated SwapClear Clearing Member or affiliated FCM Clearing Member. Where a SwapClear Clearing Member makes a bid and that SwapClear Clearing Member has an affiliated SwapClear Clearing Member or FCM Clearing Member that does not make a bid, the Clearing House shall not (unless instructed otherwise in accordance with the paragraph below) assume that the bidding SwapClear Clearing Member has made the relevant bid on behalf of a non-bidding, affiliated SwapClear Clearing Member or affiliated FCM Clearing Member.

A SwapClear Clearing Member may notify the Clearing House, in advance of an Auction, that it wishes to bid on behalf of an affiliated SwapClear Clearing Member or affiliated FCM Clearing Member. Where it wishes to do so, the SwapClear Clearing Member should contact the Clearing House's Membership Department at +44 (0)207 426 7891/7627/7063 or via e-mail at membership@lchclearnet.com.

Upon the request of an FCM Clearing Member that has successfully bid in an Auction (or in respect of which an LCH Approved Outsourcing [Party-Agent](#) or an affiliated SwapClear Clearing Member has made a successful bid on its behalf), the Clearing House shall transfer the rights and obligations arising out of the applicable Auction

interest. To ensure that such potential conflicts are demonstrably contained, ~~Schedule 2.1E~~, Schedule 2, establishes binding obligations of confidentiality, anonymity and the extent of dissemination of information on FCM Clearing Members (and their executives or directors who participate from time to time in the Rates Service DMG) and on the Clearing House.

Formatted: Not All caps

Each FCM Clearing Member who makes available a representative to serve on the Rates Service DMG agrees, and shall procure that, to the extent applicable, its representatives agree to be bound by and to ensure that it and any of its executives or directors serving on the Rates Service DMG complies with ~~Schedule 2.1E~~, Schedule 2, covering confidentiality, non-disclosure and other terms.

Formatted: Not All caps

(f) *Procedures for Liquidation of FCM Rates Contracts of FCM Clients*

Upon the default of an FCM Rates Clearing Member, the Clearing House has the power and authority, pursuant to the FCM Rulebook, the CEA and the CFTC Regulations, to liquidate the FCM Rates Contracts of FCM Clients which, pursuant to the FCM Rulebook, would be conducted in accordance with the Rates Service DMP Annex. This section sets forth certain supplementary procedures (in addition to the Default Rules and other applicable provisions of the FCM Rulebook) that will apply under such circumstances.

In certain circumstances the Clearing House may deem, in its sole discretion, that the FCM Rates Contracts of one or more FCM Clients should be liquidated. Such determination may result from factors including: (i) the Clearing House determining that the FCM Client poses too great a risk to the Clearing House and should therefore be liquidated, (ii) the Clearing House becoming aware of the FCM Client becoming insolvent or otherwise failing in its obligations to the defaulting FCM Clearing Member, (iii) the relevant FCM Client requesting that it be liquidated, or (iv) a request or instruction from a Regulatory Body, whether orally or in writing. In the event of such liquidation the Clearing House shall establish a notional account reflecting such FCM Client's FCM Rates Contracts for purposes of allocating losses arising from the liquidation of such contracts (such account, a "**Hedged Account**"). The Clearing House may establish one or more separate Hedged Account(s) for FCM Rates Contracts that are non-transferable and will be subject to liquidation and, if applicable, may reference in each such Hedged Account the FCM Rates Contracts that are to be liquidated, regardless of the FCM Clients for which such FCM Rates Contracts are held. The provisions of this section shall apply equally to any such Hedged Account. Additionally, no FCM Contracts other than FCM Rates Contracts will be referenced in a Hedged Account established for liquidating FCM Rates Contracts.

An FCM Client whose FCM Rates Contracts are referenced in a Hedged Account is referred to as a "**Non-Porting Client**". The Clearing House shall hold the relevant Collateral in respect of: (a) the FCM

SCHEDULE 2.1B
~~FCM CLIENT PARTIAL TRANSFER FORM~~



FCM CLIENT – PARTIAL TRANSFER FORM

V.1.0: November 2011

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

To: **LCH.Clearnet Limited**
From: **Receiving Clearing Member**
Date:

We, [insert name of Receiving Clearing Member] (the "Receiving Clearing Member") have received a request from [insert name of transferring FCM Client] (the "FCM Client") to transfer part of its portfolio of FCM SwapClear Contracts from its Carrying Clearing Member to us. We hereby request the transfer of the FCM SwapClear Contracts as identified below pursuant to FCM Regulation 13 (Transfer) and the FCM Procedures.

OR

We, [insert name of Receiving Clearing Member] (the "Receiving Clearing Member") are an FCM Client and Clearing Member (under the UK General Regulations) and are writing in our capacity as a Receiving Clearing Member to request the transfer of part of our portfolio of FCM SwapClear Contracts from our Carrying Clearing Member to our Proprietary Account. We hereby request the transfer of the FCM SwapClear Contracts as identified below pursuant to FCM Regulation 13 (Transfer) and the FCM Procedures.

