

VIA CFTC PORTAL

June 26 2018

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

**LCH Limited Self Certification: Rule Changes on the addition of SOFR Swaps as eligible SwapClear products**

Dear Mr Kirkpatrick

Pursuant to CFTC regulation §40.6(a), LCH Limited (“LCH”), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the “CFTC”), is submitting for self-certification changes to its rules to add Overnight Index Swaps (“OIS”) and basis Swaps referencing a new market standard US Dollar (“USD”) index – the Secured Overnight Financing Rate (“SOFR”) as eligible products of the SwapClear service.

**Part I: Explanation and Analysis**

SOFR is a broad measure of overnight Treasury financing transactions recommended by the US Federal Reserve Alternative Reference Rate Committee last year as an alternative to USD LIBOR for certain new derivative and other financial contracts. In the fullness of time it is expected that SOFR will take over as the natural rate for discounting of all USD cash flows, however that transition does not form a part of this initial proposal<sup>1</sup>.

As a result of the backing by the Federal Reserve and the existing long-dated USD interest rate risk within the SwapClear service, it is proposed to clear USD SOFR linked products to a maximum eligibility of 51 years (consistent with the current maximum maturity for USD LIBOR swaps<sup>2</sup>).

The proposed products are:

- OIS (Fixed vs SOFR)
- Basis Swap (SOFR vs LIBOR)
- Basis Swap (SOFR vs Fed Funds)

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<sup>1</sup> Later phases of the “Paced Transition Plan” will see the emergence of all USD cashflows being discounted using the USD SOFR rate, with PAI set using the same index.

<sup>2</sup> Except SOFR vs Fed Funds, where the final maturity will be 31 years, consistent with the current maximum maturity for USD Fed Funds swaps.

The relevant sections of the LCH Procedures and product eligibility manual are being updated in order to show SOFR Swaps as eligible.

The rule changes will go live on, or after, July 16, 2018.

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

In Procedures Section 2C (SwapClear Clearing Service), section 1.7 (Variation Margin and NPV Payments), sub-section 1.7.2 (Official Quotations) SOFR has been added as an index in the construction of USD zero coupon yield curves. Similarly, in sub-section 1.8.4 (OIS coupon calculation) the USD-SOFR-COMPOUND has been added as one of the floating rate options for calculating the OIS Rate. The equivalent change has been made to the FCM Procedures, sub-section 2.1.8 (d).

Part B (1.2(a)) of the SwapClear Product Specific Contract Terms and Eligibility Criteria Manual has been updated with the product characteristics of the products noted in Part I above. Equivalent changes have been made to the FCM Product Specific Contract Terms and Eligibility Criteria Manual in Part B (1.1(a)).

The texts of the rule changes are attached hereto as:

- i. **Appendix I**, Procedures Section 2C (SwapClear)
- ii. **Appendix II**, FCM Procedures
- iii. **Appendix III**, SwapClear Product Specific Contracts Terms and Eligibility Criteria Manual
- iv. **Appendix IV**, FCM Product Specific Contracts Terms and Eligibility Criteria Manual

## **Part III: Core Principle Compliance**

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

## **Part IV: Public Information**

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

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

## **Part V: Opposing Views**

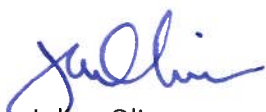
There were no opposing views expressed to LCH by governing board or committee members, members of LCH or market participants that were not incorporated into the rule.

## Certification

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

Should you have any questions please contact me at [julian.oliver@lch.com](mailto:julian.oliver@lch.com).

Yours sincerely



Julian Oliver  
Chief Compliance Officer  
LCH Limited

**Appendix I**  
Procedures Section 2C (SwapClear)



**LCH LIMITED**

**PROCEDURES SECTION 2C**

**SWAPCLEAR CLEARING SERVICE**

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## 1.7 Variation Margin and NPV Payments

All SwapClear Transactions will, on submission to the Clearing House, be marked-to-market using the Clearing House's zero coupon yield curves. In accordance with Regulation 57 (*Collateralisation of SwapClear CTM Contracts*) and Regulations 57A (Settlement of SwapClear STM Contracts and Conversion to SwapClear STM Contract), the Clearing House will use these curves to calculate the net present value of the SwapClear Transaction to the Clearing House or, as the case may be, to an SCM.

