LCH The Markets' Partner

16 October 2017

Mr. Christopher Kirkpatrick
Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington DC 20581

Dear Mr. Kirkpatrick:

LCH Limited ("LCH"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification, pursuant to CFTC regulation §40.6(a), Rulebook changes in respect of the ForexClear service. These changes will take effect on or after November 1, 2017.

Part I: Explanation and Analysis
The ForexClear service proposes to introduce clearing of certain major currency ("G10") non-deliverable forwards ("NDFs"), thereby expanding its offering of providing clearing services for non-deliverable products. ForexClear will accept trades for clearing that have a remaining maturity between 3 business days (i.e. Spot next maturity) and 2 years plus 2 business days, for five new currency pairs (EUR/USD, AUD/USD, GBP/USD, USD/CHF and USD/JPY).

Initial margin ("IM") calculation, Variation Margin ("VM") and settlement will all be in USD, in line with the current Emerging Market ("EM") NDF service. As with the EM NDF offering, G10 NDF trades will be subject to eligibility checks as part of the process to determine acceptance of such trades for clearing. For fixing prices ForexClear will use the Thomson Reuters WM/Reuters Closing Spot Rates published daily at 4:00pm London time.

ForexClear has performed rigorous analysis to determine the feasibility of adding these G10 currency pairs to the ForexClear service portfolio. The analysis concludes that there is no associated new or novel risk elements not already incorporated in the current ForexClear risk model, nor is there any impact to the operating model. The terms of these contracts will be as set out in the LCH Rulebook.

Fees for this new product will be as set out in the table below:

Tariff		
Tier	**Member Volume Fees**	**Client Clearing Fees**
Silver – Annual Fixed Fee €750K	N/a	N/a
Bronze – Annual Fixed Fee $250K	$1 per million notional cleared	$1 per million notional cleared
Note: Existing clearing members clearing the Emerging Market NDF product will not be subject to additional fixed **fees** for this product.		

LCH | Aldgate House | 33 Aldgate High Street | London EC3N 1EA | T: +44 (0)20 7426 7000 | F: +44(0)20 7426 7001 | lch.com

LCH Group Holdings Limited |LCH Limited | Banque Centrale de Compensation | LCH.Clearnet LLC

LCH Group Holdings Limited. Registered in England No. 4743602 Registered Office: Aldgate House, 33 Aldgate High Street, London EC3N 1EA

ForexClear intends to implement a fee waiver program, in respect of the client clearing fees applicable (see above table) to the Major Currency NDFs; this will commence upon launch and end December 31, 2018.

Part II: Description of Rule Changes
In support of this proposal changes are required to the Rulebook as per below:

- FCM Procedures
- Procedures Section 2I (ForexClear Service)
- Product Specific Contract Terms and Eligibility Criteria Manual
- FCM Product Specific Contract Terms and Eligibility Criteria Manual

Marked-up versions of these sections of the LCH Rulebook along with a matrix of the changes are included in the appendices of this letter.

Part III: Core Principle Compliance
LCH has concluded that compliance with the Core Principles will not be adversely impacted by this change, and in particular complies with Core Principles C and L.

Part IV: Public Information
LCH has posted a notice of pending certification with the CFTC and a copy of this submission on the LCH 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 this change.

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 regarding this submission please contact me at julian.oliver@lch.com

Yours sincerely,

Julian Oliver, Chief Compliance Officer

LCH | Aldgate House | 33 Aldgate High Street | London EC3N 1EA | T: +44 (0)20 7426 7000 | F: +44(0)20 7426 7001 | lch.com

LCH Group Holdings Limited |LCH Limited | Banque Centrale de Compensation | LCH.Clearnet LLC

LCH Group Holdings Limited. Registered in England No. 4743602 Registered Office: Aldgate House, 33 Aldgate High Street, London EC3N 1EA