Please insert the LCH trade IDs of the transferring FCM SwapClear Contracts, using the Schedule below:

****Please insert the LCH trade ID and Approved Trade Source (ATS) ID of the transferring FCM SwapClear Contracts.**

****Please append a list of additional FCM SwapClear Contracts to this form, if required**

LCH Trade ID	ATS Trade ID

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Left, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Indent: Left: 0", Space After: 0 pt, Page break before

Formatted: Title, Left, Space Before: 0 pt, After: 0 pt, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Signatories for and on behalf of the Receiving Clearing Member:

We acknowledge and confirm the above and are authorized to sign for and on behalf of the Receiving Clearing Member

1.

(Authorized Signatory)	Name	Position	Date
-------------------------------	-------------	-----------------	-------------

2.

(Authorized Signatory)	Name	Position	Date
-------------------------------	-------------	-----------------	-------------

Signatories for and on behalf of the transferring FCM Client:

To: — Receiving FCM Clearing Member

We acknowledge and confirm:

(i) — the request to transfer as detailed above;

(ii) — that LCH.Clearnet will contact our Carrying Clearing Member in relation to this transfer and will disclose our identity to such Carrying Clearing Member;

(iii) — that, in accordance with the FCM Rulebook, LCH.Clearnet is entitled to rely conclusively on the instructions and information received from the Receiving FCM Clearing Member and the Carrying Clearing Member and shall have no liability or responsibility therefor;

(iv) — that the transfer detailed above may require that additional Margin be furnished to LCH.Clearnet (and/or by us to the Receiving FCM Clearing Member listed above and/or our Carrying Clearing Member), and that LCH.Clearnet is not required to affect the transfer if it has not received adequate Margin in respect of the transfer or if any of the other conditions set forth in the FCM Rulebook applicable to the transfer are unsatisfied;

(v) — that the FCM Client is not insolvent and has no outstanding obligations that are due and payable to the Carrying Clearing Member or its affiliates in respect of FCM SwapClear Contracts; and

(vi) — that we are authorized to make these acknowledgements and confirmations and do so on behalf of the FCM Client listed above in accordance with the FCM Regulations.

For and on behalf of the FCM Client:

Authorized signatory	Authorized signatory
Date	Date

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Page break before, Don't keep with next

Formatted: Title, Page break before, Don't keep with next, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Space After: 0 pt, Page break before, Tab stops: Not at 0.24"

Formatted: Title, Indent: Left: 0", Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Indent: Left: 0", First line: 0", Space After: 0 pt, Page break before

Formatted: Title, Indent: Left: 0", Space After: 0 pt, Page break before

Formatted: Title, Left, Page break before, Border: Bottom: (No border)

Formatted: Title, Left, Page break before

Formatted: Title, Left, Page break before

Formatted: Title, Left, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

~~All forms should be returned to LCH.Clearnet Limited for the attention of Client Services.~~

~~Email: swapeclarelientservices@lchclearnet.com~~

~~Telephone: +44 (0) 207 426 7651 or +1 212 513 8265~~

~~SwapClear Client Services~~

~~SwapClear Client Services~~

~~Aldgate House~~

~~17 State Street~~

~~33 Aldgate High Street~~

~~New York NY 10005~~

~~London EC3N 1EA~~

Formatted: Title, Indent: Left: 0", Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

SCHEDULE 2.1C
~~FCM CLIENT — FULL TRANSFER FORM~~

Formatted: Page break before, Don't keep with next



FCM CLIENT – FULL TRANSFER FORM

V.1.0: November 2011

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

To: **LCH.Clearnet Limited**
From: **Receiving Clearing Member**
Date:

We, [insert name of Receiving Clearing Member] (the "Receiving FCM Clearing Member") have received a request from [insert name of transferring FCM Client] (the "FCM Client") to transfer its entire portfolio of FCM SwapClear Contracts from its Carrying Clearing Member to us. We hereby request the transfer of the FCM SwapClear Contracts as identified below pursuant to FCM Regulation 13 (Transfer) and the FCM Procedures.

OR

We [insert name of Receiving Clearing Member] (the "Receiving Clearing Member") are an FCM Client and Clearing Member (under the UK General Regulations) and are writing in our capacity as a Receiving Clearing Member to request the transfer of our entire portfolio of FCM SwapClear Contracts from our Carrying Clearing Member to our Proprietary Account. We hereby request the transfer of the FCM SwapClear Contracts pursuant to FCM Regulation 13 (Transfer) and the FCM Procedures.

Please insert EITHER:

i. **Name of Carrying Clearing Member:**

OR

ii. **the LCH trade IDs of the transferring FCM SwapClear Contracts (using the Schedule on the next page).**

In order to enable LCH.Clearnet to identify the relevant FCM SwapClear Contracts that are to be transferred.