In respect of each SwapClear Transaction that is settled-to-market daily in accordance with Regulations 57A, the obligation of either the relevant SCM or the Clearing House to pay to the other an amount in respect of the change in the net present value of a SwapClear Transaction shall, for the purposes of this Procedure, be referred to as the “**NPV Payment**”.

A single separate calculation in respect of the variation margin and/or NPV Payment owed by or to the relevant SCM shall be performed for (i) an SCM's Proprietary Accounts, (ii) each Individual Segregated Account, Custodial Segregated Account and Omnibus Segregated Account (other than an Omnibus Gross Segregated Account), and (iii) each Indirect Gross Sub-Account within an Indirect Gross Account.

In respect of each Omnibus Gross Segregated Clearing Client (other than a Combined Omnibus Gross Segregated Clearing Client) a single separate calculation in respect of the variation margin and/or NPV Payments owed by or to the relevant SCM shall be 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 separate calculation in respect of the variation margin and/or NPV Payments owed by or to the relevant SCM shall be 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 (except (i) pursuant to Rule 8(d) of the Default Rules or any Insufficient Resources Determination Rule, or (ii) in relation to the transfer of House Excess or Client Buffer in accordance with the Rulebook) and no offset between any Client Accounts is allowed (except pursuant to Rule 15(a)(ii) of the Default Rules, a Cross-ISA Client Excess Deduction or any Insufficient Resources Determination Rule).

Collateral and/or NPV Payments (as applicable) that are 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 and/or NPV Payment obligations (as applicable) is covered with non-cash Collateral, the Clearing House will, the following business day, require the SCM to replace that non-cash amount with cash in the currency of the SwapClear Transaction.

All SwapClear Contracts will be marked-to-market or settled-to-market (as applicable) 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.

Any transfers of cash Collateral by an SCM to the Clearing House in respect of the SCM's variation margin obligations in connection with a SwapClear CTM Contract, or by the Clearing House to an SCM in respect of the Clearing House's variation margin obligations in connection with a SwapClear CTM Contract shall be for the purpose of collateralisation and not settlement of the relevant party's obligations under the relevant SwapClear CTM Contract.

Any NPV Payment made by an SCM to the Clearing House under a SwapClear STM Contract, or by the Clearing House to an SCM under a SwapClear STM Contract, shall be for the purpose of settlement of the applicable party's obligation to pay the required NPV Amount pursuant to the terms of that SwapClear STM Contract and not for the purpose of collateralising any obligations of either party under that SwapClear STM Contract.

#### 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 BBSW & OIS	12:00
CAD	20:00
CHF LIBOR & OIS	16:30
CZK	16:30
DKK	16:30
EURO EURIBOR	16:30

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

Zero coupon yield curves used for daily marking to market or settlement-to-market (as applicable) 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 and Cumulative 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.

On the basis of, amongst other things, the net present value so calculated in relation to a relevant SwapClear Contract, the Clearing



House shall calculate the Cumulative Net Present Value of that SwapClear Contract.

It is a condition of registration that sufficient Collateral, as determined by the Clearing House, is held with the Clearing House to cover the variation margin, initial margin and/or NPV Payment obligations (as applicable) 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 not be required to be provided prior to registration as a condition thereto if such SwapClear Transaction is a Sub-Block Trading Venue Transaction.

#### *1.7.4. Price Alignment Interest*

The transfer of Collateral in respect of variation margin 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. In a negative interest rate environment where the applicable PAI Rate is negative, the Clearing House will for each SCM either pay interest on cumulative amounts received by the SCM in respect of variation margin obligations, or charge interest on cumulative amounts paid by the SCM in respect of variation margin obligations.

#### *1.7.5. Price Alignment Amount*

The payment of NPV Payments by the applicable party on a daily basis would, without adjustment, distort the pricing for certain SwapClear Transactions cleared through the Clearing House. In order to minimise the impact of such NPV Payments, the Clearing House will, for a SCM, either (i) charge a Price Alignment Amount if that SCM has, on a cumulative net basis, received NPV Payments from the Clearing House, or (ii) pay a Price Alignment Amount if that SCM has, on a cumulative net basis, paid NPV Payments to the Clearing House. In a negative interest rate environment where the applicable Price Alignment Amount Rate is negative, the Clearing House will, for a SCM, either (i) pay a Price Alignment Amount if that SCM has, on a cumulative net basis, received NPV Payments from the Clearing House, or (ii) charge a Price Alignment Amount if that SCM has, on a cumulative net basis, paid NPV Payments to the Clearing House.