LCH Rule Submission

Appendix A

<u>Matrix of Rule Changes</u>

Matrix of Rule Changes

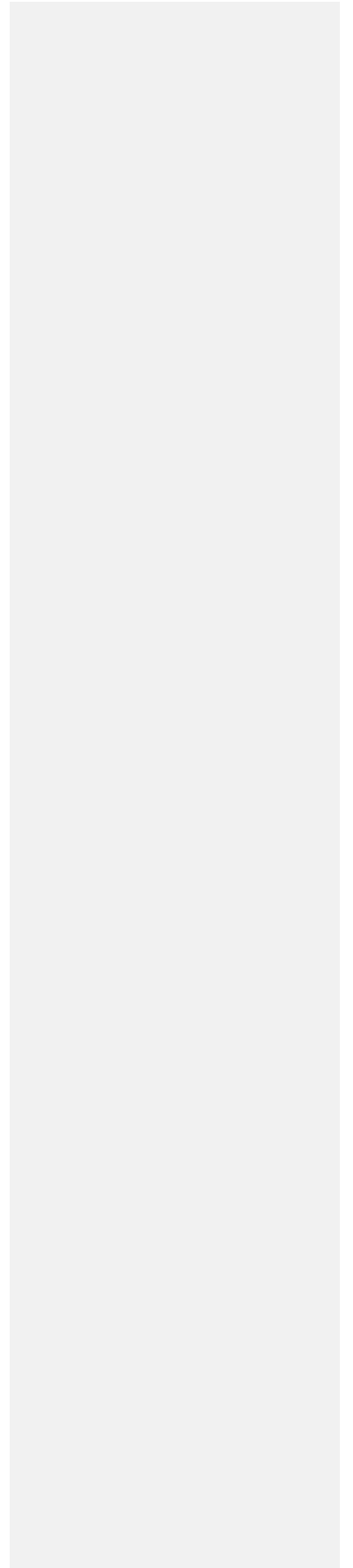| Procedures Section 2I	FCM Procedures	Explanation
Section 1	Section 2.2.1	-Modification of "EMTA Template" meaning; -Insertion of "LCH G10 NDF Contract Template" meaning; -Insertion of "Submission Date" meaning.
N/a	Section 2.2.5(b) & 2.2.7	Correction of section ref from 2.2.21 to 2.2.22
Section 1.3.3(b)	Section 2.2.8(a)	Clarification change to Counterparty Technical Validation Check Correct of section ref from 2.2.8(c) to 2.2.8(b)
Section 1.3.6	Section 2.2.8(h)	Deletion of text referring to "Relevant EMTA Template", instead replaced with a reference to paragraph (a) in Procedures 2I and (j) in FCM Procedures
Section 1.3.6(c), 1.3.9(b) & 1.4.2(c)(ii)	Section 2.2.8(j) & (l)	Insertion of text referring to the "LCH G10 NDF Contract Template".
N/a	Section 2.2.9(b)	-Insertion of text referring to the "LCH G10 NDF Contract Template".
N/a	Section 2.2.9(d), 2.2.12(d) & 2.2.17	-Correction of section ref from 2.2.21 to 2.2.22 -Correction of section ref from 2.2.22(c) to 2.2.23(c)
Product Specific Contract Terms & Eligibility Criteria Manual	**FCM Product Specific Contract Terms and Eligibility Criteria Manual**	**Explanation**
(Schedule 7, Part A) Paragraph 2.2, 3.1, & 3.3	**(Schedule 3, Part A)** Paragraph 2.2, 3.1 & 3.3	Insertion of text referring to the "LCH G10 NDF Contract Template".
(Schedule 7, Part A) Paragraph 3.2	**(Schedule 3, Part A)** Paragraph 3.2	Addition of the five new currency pairs
(Schedule 7, Part A) Paragraph 4 & (new) 5	**(Schedule 3, Part A) Paragraph 5 (new)**	Renumbering of paragraph, and insertion of new paragraphs on 'General Standard Terms'
(Schedule 7, Part B) Paragraph 1	**(Schedule 3, Part B)** Paragraph 1	Insertion clarifying text
(Schedule 7, Part B) Paragraph 2	**(Schedule 3, Part B)** Paragraph 2	Addition of text to clarify table sets out product eligibility for Emerging Currency ForexClear contracts Insertion of definition of 'Settlement Rate (Option)
(Schedule 7, Part B) (New) Paragraph 3	**(Schedule 3, Part B)** (New) Paragraph 3	Insertion of product eligibility criteria for a G10 currency ForexClear contract.
(Schedule 7, Part C) (new)	**(Schedule 3, Part C)**	Insertion of "LCH G10 NDF Contract Templates"

LCH Rule Submission

<u>Appendix B</u>

<u>FCM Procedures</u>

LCH The Markets' Partner

FCM PROCEDURES OF THE CLEARING HOUSE

LCH LIMITED

CONTENTS

2.2   **FOREXCLEAR**

2.2.1   *Introduction and Interpretation*

This Section 2.2 of the FCM Procedures governs the FCM ForexClear Service and must be read in conjunction with the other parts of the FCM Rulebook.