Please tick the relevant box below to confirm whether the FCM Client wishes to transfer the associated Collateral in accordance with FCM Regulation 13 (Transfer).

The FCM Client wishes to transfer Collateral

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Left, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Indent: Left: 0", First line: 0", Page break before, Don't keep with next

Formatted: Title, Indent: Left: 0", Page break before, Tab stops: Not at 3.74"

Formatted: Title, Indent: Left: 0", Page break before

Formatted: Title, Indent: Left: 0", First line: 0", Space After: 0 pt, Page break before

Formatted: Title, Space After: 0 pt, Page break before

The FCM Client does NOT wish to transfer Collateral

Signatories for and on behalf of the Receiving Clearing Member:

We acknowledge and confirm the above and are authorized to sign for and on behalf of the Receiving Clearing Member

1.

(Authorized Signatory)	Name	Position	Date
-------------------------------	-------------	-----------------	-------------

2.

(Authorized Signatory)	Name	Position	Date
-------------------------------	-------------	-----------------	-------------

- Formatted: Title, Page break before
- Formatted: Title, Page break before
- Formatted: Title, Page break before, Border: Bottom: (No border)
- Formatted: Title, Page break before
- Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next
- Formatted: Title, Page break before
- Formatted: Title, Page break before, Don't keep with next
- Formatted: Title, Page break before, Don't keep with next, Border: Bottom: (No border)
- Formatted: Title, Page break before
- Formatted: Title, Page break before
- Formatted: Title, Page break before
- Formatted: Title, Page break before
- Formatted: Title, Page break before, Border: Bottom: (No border)
- Formatted: Title, Page break before
- Formatted: Title, Page break before
- Formatted: Title, Page break before

Signatories for and on behalf of the transferring FCM Client:

To: Receiving Clearing Member

We acknowledge and confirm:

i. the request to transfer as detailed herein;

ii. that we will be unable to submit further FCM SwapClear Contracts through our Carrying Clearing Member from the date that this form is received by LCH.Clearnet until the transfer has been effected;

iii. that LCH.Clearnet will contact our Carrying Clearing Member in relation to this transfer and will disclose our identity to such Carrying Clearing Member;

iv. that, in accordance with the FCM Rulebook, LCH.Clearnet is entitled to rely conclusively on the instructions and information received from the Receiving Clearing Member and the Carrying Clearing Member and shall have no liability or responsibility therefor;

v. that the transfer detailed above may require that additional Margin be furnished to LCH.Clearnet (and/or by us to the Receiving Clearing Member listed above) even where Collateral is transferred, and that LCH.Clearnet is not required to affect the transfer if it has not received adequate Margin in respect of the transfer or if any of the other conditions set forth in the FCM Rulebook applicable to the transfer are unsatisfied;

vi. that, where we have requested the transfer of Collateral, (x) we should contact our Carrying Clearing Member to ensure that they contact LCH.Clearnet to identify the correct Collateral to be transferred, and (y) while LCH.Clearnet will attempt to transfer the specified Collateral to the Receiving FCM Clearing Member LCH.Clearnet is permitted to transfer alternative Collateral as it deems appropriate in accordance with the FCM Rulebook;

vii. that the FCM Client is not insolvent; and has no outstanding obligations that are due and payable to the Carrying Clearing Member and/or its affiliates in respect of FCM SwapClear Contracts; and

viii. that we are authorized to make these acknowledgements and confirmations and do so on behalf of the FCM Client listed above in accordance with the FCM Regulations.

For and on behalf of the FCM Client:

Authorized signatory

Authorized signatory

Date

Date

All forms should be returned to LCH.Clearnet Limited for the attention of Client Services.

Insert email: swapeclearclientservices@lchclearnet.com

Insert telephone number: +44 (0) 207 426 7651

SwapClear Client Services

SwapClear Client Services

Aldgate House

17 State Street

33 Aldgate High Street

- 72 -

New York NY 10005

March 2017

London EC3N 1EA

USA

Formatted: Title, Page break before, Don't keep with next

Formatted: Title, Space After: 0 pt, Page break before, Tab stops: Not at 0.24"

Formatted: Title, Indent: Left: 0", Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Indent: Left: 0", First line: 0", Space After: 0 pt, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Left, Page break before, Border: Bottom: (No border)

Formatted: Title, Left, Page break before

Formatted: Title, Left, Page break before

Formatted: Title, Left, Page break before, Border: Bottom: (No border)

Formatted: Title, Left, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Indent: Left: 0", Page break before

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Page break before

Formatted: Title, Page break before

~~SCHEDULE 2.1D~~
~~FCM CLIENT TRANSFER~~
~~CARRY FCM CLEARING MEMBER REPOSSES FORM~~

Formatted: Page break before, Don't keep with next



~~FCM CLIENT TRANSFER - CARRYING CLEARING MEMBER RESPONSE FORM~~

~~V.1.0- November 2011~~

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

~~To: LCH.Clearnet Limited
From: Carrying Clearing Member
Date:~~

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

~~* Delete as appropriate~~

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

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

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

~~Schedule of Collateral:~~

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

~~CASH AMOUNT & CURRENCY~~

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

~~CASH AMOUNT & CURRENCY~~

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Left, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Left, Space After: 0 pt, Page break before

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Indent: Left: 0", First line: 0", Right: 0", Space After: 0 pt, Page break before, Don't keep with next



Formatted: Title, Page break before

ISIN	Notional Value

All forms should be returned to LCH.Clearnet Limited for the attention of Client Services.