## **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 **Error! Reference source not found.**). 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:

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

#### 1.8.4. OIS coupon calculation

##### Compounding Rate Calculations

The rate used for the OIS rate is calculated according to the methodology and formulation stated in the ISDA 2006 Definitions in respect of the following floating rate options:

- a) USD-Federal Funds-H.15-OIS-COMPOUND
- b) CHF-SARON-OIS-COMPOUND
- c) GBP-WMBA-SONIA-COMPOUND
- d) EUR-EONIA-OIS-COMPOUND
- e) CAD-CORRA-OIS-COMPOUND
- f) JPY-TONA-OIS-COMPOUND

- g) USD-Federal Funds-H.15-LIBOR-BBA
- h) **USD-SOFR-COMPOUND**
- i) AUD-AONIA-OIS-COMPOUND

**Appendix II**  
FCM Procedures



**FCM PROCEDURES OF THE CLEARING HOUSE**

**LCH LIMITED**

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## 2.1.8 Coupon Payments

(a) *Calendars and Coupons*

Payment dates for coupon payments will be set based on the SwapsMonitor Financial Calendar (see Section **Error! Reference source not found.**). 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. Coupon payments will be adjusted, in the event of a holiday amendment, in accordance with the FCM SwapClear Contract Terms.

(b) *Calculation of Fixed Amount*

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

- (i) if an amount is specified for the FCM SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, such amount; or
- (ii) if an amount is not specified for the FCM 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:

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

(c) *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:

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

(d) *OIS Coupon Calculation*

Compounding Rate Calculations

The rate used for the OIS rate is calculated according to the methodology and formulation stated in the ISDA 2006 Definitions in respect of the following floating rate options:

- (i) USD-Federal Funds-H.15-OIS-COMPOUND
- (ii) CHF-SARON-OIS-COMPOUND
- (iii) GBP-WMBA-SONIA-COMPOUND
- (iv) EUR-EONIA-OIS-COMPOUND
- (v) CAD-CORRA-OIS-COMPOUND
- (vi) JPY-TONA-OIS-COMPOUND
- (vii) USD-Federal Funds-H.15-LIBOR-BBA

(viii) USD-SOFR-COMPOUND

~~(viii)~~(ix) AUD-AONIA-OIS-COMPOUND

(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 formulae found in the relevant definitions.

(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.

(h) *Payment of Coupons*

After adjusting coupons, in accordance with the appropriate Business Day and Business Day Conventions, the Clearing

House will, subject to the netting provisions of FCM Regulation 47, credit or debit FCM Clearing Members' Accounts with the appropriate Fixed or Floating Amount with a value date matching the Coupon Payment Date. In the event of SwapClear being closed on a Coupon Payment Date it will pay the Fixed and Floating Amounts on the next Business Day following the Coupon Payment Date.

(i) *Calculation Periods*

In respect of any Calculation Period that is not a whole calendar month (a stub period), the applicable 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.

(j) *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 FCM SwapClear Transaction is submitted under the ISDA 2000 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the principles specified in the FCM SwapClear Transaction submitted to the Clearing House and as set forth in the ISDA 2000 Definitions.

(k) *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 FCM SwapClear Transaction is submitted under the ISDA 2006 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the principles specified in the FCM SwapClear Transaction submitted to the Clearing House and as set forth in the ISDA 2006 Definitions.

(l) *Floating Rate*

The Floating Rate Options shall have the meanings given to them in the ISDA 2000 Definitions or the ISDA 2006 Definitions, as applicable, provided that where the rate for a Reset Date (i) is unavailable (including where such rate ceases, or will cease, to be provided by its administrators), (ii) is not sufficiently robust, (iii) is not fit for purpose or (iv) has materially changed, in each case as determined by the Clearing House in its sole discretion, the Clearing House will determine an alternative rate at its sole discretion. Each such rate will be provided in regular reports by the Clearing House to members.