A reference to an "**FXCCM**" is generic and encompasses both ForexClear Clearing Members (as defined in the UK General Regulations) and FCM ForexClear Clearing Members.

References to "**Business Day**", "**Calculation Agent**", "**Currency Pair**", "**Disruption Fallback**", "**Notional Amount**", "**Reference Currency**", "**Settlement Currency**", "**Settlement Currency Amount**", "**Settlement Date**", "**Settlement Rate**", "**Settlement Rate Option**", "**Trade Date**", "**Valuation Date**", and "**Valuation Postponement**" shall have the meanings given to them in the FCM ForexClear Contract Terms.

References to "**business day**" shall carry the meaning given to it in the Rulebook.

"**EMTA**" means EMTA Inc., the trade association for the emerging markets that was formerly known as the Emerging Markets Traders Association, or any successor entity.

"**EMTA Template**" means, where applicable, the template terms for a Non-Deliverable FX ~~Transactions~~Transaction for a particular Currency Pair that are in effect and published by EMTA on its website on the relevant Trade Date.

"**LCH G10 NDF Contract Template**" means, where applicable, the template terms for a Non-Deliverable FX Transaction for a particular Currency Pair that are set forth in the FCM ForexClear Contract Terms.

"**Relevant EMTA Template**" means, for a particular FCM ForexClear Contract, the EMTA Template that is incorporated by reference into the FCM ForexClear Contract Terms applicable to such Contract, together with any amendments thereto as set out in the FCM ForexClear Contract Terms.

"**Submission Date**" means the date on which a given trade is submitted to the Clearing House for registration.

Unless otherwise specified, all times are in local London time.

The liability of the Clearing House is as set out in Regulation 32 (*Exclusion of Liability*), which applies to these FCM Procedures in its entirety unless provided otherwise.

2.2.2   *Users of FCM ForexClear*

The FCM ForexClear Service is an interface that processes and stores all FCM ForexClear Transactions. Those authorized by the Clearing House to submit trades (as defined below) for clearing in the FCM ForexClear Service fall into

two categories – FCM Clearing Members approved by the Clearing House to clear in the FCM ForexClear Service ("**FX FCMs**") and FCM Clients of FX FCMs. FX FCMs and FCM Clients of FX FCMs are known as ForexClear Participants ("**FXPs**"). For membership procedures, please see Section 1 of the FCM Procedures. At least one party to each FCM ForexClear Transaction submitted to the Clearing House will be an FX FCM, acting through a client or house account; the other party may be another FX FCM or may be a ForexClear Clearing Member.

For identification purposes each FX FCM is assigned a unique three-character mnemonic for purposes of the FCM ForexClear Service.

2.2.3   *Termination of FX FCM Status*

Clearing Members should contact the Clearing House Membership Department (+44 (0)207 426 7891/7627/7063; membership@lch.com) for details of how to resign from the FCM ForexClear Service.

2.2.4   *Service Scope*

(a)   *Eligibility*

Non-Deliverable FX Transactions as defined in Part A of Schedule 2 to the FCM Product Specific Contract Terms and Eligibility Criteria Manual ("**NDFs**") may be submitted for clearing through the ForexClear Service. To be eligible to be registered as a ForexClear Contract, a trade must meet the ForexClear Eligibility Criteria (as set out in Part B of Schedule 2 to the FCM Product Specific Contract Terms and Eligibility Criteria Manual).

(b)   *Service Operating Hours*

Opening Days:

The FCM ForexClear Service will be open each day, except weekends, Christmas Day and New Year's Day.