Email: swapeclareclientservices@lchclearnet.com

Telephone: +44 (0) 207 426 7651 or +1 212 513 8265

Fax: +1 212 513 8290

SwapClear Client Services	SwapClear Client Services
Aldgate House	17 State Street
33 Aldgate High Street	New York
London	NY 10005
EC3N 1EA	USA
UNITED KINGDOM	

Signatories for and on behalf of the Carrying Clearing Member:

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

1.

(Authorized Signatory)	Name	Position	Date
-------------------------------	-------------	-----------------	-------------

2.

(Authorized Signatory)	Name	Position	Date
-------------------------------	-------------	-----------------	-------------

Formatted: Title, Page break before

Formatted: Title, Left, Space Before: 0 pt, After: 0 pt, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Indent: Left: 0", Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Space After: 0 pt, Page break before, Don't keep with next

Formatted: Title, Space After: 0 pt, Page break before

Formatted: Title, Page break before, Don't keep with next

Formatted: Title, Page break before, Don't keep with next, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before, Border: Bottom: (No border)

Formatted: Title, Page break before

Formatted: Title, Page break before

Formatted: Title, Page break before

SCHEDULE 2.1E1B
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN
THE DEFAULT MANAGEMENT GROUP

1. Definitions

- 1.1 “**Confidential Material**” means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the FCM Clearing Member, its associated companies and advisers, or to which the FCM Clearing Member, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the FCM Clearing Member).
- 1.2 “**DMG Member**” means an individual appointed by a Nominating FCM Clearing Member.
- 1.3 “**Nominating FCM Clearing Member**” means a SwapClear Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the Rates Service DMG.
- 1.4 “**Permitted Purpose**” means proper fulfillment by the FCM Clearing Member of its duties under the Rates Service DMP Annex and includes, after the completion of the Auction, the use by the FCM Clearing Member, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction, for the purposes of its own on-going portfolio management and to enable it to comply with on-going legal or regulatory requirements.
- 1.5 References denoting the masculine (including “his” and “he”) shall be construed as the feminine if the DMG Member is female.
- 1.6 All other terms have the meaning ascribed to them in the FCM Rulebook, which includes the Default Rules (including the Rates Service DMP Annex).

Confidentiality and Non-Disclosure: General Obligations of the FCM Clearing Member

2. Confidentiality

- 2.1 The FCM Clearing Member agrees that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Schedule in respect thereof and, subject to paragraph 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the FCM Clearing Member shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:
- 2.1.1 it comes into the public domain other than through a breach by the FCM Clearing Member of this Schedule; or

Appendix VI
Settlement Finality Regulations

LCH.Clearnet Limited**CLEARING HOUSE SETTLEMENT FINALITY REGULATIONS****Introduction**

The Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999 No. 2979) (the "**SF Regulations**") implement the Settlement Finality Directive (Directive 98/26/EC) of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (the "**SF Directive**").

The SF Directive seeks to reduce the risks associated with participation in payment and securities settlement systems by minimizing the disruption caused by insolvency proceedings brought against a participant in such a system. The protection provided by the SF Regulations is given to any system which has been designated as a "designated system" by the Financial [Services Conduct](#) Authority or the Bank of England as the "designating authority".

In order to obtain such designation the Clearing House is required to satisfy the relevant designating authority that the requirements of the Schedule to the SF Regulations, and certain other matters, are satisfied in respect of the Clearing House.

These Settlement Finality Regulations (which form part of these Regulations) have been promulgated by the Clearing House in order to meet such of those requirements as are not addressed elsewhere in these Regulations.

1. Definitions

- 1.1 "**Concentration Bank**" means a bank or other credit institution which has a current agreement with the Clearing House to participate in the Clearing House Protected Payments System (as described in the Regulations) as a concentration bank.
- 1.2 "**Institution**" shall have the same meaning as in the SF Regulations.
- 1.3 "**The Clearing House System**" means the standardized formal arrangements, common rules, procedures as described in the Regulations, Procedures and service descriptions (each as amended from time to time) published from time to time by the Clearing House pursuant to which LCH acts as clearing service provider, and related functionality which:
 - (a) enable the Clearing House in operating its Clearing House Protected Payments System to give instructions to place at the disposal of its Members (as set out the Regulations) amounts of money on the accounts of certain banks or other credit institutions; and
 - (b) enable Members through the Clearing House Protected Payments System to give instructions to place at the disposal of the Clearing House (as set out in the Regulations) amounts of money on the accounts of certain banks or other credit institutions; and
 - (c) enable the Clearing House to give instructions to Securities Systems Operators to transfer title to, or interest in securities; and
 - (d) enable Members and Non Member Participants to give instructions to Securities Systems Operators to transfer title to or interest in securities; and