(m) *Applying Floating Rate Options*



The Clearing House will determine the rate applicable on a Reset Date in respect of a SwapClear Contract as set out in paragraph (l) above. Such Rate will be applied to the appropriate floating legs and the coupon payments calculated.

The coupon payments will be adjusted to fall on actual Business Days according to the Calendar(s) and Business Day Convention specified.

(n) *Negative Interest Rate Method*

FCM Clearing Member should note the provisions of Section 3.2 of Part A of Schedule 1 to the FCM Product Specific Contract Terms And Eligibility Criteria Manual regarding the applicability of the Negative Interest Rate Method, to an FCM SwapClear Contract. FCM Clearing Members may, in the circumstances, wish to ensure that any trade submitted for registration follows that Negative interest Rate Method.

(o) *Calculation of Inflation Indices*

The Index level used for calculating the Floating Rate is determined according to the 2006 ISDA Definitions in respect of the following indices (or successor indices from time to time):

- (i) non-revised Index of Consumer Prices excluding Tobacco in the European Monetary Union;
- (ii) non-revised Index of Consumer Prices excluding Tobacco in France;
- (iii) non-revised Retail Price Index All Items in the United Kingdom; and
- (iv) non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment in the United States.

(p) *Index Final*

The Clearing House shall calculate the Index Final by taking the relevant Index level for the applicable Reference Month. In the event of no Index level being available the Clearing House shall, in its sole discretion, determine a value for the Index level.

## Appendix III

### SwapClear Product Specific Contracts Terms and Eligibility Criteria Manual



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

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**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 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 and notional interest rate swaps having the characteristics set out in the table below:

<u>Instrument</u>	<u>Currency</u>	<u>Leg 1</u>	<u>Leg 2</u>	<u>Variable Notional</u>	<u>Maximum Tenor</u>	<u>Notional Amount</u>
Interest rate swap	GBP	Fixed	GBP-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
Basis Swap	GBP	GBP-LIBOR-BBA	GBP-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	GBP	GBPS-ONIA-COMPOUND	GBP-LIBOR-BBA	No	18,675 days	0.01-99,999,999,999.99
OIS	GBP	Fixed	GBP-SONIA-COMPOUND	No	18,675 days	0.01-99,999,999,999.99
Interest rate swap	USD	Fixed	USD-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
<b>OIS</b>	<b>USD</b>	<b>Fixed</b>	<b>USD-SOFR-COMPOUND</b>	<b>No</b>	<b>18,675 days</b>	<b>0.01-99,999,999,999.99</b>
Basis swap	USD	USD-LIBOR-BBA	USD-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
<b>Basis swap</b>	<b>USD</b>	<b>USD-LIBOR-BBA</b>	<b>USD-SOFR-COMPOUND</b>	<b>Yes</b>	<b>18,675 days</b>	<b>0.01-99,999,999,999.99</b>
Basis swap	USD	USD-FEDERAL FUNDS-H.15	USD-LIBOR-BBA	No	11,375 days	0.01-99,999,999,999.99
<b>Basis swap</b>	<b>USD</b>	<b>USD-FEDERAL FUNDS-H.15-OIS-COMPOUND</b>	<b>USD-SOFR-COMPOUND</b>	<b>No</b>	<b>11,375 days</b>	<b>0.01-99,999,999,999.99</b>