Opening Hours:

The FCM ForexClear Service will be open between 20:00 hours, London time, Sunday night and 01:00 hours, London time, Saturday morning ("**Opening Hours**"). The FCM ForexClear Service will not accept FCM ForexClear Transactions outside of these hours.

2.2.5   *Position Accounts*

(a)   *FCM Accounts*

For identification purposes each FCM Clearing Member is assigned a unique three-character mnemonic with respect to its accounts relating to FCM ForexClear Transactions and FCM ForexClear Contracts. An FCM Clearing Member's position and financial information are further

identified by a single character code: C for client business; and H for house business.

(b)   *Position-Keeping Accounts*

FCM Clearing Member Accounts:

The account types are: H for house business (Proprietary Account); and C for segregated client business (FCM Omnibus ForexClear Client Account with LCH). An FCM Clearing Member's FCM ForexClear Contract positions are also recorded within the FCM ForexClear Clearing System in ForexClear accounts.

All registered FCM ForexClear Contracts will be identifiable to FCM Clearing Members via ForexClear Reporting (see Section 2.2.22~~2.2.21~~). All registered FCM ForexClear Contracts will be maintained only in ForexClear accounts (identified as such by a unique three letter mnemonic) and separate from all accounts containing FCM Contracts attributable to other Business Categories of FCM Contracts (**provided that** FCM Contracts attributable to any Business Categories of FCM Contracts and related Collateral may be physically commingled in the same depository accounts, subject to the requirements of the Rulebook to properly segregate all FCM Client assets). Each FCM ForexClear Contract will also be assigned a unique trade identifier. The FCM Clearing Member Reporting functionality also allows each FCM Clearing Member to identify all FCM ForexClear Contracts registered in its name.

Sub-accounts within the FX FCM's Proprietary Account may be set up (e.g., for branches). Each such sub-account will carry the unique Bank Identifier Code ("**BIC**") (or equivalent unique identifier) of the relevant branch.

Sub-accounts within the FX FCM's Proprietary Account will be associated with the House financial account of the FX FCM and information contained across the Proprietary Account sub-accounts is consolidated into the House financial account of each FX FCM.

(c)   *Clients*

Where an FX FCM enters into an agreement with an FCM Client in accordance with FCM Regulation 7(a) (*FCM Client Business and Proprietary Account Trading*), the FX FCM must submit an "**FCM Client Static Data**" form to the Clearing House's membership department. Positions of an FCM Client will be identifiable in ForexClear Reporting through that FCM Client's BIC/unique identifier.

2.2.6   ***Financial Accounts***

FCM Clearing Member accounts have financial accounts associated with them.   These are, *inter alia*, used to record cash balances and

securities/documentary credits. Information contained within position-keeping accounts is consolidated into financial accounts, as follows:

(a)   *Relationship with Position-Keeping Accounts*

Position-keeping Account	Financial Account		
C	Client	C	LCH ForexClear Client Segregated Depository Account used for Initial Margin Flows
	Client	L	LCH ForexClear Client Segregated Depository Account used for Variation Margin Flows
H	House	H	Proprietary Account

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

(b)   *Other Financial Accounts*

The Clearing House may, at its discretion, open further financial accounts.

(c)   *Default Fund (DF) Account*

Each FCM Clearing Member's Contribution is held in a separate financial account. The Default Fund account code is "F". Each FCM Clearing Member's ForexClear Contribution is held in an account that is separate from any financial account containing such FCM Clearing Member's Contribution relating to any other Business Categories of FCM Contracts.

2.2.7   **Novation and Registration**

An NDF is an FCM ForexClear Transaction (i.e., eligible for registration as an FCM ForexClear Contract) if it satisfies the FCM ForexClear Eligibility Criteria (set out in Part B of Schedule 2 to the FCM Product Specific Contract Terms and Eligibility Criteria Manual) at the Registration Time. The Clearing House will register (or reject) an FCM ForexClear Contract in respect of an FCM ForexClear Transaction presented for registration as quickly as would be technologically practicable if fully automated systems were used (i.e. the standard required in Part 39 of the CFTC Regulations).