- (e) enable the Clearing House to become central counterparty to Members in respect of eligible trades in certain derivative instruments, equities, repos, bonds GC and €GC and products, as described in the Regulations; and
- (f) enable the Clearing House and Members to fulfil the obligations they incur in respect of contracts registered by the Clearing House and in respect of which it has become central counterparty; and
- (g) facilitate supplementary and incidental matters.

1.4 **“Member”** has the same meaning as in the Regulations.

1.5 **“Non Member Participant”** means a person:-

- (a) who is not a Member or an exchange, and who is party to any one or more of the following agreements as described in the Regulations:
 - (i) a RepoClear Dealer Clearing Agreement;
 - (ii) a SwapClear Dealer Clearing Agreement; or
 - (iii) a ForexClear Dealer Clearing Agreement; or
- (b) who acts as settlement agent for any person described in section 1.5(a) above; or
- (c) who is a Non-Member Market Participant.

1.6 **“PPS Bank”** means a bank or other credit institution which has a current agreement with the Clearing House to participate, other than solely as a Concentration Bank, in the Clearing House Protected Payment System, as described in the Regulations.

1.7 **“Participant”** means any of the following:

- (a) LCH-~~Clearnet~~ Limited (“the Clearing House”);
- (b) any Member;
- (c) any Non-Member Participant;
- (d) any PPS Bank

1.8 **“Payment Transfer Order”** means

- (a) an instruction given by the Clearing House by means of a SWIFT message or other means to a PPS Bank to place at the disposal of a Member (by crediting a nominated account held by that Member at that bank) an amount of money to be debited from a nominated account held by the Clearing House at that bank (“a Credit Member/Debit LCH transfer order”); or
- (b) an instruction given by the Clearing House by means of a SWIFT message or other means to a PPS Bank to place at the disposal of the Clearing House (by crediting a nominated account held by the Clearing House at that bank) an amount of money to be debited from a nominated account held by a Member at that bank (“a Credit LCH/Debit Member transfer order”); or
- (c) an instruction given by the Clearing House to a Securities System Operator to place at the disposal of the Clearing House (by crediting a nominated cash account held

by the Clearing House) an amount of money to be debited from a nominated account held by that Securities System Operator for a Member or Non-Member Participant, as the case may be (“an Inward Cash Account Transfer Order”); or

- (d) an instruction given by the Clearing House to a Securities System Operator to place at the disposal of a Member or Non-Member Participant, as the case may be, (by crediting a nominated cash account held by such Member or Non-Member Participant) an amount of money to be debited from a nominated account held by that Securities System Operator for the Clearing House (“an Outward Cash Account Transfer Order”); or
- (e) an instruction in the form of an electronic message forwarded by or on behalf of a Member or Non-Member Participant to the Clearing House or its agent or contractor containing data constituting particulars of an ~~Exchange~~ exchange Contract ~~contract~~, SwapClear Transaction, Post-Compression Contract, ForexClear Transaction, RepoClear Transaction, Repo Trade or Bond Trade, EquityClear ATP Match, LSE Derivatives Markets ~~Turquoise Derivatives~~ Orderbook Match, Eligible RepoClear GC Transaction, or Eligible EnClear Trade and submitted to the Clearing House for registration by the Clearing House in accordance with the Regulations;
- (f) an open Cleared Exchange Contract, SwapClear Contract, ForexClear Contract, RepoClear Contract, RepoClear GC Contract, EquityClear Contract, LSE Derivatives Markets ~~Turquoise Derivatives~~ Cleared Exchange Contract or LCH EnClear Contract which has been registered by the Clearing House; or
- (g) an instruction given by the Clearing House to a PPS Bank by means of a SWIFT message or other means to place at the disposal of the Clearing House (by crediting a nominated account of the Clearing House at a Concentration Bank) an amount of money to be debited from a nominated account held by the Clearing House at that PPS Bank; or
- (h) an instruction given by the Clearing House to a Concentration Bank by means of a SWIFT message or other means to place at the disposal of the Clearing House (by crediting a nominated account of the Clearing House at a PPS Bank) an amount of money to be debited from a nominated account held by the Clearing House at that Concentration Bank.

1.9 “**Procedures**” means the practices and procedures of the Clearing House, as amended from time to time, including but not limited to the Procedures.

1.10 “**Regulations**” means the General Regulations, Default Rules and Procedures of the Clearing House as amended from time to time and “**the Procedures**” shall mean that part of the Regulations by that name.