OIS	USD	Fixed	USD-Federal Funds H.15-OIS- COMPOUND	No	11,375 days	0.01- 99,999,999,999.99
Interest rate swap	EUR	Fixed	EUR-LIBOR-BBA	Yes	18,675 days	0.01- 99,999,999,999.99
Interest rate swap	EUR	Fixed	EUR-EURIBOR- Telerate	Yes	18,675 days	0.01- 99,999,999,999.99
Interest rate swap	EUR	Fixed	EUR-EURIBOR- Reuters	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-LIBOR- BBA	EUR-LIBOR-BBA	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-LIBOR- BBA	EUR-EURIBOR- Telerate	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-LIBOR- BBA	EUR-EURIBOR- Reuters	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR- EURIBOR- Telerate	EUR-EURIBOR- Telerate	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR- EURIBOR- Reuters	EUR-EURIBOR- Reuters	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-EONIA- OIS- COMPOUND	EUR-EURIBOR- Telerate	No	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-EONIA- OIS- COMPOUND	EUR-EURIBOR- Reuters	No	18,675 days	0.01- 99,999,999,999.99
OIS	EUR	Fixed	EUR-EONIA-OIS- COMPOUND	No	18,675 days	0.01- 99,999,999,999.99
Interest rate swap	AUD	Fixed	AUD-BBR-BBSW	Yes	11,375 days	0.01- 99,999,999,999.99
Basis swap	AUD	AUD-BBR- BBSW	AUD-BBR-BBSW	Yes	11,375 days	0.01- 99,999,999,999.99
Basis swap	AUD	AUD-AONIA- OIS- COMPOUND	AUD-BBR-BBSW	No	2,025 days	0.01- 99,999,999,999.99
OIS	AUD	Fixed	AUD-AONIA-OIS- COMPOUND	No	2,025 days	0.01- 99,999,999,999.99
Interest rate swap	CAD	Fixed	CAD-BA-CDOR	Yes	11,375 days	0.01- 99,999,999,999.99
Basis swap	CAD	CAD-BA- CDOR	CAD-BA-CDOR	Yes	11,375 days	0.01- 99,999,999,999.99
OIS	CAD	Fixed	CAD-CORRA-OIS- COMPOUND	No	850 days	0.01- 99,999,999,999.99
Interest rate swap	CZK	Fixed	CZK-PRIBOR-PRBO	Yes	3,850 days	0.01- 99,999,999,999.99

Basis swap	CZK	CZK-PRIBOR-PRBO	CZK-PRIBOR-PRBO	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	DKK	Fixed	DKK-CIBOR-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	DKK	Fixed	DKK-CIBOR2-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	DKK	DKK-CIBOR-DKNA13	DKK-CIBOR-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	DKK	DKK-CIBOR2-DKNA13	DKK-CIBOR2-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	HKD	Fixed	HKD-HIBOR-HKAB	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	HKD	Fixed	HKD-HIBOR-ISDC	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	HKD	HKD-HIBOR-HKAB	HKD-HIBOR-HKAB	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	HKD	HKD-HIBOR-ISDC	HKD-HIBOR-ISDC	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	HUF	Fixed	HUF-BUBOR-Reuters	Yes	3,850 days	1-10,000,000,000,000
Basis swap	HUF	HUF-BUBOR-Reuters	HUF-BUBOR-Reuters	Yes	3,850 days	1-10,000,000,000,000
Interest rate swap	JPY	Fixed	JPY-LIBOR-BBA	Yes	15,025 days	1-10,000,000,000,000
Basis swap	JPY	JPY-LIBOR-BBA	JPY-LIBOR-BBA	Yes	15,025 days	1-10,000,000,000,000
OIS	JPY	Fixed	JPY-TONA-OIS-COMPOUND	No	11,375 days	1-10,000,000,000,000
Interest rate swap	MXN	Fixed	MXN-TIIE-Banxico	No	7,700 days	0.01-99,999,999,999.99
Interest rate swap	NOK	Fixed	NOK-NIBOR-OIBOR	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	NOK	Fixed	NOK-NIBOR-NIBR	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	NOK	NOK-NIBOR-NIBR	NOK-NIBOR-NIBR	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	NOK	NOK-NIBOR-OIBOR	NOK-NIBOR-OIBOR	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	NZD	Fixed	NZD-BBR-Telerate	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	NZD	Fixed	NZD-BBR-FRA	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	NZD	NZD-BBR-Telerate	NZD-BBR-Telerate	Yes	5,700 days	0.01-99,999,999,999.99