Where an FX FCM accepts registration of the FCM ForexClear Transaction and notifies the Clearing House of such acceptance, the FX FCM shall, pursuant to FCM Regulation 48(b) (*Registration of FCM ForexClear Contracts; ForexClear Accounts*), (i) be deemed to have presented the FCM

ForexClear Transaction for clearing and (ii) become obliged to furnish all Margin required by the Clearing House in connection with the registration of the FCM ForexClear Transaction upon request of the Clearing House. It is a condition for registration of an FCM ForexClear Transaction that, where both Executing Parties intend to register the FCM ForexClear Transaction through an FX FCM, both FX FCMs accept the FCM Notification (or where such Executing Parties nominate the same FX FCM, such FX FCM accepts both acceptances) and therefore submit the FCM ForexClear Transaction to the Clearing House.

Prior to registering an FCM ForexClear Contract , the Clearing House will require the FX FCM in whose name such FCM ForexClear Contract is to be registered to provide and maintain sufficient Margin for its Liabilities (as defined in Section 2.2.17) (or its estimated Liabilities) (taking into account any MER Buffer (as defined in Section 2.2.12(b)) and any MCE (as defined in Section 2.2.12(c)) made available by the Clearing House, if any) as a precondition to registration. This Margin check process is referred to as the "**Incremental Risk Check**" (as defined in Section 2.2.8(b)).

If any FX FCM does not have sufficient Margin for its Liabilities or estimated Liabilities (taking into account any MER Buffer and MCE provided by the Clearing House, if any) at the time of the relevant Incremental Risk Check, then any submitted and unregistered FCM ForexClear Transaction to which it is a party and that is subject to such Incremental Risk Check will be rejected.

Once the FCM ForexClear Transaction has passed the Validation Checks (as defined in Section 2.2.8(a)), the Clearing House will send, via the FCM Approved Trade Source System, a message confirming the registration of the FCM ForexClear Transaction as two FCM ForexClear Contracts (or one FCM ForexClear Contract and one Non-FCM ForexClear Contract, as applicable) and including a date stamp of the relevant registration time. For the purpose of the Part III of the FCM Regulations, the time of dispatch of such message shall be the "**Registration Time**" of such FCM ForexClear Contract(s).

The definitive report of a registered FCM ForexClear Contract will be shown on the "**All Open Contracts**" report issued by ForexClear Reporting (as defined in Section 2.2.22~~2.2.21~~).

Formatted: Font color: Black, English (United States)

If an FX FCM is declared a defaulter, the Clearing House will not register any ForexClear Transactions to which the defaulter was a party. ForexClear Transactions between non-defaulting FX FCMs will continue to be registered (assuming sufficient Margin for their Liabilities or estimated Liabilities has been provided).

(a)   *Trade Capture*

        Once the FCM Approved Trade Source System receives the trade instructions from the FXPs who are parties to the trade, the FCM Approved Trade Source System matches both instructions (a "**trade**"). The FCM Approved Trade Source System validates the trade using the FCM ForexClear Product Eligibility Criteria as set forth in Part B to

FX FCMs must not submit instructions to the Clearing House for trades which will not meet the FCM ForexClear Eligibility Criteria. The Clearing House will process any FCM ForexClear Transaction reported to it by an FCM Approved Trade Source System on an "as is" basis, and subject to the FCM Regulations and these FCM Procedures, will register any such FCM ForexClear Transaction on the basis of the data provided to it by the FCM Approved Trade Source System and approved by the relevant FCM Clearing Member. The Clearing House has no obligation to verify that the details received, properly reflect the trade entered into by the relevant Executing Parties.

The Clearing House accepts no liability for any error within or corruption of any data sent by an FCM Approved Trade Source System to the Clearing House or to an FCM Clearing Member or any delay in or failure of the transmission of such data to the Clearing House. In the event that the Clearing House registers any FCM ForexClear Contract on the basis of incorrect or corrupted data sent to it by an FCM Approved Trade Source System and accepted by an FCM Clearing Member, the FCM Clearing Member concerned shall be bound by the terms of such FCM ForexClear Contract, unless the FCM ForexClear Contract is subsequently cancelled in accordance with FCM Regulation 49 (*Cancellation of FCM ForexClear Contracts*).