1.11 “**Securities System Operator**” means:

- (a) an operator of a securities depository and/or securities settlement system (including but not limited to Euroclear UK & Ireland Ltd, Euroclear Bank, Clearstream Frankfurt and Clearstream Luxembourg); or
- (b) a bank or other credit institution (including but not limited to the National Bank of Belgium and Deutsche Bank AG) which provides securities holding and/or securities settlement services to the Clearing House as a nominee or otherwise through its participation in any securities settlement system or otherwise.

1.12 “**Securities Transfer Order**” means

- (a) an instruction, given by the Clearing House on its own behalf or on behalf of a Member or Non-Member Participant, to a Securities System Operator to transfer the title to or interest in securities to a Member, a Non-Member Participant, the Clearing House or other person by means of a book entry on the register maintained by that Securities System Operator, or otherwise; or
- (b) an instruction given by a Member or Non-Member Participant to a Securities System Operator to transfer the title to or interest in securities to the Clearing House by means of a book entry on the register maintained by that Securities System Operator, or otherwise; or
- (c) an instruction in the form of an electronic message forwarded by or on behalf of a Member or Non-Member Participant to the Clearing House containing data constituting particulars of an ~~Exchange exchange Contract contract~~ for the transfer of Securities, RepoClear Transaction, Bond Trade, Repo Trade, EquityClear ATP Match, Eligible RepoClear GC Transaction or LSE Derivatives Markets ~~Turquoise Derivatives~~-Orderbook Match, submitted for registration by the Clearing House in accordance with the provisions of the Regulations; or
- (d) an open Cleared Exchange Contract for the transfer of Securities, a RepoClear Contract, a RepoClear GC Contract, an EquityClear Contract, or LSE Derivatives Markets ~~Turquoise Derivatives~~ Cleared Exchange Contract for the transfer of Securities which has been registered by the Clearing House.

1.13 **“Settlement Finality Directive”** means Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

1.14 **“SF Regulations”** means The Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999 No. 2979).

1.15 **“Transfer Order”** includes a Payment Transfer Order or a Securities Transfer Order.

2. Transfer Orders – Specific Provisions

2.1 A Transfer Order takes effect and enters the Clearing House System in accordance with the following:

- (a) Payment Transfer Orders
 - (i) A Payment Transfer Order of the type set out in sections 1.8(a), 1.8(b), 1.8(c), 1.8(d), 1.8(g) and 1.8(h) above takes effect and enters the Clearing House System when the relevant SWIFT message, or other electronic message or fax or other communication is sent by the Clearing House.
 - (ii) A Payment Transfer Order of the type set out in section 1.8(e) takes effect and enters the Clearing House System when such particulars are received by the Clearing House or its agent or contractor.
 - (iii) A Payment Transfer Order of the type set out in section 1.8(f) takes effect and enters the Clearing House System at the time of registration. Details of registration timings are given in the Procedures.
- (b) Securities Transfer Orders

- (i) A Securities Transfer Order of the type set out in section 1.12(a) takes effect and enters the Clearing House System when the relevant SWIFT message, or other electronic message or fax is sent by the Clearing House.
- (ii) A Securities Transfer Order of the type set out in section 1.12(b) takes effect and enters the Clearing House system when the relevant SWIFT message, or other electronic message or fax is sent by the Member or Non-Member Participant.
- (iii) A Securities Transfer Order of the type set out in section 1.12(c) takes effect and enters the Clearing House system when the particulars thereof are received by the Clearing House or its agent or contractor.
- (iv) A Securities Transfer Order of the type set out in section 1.12(d) takes effect and enters the Clearing House system at the time of registration. Details of registration timings are given in the Procedures.

2.2 A Payment Transfer Order shall be irrevocable at the time specified below for that type of Payment Transfer Order.

- (a) A Credit Member/Debit LCH transfer order shall be irrevocable at the time when the relevant PPS Bank sends a SWIFT confirmation message or otherwise confirms that such payment will be made.
- (b) A Credit LCH/Debit Member transfer order shall be irrevocable at the time when the relevant PPS Bank sends a SWIFT confirmation message or otherwise confirms that such payment will be made.
- (c) An Inward Cash Account Transfer Order shall be irrevocable from the time prescribed from time to time by the relevant Securities System Operator as being the time after which such instruction may not be revoked by a participant or other person.
- (d) An Outward Cash Account Transfer Order shall be irrevocable from the time prescribed from time to time by the relevant Securities System Operator as being the time after which such instruction may not be revoked by a participant or other person.
- (e) An instruction in the form of an electronic message forwarded by or on behalf of a Member or Non-Member Participant to the Clearing House or its agent or contractor containing data constituting particulars of an [exchange contract](#) ~~Exchange Contract~~, RepoClear Transaction, SwapClear Transaction, Post-Compression Contract, ForexClear Transaction, or Eligible EnClear Trade and submitted for registration by LCH in accordance with the Regulations shall be irrevocable from the time of its registration by the Clearing House.
- (f) An instruction in the form of an electronic message forwarded by or on behalf of a Member or Non-Member Participant to LCH, or its agent or contractor, containing data constituting particulars of a Bond Trade, Repo Trade, RepoClear GC Transaction, EquityClear ATP Match, or [LSE Derivatives Markets](#) ~~Turquoise Derivatives~~ Orderbook Match submitted to LCH for registration in accordance with the Regulations shall be irrevocable from the time when, having passed all relevant checks required by the Clearing House, it passes through the relevant Computer Gateway. For these purposes a relevant Computer Gateway shall mean a computer gateway of a system operated by LCH or by an agent or contractor of the