Basis swap	NZD	NZD-BBR-FRA	NZD-BBR-FRA	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	SGD	Fixed	SGD-SOR-Reuters	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	SGD	Fixed	SGD-SOR-VWAP	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	SGD	SGD-SOR-Reuters	SGD-SOR-Reuters	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	SGD	SGD-SOR-VWAP	SGD-SOR-VWAP	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swaps	SEK	Fixed	SEK-STIBOR-SIDE	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	SEK	SEK-STIBOR-SIDE	SEK-STIBOR-SIDE	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	CHF	Fixed	CHF-LIBOR-BBA	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	CHF	CHF-LIBOR-BBA	CHF-LIBOR-BBA	Yes	11,375 days	0.01-99,999,999,999.99
OIS	CHF	Fixed	CHF-SARON-OISCOMPOUND	No	11,375 days	0.01-99,999,999,999.99
Interest rate swap	PLN	Fixed	PLN-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	PLN	Fixed	PLZ-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	PLN	PLN-WIBOR-WIBO	PLN-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	PLN	PLZ-WIBOR-WIBO	PLZ-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	ZAR	Fixed	ZAR-JIBAR-SAFEX	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	ZAR	ZAR-JIBAR-SAFEX	ZAR-JIBAR-SAFEX	Yes	3,850 days	0.01-99,999,999,999.99

**Appendix IV**  
FCM Product Specific Contracts Terms and Eligibility Criteria Manual





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FCM PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA  
MANUAL

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**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 and notional interest rate swaps having the characteristics set out in the table below:

<u>Instrument</u>	<u>Currency</u>	<u>Leg 1</u>	<u>Leg 2</u>	<u>Variable Notional</u>	<u>Maximum Tenor</u>	<u>Notional Amount</u>
Interest rate swap	GBP	Fixed	GBP-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
Basis Swap	GBP	GBP-LIBOR-BBA	GBP-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	GBP	GBP-SONIA-COMPOUND	GBP-LIBOR-BBA	No	18,675 days	0.01-99,999,999,999.99
OIS	GBP	Fixed	GBP-SONIA-COMPOUND	No	18,675 days	0.01-99,999,999,999.99
Interest rate swap	USD	Fixed	USD-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
OIS	USD	Fixed	USD-SOFR-COMPOUND	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	USD	USD-LIBOR-BBA	USD-LIBOR-BBA	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	USD	USD-LIBOR-BBA	USD-SOFR-COMPOUND	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	USD	USD-FEDERAL FUNDS-H.15	USD-LIBOR-BBA	No	11,375 days	0.01-99,999,999,999.99
Basis swap	USD	USD-FEDERAL FUNDS-H.15-OIS-COMPOUND	USD-SOFR-COMPOUND	No	11,375 days	0.01-99,999,999,999.99

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OIS	USD	Fixed	USD-Federal Funds H.15-OIS- COMPOUND	No	11,375 days	0.01- 99,999,999,999.99
Interest rate swap	EUR	Fixed	EUR-LIBOR-BBA	Yes	18,675 days	0.01- 99,999,999,999.99
Interest rate swap	EUR	Fixed	EUR-EURIBOR- Telerate	Yes	18,675 days	0.01- 99,999,999,999.99
Interest rate swap	EUR	Fixed	EUR-EURIBOR- Reuters	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-LIBOR- BBA	EUR-LIBOR-BBA	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-LIBOR- BBA	EUR-EURIBOR- Telerate	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-LIBOR- BBA	EUR-EURIBOR- Reuters	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR- EURIBOR- Telerate	EUR-EURIBOR- Telerate	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR- EURIBOR- Reuters	EUR-EURIBOR- Reuters	Yes	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-EONIA- OIS- COMPOUND	EUR-EURIBOR- Telerate	No	18,675 days	0.01- 99,999,999,999.99
Basis swap	EUR	EUR-EONIA- OIS- COMPOUND	EUR-EURIBOR- Reuters	No	18,675 days	0.01- 99,999,999,999.99
OIS	EUR	Fixed	EUR-EONIA-OIS- COMPOUND	No	18,675 days	0.01- 99,999,999,999.99
Interest rate swap	AUD	Fixed	AUD-BBR-BBSW	Yes	11,375 days	0.01- 99,999,999,999.99
Basis swap	AUD	AUD-BBR- BBSW	AUD-BBR-BBSW	Yes	11,375 days	0.01- 99,999,999,999.99
Basis swap	AUD	AUD-AONIA- OIS- COMPOUND	AUD-BBR-BBSW	No	2,025 days	0.01- 99,999,999,999.99
OIS	AUD	Fixed	AUD-AONIA-OIS- COMPOUND	No	2,025 days	0.01- 99,999,999,999.99
Interest rate swap	CAD	Fixed	CAD-BA-CDOR	Yes	11,375 days	0.01- 99,999,999,999.99
Basis swap	CAD	CAD-BA- CDOR	CAD-BA-CDOR	Yes	11,375 days	0.01- 99,999,999,999.99
OIS	CAD	Fixed	CAD-CORRA-OIS- COMPOUND	No	850 days	0.01- 99,999,999,999.99
Interest rate swap	CZK	Fixed	CZK-PRIBOR-PRBO	Yes	3,850 days	0.01- 99,999,999,999.99