FCM Clearing Members shall ensure that transaction details accepted for registration are accepted by appropriately authorized personnel. Apart from the foregoing acceptance, the Clearing House is not able to, and will not, verify the authorization of the source of any details of any transaction reported to it for registration by any FCM Approved Trade Source System. The Clearing House shall have no liability in the event that any FCM Clearing Member suffers any loss through the unauthorized acceptance of an FCM Notification.

2.2.8   ***Trade Validation and Registration***

(a)   *Process flow description*

The Clearing House performs a validation check on each trade submitted by FXPs to ensure that each such trade meets the FCM ForexClear Eligibility Criteria and the Counterparty Technical Validation Check (as defined below) and Incremental Risk Checks (as defined in Section 2.2.8(b)2.2.8(c)) required for FCM ForexClear Transactions (together the "**Validation Checks**").

> Trades that pass the Validation Checks are accepted and two trade records are created for the FCM ForexClear Transaction: one for the FCM ForexClear Contract between the Clearing House and the first FX FCM to the FCM ForexClear Transaction and the other for the FCM ForexClear Contract between the Clearing House and the second FX FCM to the FCM ForexClear Transaction (or the ForexClear Contract between the Clearing House and the ForexClear Clearing

Formatted: English (United States)

Member to the corresponding ForexClear Transaction pursuant to the UK General Regulations).

"**Counterparty Technical Validation Check.**" ~~The counterparties~~(a) Each counterparty to ~~each~~the trade ~~(a) are both parties submitting trade particulars FXPs~~is a FXP, (b) ~~are~~ each ~~a Non-Defaulting~~ FX FCM in whose name the FCM ForexClear Contract is to be registered has not been declared a Defaulter by the Clearing House and (c) ~~are~~each counterparty to the trade is approved by the Clearing House to clear the relevant trade type~~.~~

Provided each FXCCM has sufficient Margin, the Clearing House will send a message via the FCM Approved Trade Source System confirming the registration or, where the trade fails a Validation Check, the trade will be rejected and a status message will be sent to the FCM Approved Trade Source System giving a reason for rejection.

As provided in Section 2.2.7, in respect of messages confirming registration, the time of dispatch of such message shall be the Registration Time of that FCM ForexClear Contract.

The account (H or C) and sub-account (if applicable) into which each trade record is booked is derived from the BIC/unique identifier code within the message from the FCM Approved Trade Source System. The BIC links to the FX FCM reference data.

Both new trade records arising out of the ForexClear Transaction have the same unique ForexClear ID (the "**ForexClear ID**"). Any further events or actions are applied on the basis of this ForexClear ID, to ensure consistency.

(b)   *Incremental Risk Checks*

The Clearing House will apply an "**Incremental Risk Check**" to each individual FCM ForexClear Transaction. The Incremental Risk Check uses a suitable approximation methodology to estimate an FX FCM's Liabilities (including the new FCM ForexClear Transaction) against available Margin (taking into account any MER Buffer and MCE made available by the Clearing House, if any). However, any FCM ForexClear Transaction submitted by that FXCCM that is risk reducing (i.e. results in a reduction of that FX FCM's Liabilities) will always pass the Incremental Risk Check, even if the FX FCM does not have sufficient Margin for its Liabilities.

Both FXCCMs to the FCM ForexClear Transaction must pass the Incremental Risk Check in order for the Clearing House to register two FCM ForexClear Contracts (or one FCM ForexClear Contract and one

(g)   *Trade Amendment*

No amendment of the financial terms of an FCM ForexClear Transaction or FCM ForexClear Contract is permitted. FX FCMs who wish to change the FCM Client information on a ForexClear Transaction should contact ForexClear Business Operations at 0207 426 3729 for further information.

(h)   *Valuation Date Event Management*

The Clearing House is the Calculation Agent and will store and apply the Settlement Rate Option and the Valuation Date for each FCM ForexClear Contract.

On the Valuation Date with respect to each FCM ForexClear Contract, the Settlement Rate will be retrieved ~~from the Settlement Rate Option per Currency Pair in accordance with the Relevant EMTA Templates.~~as set forth in paragraph (j) below. The Market Data provider for Settlement Rates is Reuters.

The FCM ForexClear Service applies the relevant Settlement Rate to FCM ForexClear Contracts using the ~~following criteria~~:

(i)   Settlement Rate Option source code ~~(as referenced in the Relevant EMTA Template)~~; and

(ii)   Valuation Date~~.~~.