Clearing House for the purposes, inter alia, of receiving such electronic messages and carrying out such checks.

- (g) An open Cleared Exchange Contract, SwapClear Contract, ForexClear Contract, RepoClear Contract, RepoClear GC Contract, EquityClear Contract, ~~Turquoise~~ [LSE Derivatives Markets](#) ~~Derivatives~~ Cleared Exchange Contract or LCH EnClear Contract which has been registered by the Clearing House shall be irrevocable from the time of its registration by the Clearing House.
- (h) An instruction given by the Clearing House to a PPS Bank by means of a SWIFT message or other means to place at the disposal of the Clearing House (by crediting a nominated account of the Clearing House at a Concentration Bank) an amount of money to be debited from a nominated account held by the Clearing House at that PPS Bank shall be irrevocable at the time when the relevant PPS Bank confirms that such payment will be made.
- (i) An instruction given by the Clearing House to a Concentration Bank by means of a SWIFT message or other means to place at the disposal of the Clearing House (by crediting a nominated account of the Clearing House at a PPS Bank) an amount of money to be debited from a nominated account held by the Clearing House at that Concentration Bank shall be irrevocable at the time when the Concentration Bank confirms that such payment will be made.

2.3 Subject to section 2.5 below, a Securities Transfer Order shall be irrevocable at the time specified hereafter for the relevant type of Securities Transfer Order.

- (a) An instruction given by the Clearing House (on its own behalf or on behalf of a Member or Non-Member Participant) to a Securities System Operator of the kind referred to in section 1.12(a) to transfer the title to or interest in securities to a Member, Non-Member Participant, to the Clearing House or other person by means of a book entry on the register maintained by that Securities System Operator shall be irrevocable at the time prescribed from time to time by that Securities System Operator as being the time after which such instruction may not be revoked by a participant or other person.
- (b) An instruction given by a Member or, where permitted or required by the Regulations, a Non-Member Participant to a Securities System Operator of the kind referred to in section 1.12(a) to transfer the title to or interest in securities to the Clearing House by means of a book entry on the register maintained by that Securities System Operator shall be irrevocable at the time prescribed from time to time by that Securities System Operator as being the time after which such instruction may not be revoked by a participant or other person.
- (c) An instruction given by the Clearing House (on its own behalf or on behalf of a Member or Non-Member Participant) to a Securities System Operator of the kind referred to in section 1.12(b) to transfer the title to or interest in securities to a Member, Non-Member Participant, to the Clearing House or other person by means of a book entry on the register maintained by another Securities System Operator shall be irrevocable at the time prescribed from time to time by that other Securities System Operator as being the time after which such instruction may not be revoked by a participant or other person.
- (d) An instruction given by a Member or, where permitted or required by the Regulations, a Non-Member Participant to a Securities System Operator of the kind referred to in section 1.12(b) to transfer the title to or interest in securities to the Clearing House by means of a book entry on the register maintained by another

Securities System Operator shall be irrevocable at the time prescribed from time to time by that other Securities System Operator as being the time after which such instruction may not be revoked by a participant or other person.

- (e) An instruction in the form of an electronic message forwarded by or on behalf of a Member or Non-Member Participant to the Clearing House or its agent or contractor containing data constituting particulars of an ~~Exchange~~ ~~exchange~~ ~~Contract~~ ~~contract~~, LSE Derivatives Markets ~~Turquoise Derivatives~~ Cleared Exchange Contract, RepoClear Transaction or RepoClear GC Transaction for the transfer of securities, and submitted for registration by the Clearing House in accordance with the Regulations shall be irrevocable at the time of its registration by the Clearing House.
- (f) An instruction in the form of an electronic message forwarded by or on behalf of a Member or Non-Member Participant to the Clearing House or its agent or contractor containing data constituting particulars of a Bond Trade, Repo Trade, EquityClear ATP Match, or LSE Derivatives Markets ~~Turquoise Derivatives~~ Orderbook Match submitted to LCH for registration in accordance with the Regulations shall be irrevocable from the time when, having passed all relevant checks required by the Clearing House, it passes through the relevant Computer Gateway. For these purposes a relevant Computer Gateway shall mean a computer gateway of a system operated by the Clearing House or by an agent or contractor of the Clearing House for the purposes, inter alia, of receiving such electronic messages and carrying out such checks.
- (g) An open Cleared Exchange Contract for the transfer of Securities, a RepoClear Contract, a RepoClear GC Contract, an EquityClear Contract, or LSE Derivatives Markets ~~Turquoise Derivatives~~ Cleared Exchange Contract for the transfer of Securities which has been registered by the Clearing House shall be irrevocable from the moment of its registration by LCH.

