

ForexClear

NDF client clearing overview

ForexClear at a glance

25

non-deliverable forward currency pairs (15 Emerging Market and 10 G10 pairs)

9

non-deliverable FX option currency pairs

24/5.5

trades can be registered 24 hours a day, 5.5 days a week

NDF fees	Client
EMTA NDF/Million	US\$2
Non-EMTA NDF/Million	US\$1

*From Jan 1st 2025 non-EMTA fee is changing to US\$2 per million

ForexClear total service volumes

In Q3 2024, the service cleared a record **US\$10trn** in total notional, up **36%** vs Q3 2023. This was driven by strong participation in cleared deliverable¹ and non-deliverable volumes. ForexClear now has over **130** participants, with **2** new members onboarded in June and early July 2024. ForexClear has onboarded **4** new members in the past 12-18 months.

¹Deliverable service is for members only

Client clearing highlights

- Record **US\$304bn** client notional cleared in Q3 2024, with Q3 2024 becoming the **twelfth consecutive record quarter** for client NDF volumes since Q4 2021
- US\$5bn** client NDF average daily volume cleared in Q3 2024, up **49%** vs Q3 2023
- 88** clients (clearing through a clearing broker), of which **three** were onboarded in September 2024

Top 5 non-deliverable currency pairs

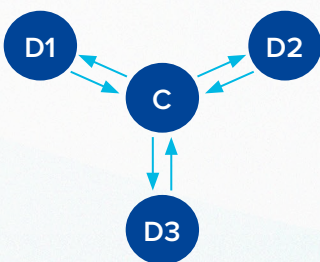
Currency	Q3 2024 volume US\$bn	Q3 2024 average daily volume US\$bn
USD/INR	1,890	29
USD/TWD	1,828	28
USD/KRW	1,581	24
USD/BRL	1,116	17
USD/IDR	485	7

Client NDF volume



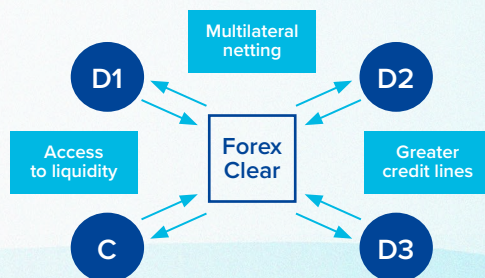
Margin efficiencies of clearing

Based on an indicative portfolio, a CCP provides up to 77% efficiency on initial margin vs bilateral.



Bilateral initial margin

Client C trades FX NDFs bilaterally and holds trades with dealer D1, D2 and D3.



CCP initial margin

By introducing a central counterparty, margin efficiencies can be achieved for all parties. A client can clear its trades with all dealers, using a clearing broker with all participants settling directly with the CCP on a net basis.



Why should you clear?

- **Counterparty credit risk reduction** – LCH becomes the central counterparty once trades are cleared. Rigorous default management process with proven track record in volatile market situations.
- **Access to liquidity** – significant growth in FX clearing is changing market dynamics, with increasing requests for deliverable forwards clearing as well as pre-execution clearing.
- **Capital savings** – CCP attracts a lower capital charge and hence is increasingly favoured by bank liquidity providers. Clearing can therefore lead to additional opportunities to strengthen liquidity provider partner relationships.
- **UMR obligations management** – Gain margin and operational efficiencies to reduce funding requirements and operational burden.
- **Margin efficiencies and multilateral netting** – multiple bilateral margin requirements are netted down into one single margin requirement against LCH, independent of counterparty, across currency and tenor.
- **Margin optimisation** – calculations can be more favourable in CCP vs SIMM calculations depending on the currency pair.
- **Operational risk reduction** – provides access to multiple counterparties, with one rulebook for all participants.

ForexClear products now live!

NDF matching platform

In partnership with LSEG FX: the first execution platform with **pre-trade intent to clear**. Click [here](#) for more.



Future delivery aims*

- Deliverable forwards and vanilla FX options for clients
- New currency pairs, with all CLS eligible currencies available
- Clearing of CNH

*Subject to regulatory approval

How to clear with ForexClear

01.

Find eligible clearing broker. ForexClear currently has 13 ICMs and 9 FCMs

02.

Use Margin Calculator to understand collateral requirements

03.

Consider execution to clearing journey through FXall, Bloomberg, FXconnect or others

04.

Engage with ForexClear onboarding team and begin clearing!

Find out more about what [ForexClear clears](#), our [current members](#) and [ForexClear volumes](#) here. Sign up for the latest news and insights [here](#).



LSEG POST
TRADE

Contact us

Email lchsales@lseg.com

Website lch.com/services/forexclear

Disclaimer

This document has been provided to you for informational purposes only and is intended as an overview of certain aspects of, or proposed changes to, the SwapClear, Listed Interest Rates, SwapAgent and/or any other service provided by LCH Group Holdings Limited ("LCH Group") or any of its group undertakings (group undertakings shall be construed in accordance with section 1161 of the Companies Act 2006; each an ("LCH Group Company").

LCH Limited is supervised by the Bank of England within the UK regulatory framework, registered as a derivatives clearing organisation with the U.S. Commodity Futures Trading Commission ("CFTC") and recognised as a third-country CCP under Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("EMIR"). LCH S.A. is regulated and supervised in France by the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the Banque de France, authorised as an E.U. CCP under EMIR, registered as a derivatives clearing organisation with the CFTC and as a clearing agency with the U.S. Securities and Exchange Commission. LCH Limited and LCH S.A. also hold licenses or authorisations in other jurisdictions in which they offer their services. More information is available at www.lch.com.

The relationship of an LCH Group Company with its members is governed solely by its rulebook and certain other ancillary documentation, as applicable. This document does not, and does not purport to, contain a detailed description of any aspect of a service provided by an LCH Group Company or any other topics discussed in this document, and it has not been prepared for any specific person. This document does not, and does not seek to, constitute advice of any nature. You may not rely upon the contents of this document under any circumstance and should seek your own independent legal, investment, tax and other advice. The information and any opinion contained in this document does not constitute a recommendation or offer with respect to any derivative contract, financial instrument, security or service. No LCH Group Company makes any representation, warranty, condition or guarantee (whether express or implied) that the contents of this document are accurate, complete or up-to-date, and makes no commitment to offer any particular product or service. No LCH Group Company shall have any liability for any losses, claims, demands, actions, proceedings, damages, costs or expenses arising out of, or in any way connected with, the information contained in this document, except that each LCH Group Company accepts liability that cannot be excluded by applicable law.

Copyright © LCH Limited 2024. All rights reserved. Copyright © LCH S.A. 2024. All rights reserved. LCH SwapClear, LCH CDSClear, LCH ForexClear, LCH RepoClear, LCH EquityClear, LCH SwapAgent and €GCPlus are registered trademarks of LCH.