Basis swap	CZK	CZK-PRIBOR-PRBO	CZK-PRIBOR-PRBO	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	DKK	Fixed	DKK-CIBOR-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	DKK	Fixed	DKK-CIBOR2-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	DKK	DKK-CIBOR-DKNA13	DKK-CIBOR-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	DKK	DKK-CIBOR2-DKNA13	DKK-CIBOR2-DKNA13	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	HKD	Fixed	HKD-HIBOR-HKAB	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	HKD	Fixed	HKD-HIBOR-ISDC	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	HKD	HKD-HIBOR-HKAB	HKD-HIBOR-HKAB	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	HKD	HKD-HIBOR-ISDC	HKD-HIBOR-ISDC	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	HUF	Fixed	HUF-BUBOR-Reuters	Yes	3,850 days	1-10,000,000,000,000
Basis swap	HUF	HUF-BUBOR-Reuters	HUF-BUBOR-Reuters	Yes	3,850 days	1-10,000,000,000,000
Interest rate swap	JPY	Fixed	JPY-LIBOR-BBA	Yes	15,025 days	1-10,000,000,000,000
Basis swap	JPY	JPY-LIBOR-BBA	JPY-LIBOR-BBA	Yes	15,025 days	1-10,000,000,000,000
OIS	JPY	Fixed	JPY-TONA-OIS-COMPOUND	No	11,375 days	1-10,000,000,000,000
Interest rate swap	MXN	Fixed	MXN-TIIE-Banxico	No	7,700 days	0.01-99,999,999,999.99
Interest rate swap	NOK	Fixed	NOK-NIBOR-OIBOR	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	NOK	Fixed	NOK-NIBOR-NIBR	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	NOK	NOK-NIBOR-NIBR	NOK-NIBOR-NIBR	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	NOK	NOK-NIBOR-OIBOR	NOK-NIBOR-OIBOR	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	NZD	Fixed	NZD-BBR-Telerate	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	NZD	Fixed	NZD-BBR-FRA	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	NZD	NZD-BBR-Telerate	NZD-BBR-Telerate	Yes	5,700 days	0.01-99,999,999,999.99

Basis swap	NZD	NZD-BBR-FRA	NZD-BBR-FRA	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	SGD	Fixed	SGD-SOR-Reuters	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swap	SGD	Fixed	SGD-SOR-VWAP	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	SGD	SGD-SOR-Reuters	SGD-SOR-Reuters	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	SGD	SGD-SOR-VWAP	SGD-SOR-VWAP	Yes	3,850 days	0.01-99,999,999,999.99
Interest rate swaps	SEK	Fixed	SEK-STIBOR-SIDE	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	SEK	SEK-STIBOR-SIDE	SEK-STIBOR-SIDE	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	CHF	Fixed	CHF-LIBOR-BBA	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	CHF	CHF-LIBOR-BBA	CHF-LIBOR-BBA	Yes	11,375 days	0.01-99,999,999,999.99
OIS	CHF	Fixed	CHF-SARON-OISCOMPOUND	No	11,375 days	0.01-99,999,999,999.99
Interest rate swap	PLN	Fixed	PLN-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	PLN	Fixed	PLZ-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	PLN	PLN-WIBOR-WIBO	PLN-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Basis swap	PLN	PLZ-WIBOR-WIBO	PLZ-WIBOR-WIBO	Yes	5,700 days	0.01-99,999,999,999.99
Interest rate swap	ZAR	Fixed	ZAR-JIBAR-SAFEX	Yes	3,850 days	0.01-99,999,999,999.99
Basis swap	ZAR	ZAR-JIBAR-SAFEX	ZAR-JIBAR-SAFEX	Yes	3,850 days	0.01-99,999,999,999.99