2.4

- (a) Particulars of when registration occurs for RepoClear Transactions, are set out in Section 2B of the Procedures.
- (b) Particulars of when registration occurs for SwapClear Transactions are set out in Section 2C of the Procedures.
- (c) Particulars of when registration occurs for EquityClear ATP Matches in EquityClear Eligible Equities are set out in Section 2D.
- (d) Particulars of when registration occurs for Eligible EnClear Trades are set out in Section 2E.
- (e) Particulars of when registration occurs for LSE Derivatives Markets ~~Turquoise Derivatives~~ Orderbook Matches are set out in Section 2F.
- ~~(f) Particulars of when registration occurs for Nodal Transactions are set out in Section 2G.~~
- ~~(g)~~(f) Particulars of when registration occurs for ForexClear Transactions are set out in Section 2I of the Procedures.
- ~~(h)~~(g) Particulars of when registration occurs for ~~NLX~~ Listed Interest Rates Novation Transactions and Rates Exchange Matches are set out in Section 2J of the Procedures.

- 2.5 (a) For the purposes of this section 2.5 “Onward Instruction” shall mean any instruction to a securities settlement system, which is given by a Securities System Operator of the kind referred to in section 1.11(b) above, and through which that Securities System Operator gives effect to a Securities Transfer Order given to it by the Clearing House.
- (b) Where a Securities Transfer Order is given by LCH to a Securities Systems Operator of the kind referred to in section 1.11(b), that Securities Transfer Order shall be irrevocable from the time after which any Onward Instruction may not be revoked by that Securities Systems Operator as prescribed by the rules or other requirements of the securities settlement system to which such Onward Instruction is submitted.

3. Prohibition of Revocation of Transfer Orders

A Transfer Order shall not be revoked or purport to be revoked by a Participant (or by any liquidator or other insolvency office-holder appointed with regard to any undertaking operated by a Participant) after the time specified in section 2 above as being the time when such instruction becomes irrevocable.

4. Provision of information

- 4.1 A Participant shall, within 14 days of being requested to do so by any person (“the applicant”) and upon being paid such reasonable charge as the Participant may require, provide to the applicant the following information:
- (a) details of the systems which are designated for the purposes of the Settlement Finality Directive in which the Participant, as the case may be, participates; and
- (b) information about the main rules governing the functioning of those systems.
- 4.2 Nothing in this section 4 shall require the Participant to provide any of the above information to an applicant where, or to the extent that, such request is frivolous or vexatious.
- 4.3 Each Participant shall promptly supply to the Clearing House such information as the Clearing House may require from time to time in order for LCH to meet its obligations as the operator of a system designated under the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.

5. Notification of certain insolvency events

- 5.1 Subject to section 5.2 below a Participant shall forthwith notify the Clearing House, the Financial Conduct Authority and the Bank of England if:-
- (a) a resolution is passed for the voluntary winding up of the Participant; or
- (b) a trust deed granted by the Participant (as the case may be) becomes a protected trust deed.
- 5.2 If a Participant is required to give notice of any of the events set out in sections 5.1(a) and 5.1(b) above by any other provisions of the Regulations, then nothing in this section shall be taken to require the giving of a further notice to the Clearing House of the same event, providing always that such notice as is given under such other provision of the Regulations is given in writing and addressed to the person identified in section 5.3 below.

- 5.3 Any notice to be given to the Clearing House under this provision shall be given in writing, addressed to the General Counsel, and shall be sent by first class pre-paid post or hand delivered to the following address:

LCH.~~Clearnet~~ Limited
Aldgate House
33 Aldgate High Street
London EC3N 1EA

or sent by fax (followed by postal confirmation) to the following fax number:

+44 (0)20 7426 7210.

- 5.4 Any notice given to the Bank of England under this provision shall be sent by first class pre-paid post or hand delivered to:

The Senior Manager
CCP Supervision
Market Infrastructure Directorate
Bank of England
20 Moorgate
London EC2R 6DA

or sent by fax (followed by postal confirmation) to the following fax number:

+44 (0)20 7601 3217~~.~~

- 5.5 ~~Any notice given to the Bank of England under this provision shall be given by first class pre-paid post or hand delivered to:~~ and a copy to:

The Senior Manager
Payment Systems Oversight
Market Infrastructure Division, HO-3
Bank of England
Threadneedle Street
London EC2R 8AH

or sent by fax (followed by postal confirmation) to the following fax number:

+44 (0)20 7601 3561.