

# LCH

# ForexClear

## CNH currency expansion

LCH ForexClear provides a streamlined FX clearing solution that delivers capital, margin and operational efficiencies for deliverable and non-deliverable over-the-counter (OTC) FX products. Launched in 2012, the service has continuously expanded its offerings, driving innovation in OTC FX clearing, with robust risk and default management for its members and clients.

### ForexClear at a glance

#### SERVICE VOLUMES<sup>1</sup> AND PRODUCT OFFERING

US\$28bn

Record FX Options (FXO) average daily volume (ADV) in 2025 YTD, up **85%** vs 2024 year-to-date (YTD)

US\$147bn

Record non-deliverable forward (NDF) ADV in 2025 YTD, up **28%** vs 2024 YTD

US\$179bn

Record total service ADV in 2025 YTD, up **35%** vs 2024 YTD

25

NDF currency pairs (**15** emerging market and **10** G10 pairs)

8

Deliverable currency pairs clearing in spot, forwards and vanilla options

24/5.5

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

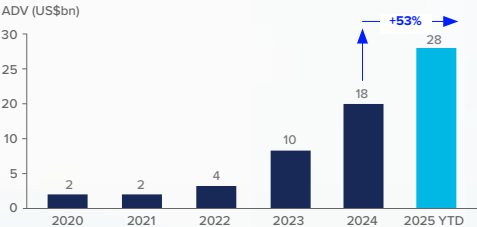
135

Participants on the services including dealers and clients, with 3 Asian banks to be onboarded for day 1 readiness

### ForexClear deliverable volumes<sup>2</sup>

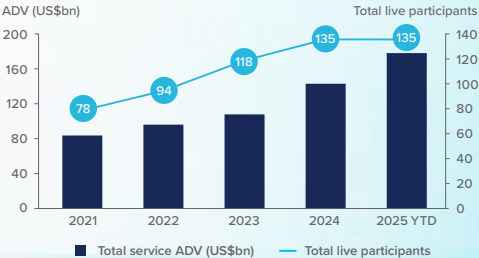
ForexClear continues to see strong momentum in deliverable volumes. A record **US\$28bn** ADV in FXOs has been cleared in 2025 YTD, up **53%** vs 2024. April is the latest record month, with **US\$29bn** ADV and **US\$647bn** notional cleared.

#### FX OPTIONS VOLUME (ADV)



### ForexClear participants

Driven by strong participation in cleared deliverable and non-deliverable volumes, the service cleared a record of **US\$179bn** ADV in 2025 YTD. ForexClear now has 135 participants onboarded, including 43 member entities and 92 clients.

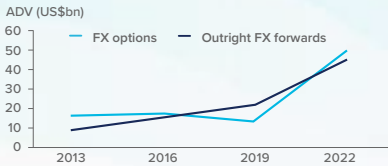


<sup>1</sup> 2025 YTD service volumes as of 30 April 2025

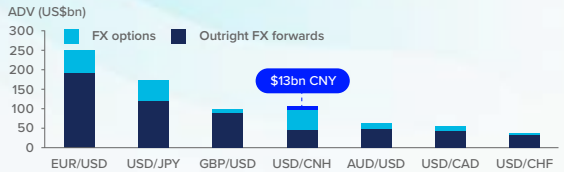
<sup>2</sup> The FX deliverable service is currently only available to clearing members

# USD/CNH clearing: Introduction

## CNH GROWTH



## ADV OPTIONS, OUTRIGHT FORWARDS AND NON-DELIVERABLE FORWARDS



### 01.

Over the past decade, the Chinese Renminbi (RMB) has **grown steadily** in both onshore (CNY) and offshore (CNH) markets

### 02.

USD/CNH is now the **third largest FXO currency pair** – 16.4% of the overall FXO market – and the **fifth largest in deliverable FX forwards**

### 03.

ForexClear plans to launch clearing of OTC USD/CNH FXOs, forwards, spot and swaps

(Subject to regulatory and legal approval)

### 04.

ForexClear is partnering with Hong Kong RTGS payment infrastructure to deliver a PvP settlement solution for cleared trades

## Unblocking settlement limitations

USD/CNH deliverable contracts are typically **settled gross** with CNH and USD delivery occurring independently of one another.

The resulting settlement risk has resulted in **tight bilateral settlement, constraining market participants' CNH trading volume.**

LCH ForexClear's planned USD/CNH offering will allow **full multilateral netting** and **guaranteed settlement** of cleared contracts, mitigating one of the largest blockers for CNH trading activity.

## Value proposition

**Guaranteed settlement:** Guaranteed PvP settlement solution, with multilateral netting

**Asia coverage:** Settlement run of CNH vs USD occurs late afternoon Hong Kong time, with LCH Asia team support

**Constraints/limit relief:** Trades will be novated to LCH as central counterparty and no longer subject to bilateral credit or settlement limits

**Margin reductions:** Clearing in-scope UMR products (NDFs and FXOs) may potentially provide ~70% margin reductions for existing clearing participants

**Capital efficiencies:** SA-CCR and RWA exposures drastically reduced with clearing (CCP = 2% risk weight vs 20%+ bilateral)

## Project status

### CLEARING PARTICIPATION

- **9 large global banks** have committed to supporting the initiative
- **3 Asian banks** to be onboarded for day 1 readiness

### H1 2026 GO-LIVE

Member testing – Q1 2026

(Subject to regulatory and legal approval)

# LSEG

Make more possible

## Contact us

Email [apacsales@lseg.com](mailto:apacsales@lseg.com)

Website [lseg.com/services/forexclear](https://lseg.com/services/forexclear)

APAC +61 (2) 8259 4109

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