The Clearing House applies the Settlement Rate to all relevant FCM ForexClear Contracts at a predefined time following its publication.

The Clearing House calculates the Settlement Currency Amount in the Settlement Currency per FCM ForexClear Contract. FX FCMs can retrieve the Settlement Rate and Settlement Currency Amount in the Settlement Currency via ForexClear Reporting on the ForexClear Service Portal and on MemWeb, which are internet services onto which information is loaded and can be accessed by FX FCMs.

(i)   FX Package Transactions

In certain circumstances an FCM Approved Trade Source System may submit to the Clearing House, in a single submission, a group of two or more FCM ForexClear Transactions for simultaneous registration (such group of FCM ForexClear Transactions being an "FX Package Transaction"). An FX Package Transaction must be identified to the Clearing House at the time of its submission in the format prescribed by the Clearing House. Where the FX Package Transaction is not submitted in the prescribed format, each constituent FCM ForexClear Transaction within the FX Package Transaction will be rejected.

Where the Clearing House receives an FX Package Transaction for registration it shall treat each FCM ForexClear Transaction that forms

part of the FX Package Transaction as a new FCM ForexClear Transaction in accordance with the FCM Rulebook and will send an FCM Notification to the relevant FCM Clearing Member(s) for the acceptance of each such constituent FCM ForexClear Transaction. Where each constituent FCM ForexClear Transaction within the FX Package Transaction meets the registration requirements as set out in the FCM Rulebook (including the provision of sufficient Margin, where applicable), the Clearing House will simultaneously register all of the FCM ForexClear Transactions within that FX Package Transaction. Where one or more of the constituent FCM ForexClear Transactions does not meet the Clearing House's registration requirements then all the constituent FCM ForexClear Transactions of the FX Package Transaction shall be rejected.

In respect of an FX Package Transaction presented in an FX FCM's name, such FX FCM's Margin requirement will be assessed based on the net Margin call for all of the constituent FCM ForexClear Transactions of such FX Package Transaction.

The Clearing House may limit the number of FCM ForexClear Transactions that may be included in an FX Package Transaction by way of member circular.

(j)   *Valuation Date Event Management: Process flow description*

After the Registration Time for an FCM ForexClear Contract, the FCM ForexClear Service links a Settlement Rate Option to it in accordance with the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

On the Valuation Date, the Clearing House uses the Settlement Rate for the Currency Pair for the FCM ForexClear Contract when it is published by Reuters, and calculates the Settlement Currency Amount for each FCM ForexClear Contract in the Settlement Currency by applying the relevant Settlement Rate Option as ~~published~~referenced in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

If the Settlement Rate Option set out in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable, is unavailable at the relevant time, Disruption Fallback alternatives for the determination of the Settlement Rate will apply as set out in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

(k)   *Settlement*

With respect to each FCM ForexClear Contract, the Settlement Currency Amount is calculated by the application of the Settlement Rate to the Notional Amount in accordance with the FCM ForexClear

Contract Terms (see Part A of Schedule 2 to the FCM Product Specific Contract Terms And Eligibility Criteria Manual).

From (and including) the Registration Time to (and including) the Business Day immediately preceding the Settlement Date, changes in the daily value of open FCM ForexClear Contracts will have resulted in VM credits and debits between the parties (as set out in Section 2.2.10(b)). With respect to each FCM ForexClear Contract, on the Business Day immediately preceding the Settlement Date, the Clearing House nets the Settlement Currency Amount against the aggregate net VM which has been paid/received through the term of the FCM ForexClear Contract, the result of which is a Net Settlement Amount ("**NSA**"), which will be reflected in the FX FCMs' cash accounts with the Clearing House on the Settlement Date. As such, with respect to each FCM ForexClear Contract, the payment in full of all the VM required during the term of such FCM ForexClear Contract shall satisfy the relevant party's obligation to pay the Settlement Currency Amount on the Settlement Date of such FCM ForexClear Contract. For the purpose of providing Nostro reconciliation, to the relevant parties, the Clearing House will provide Reporting (as defined in Section 2.2.22 of these FCM Procedures) which will reflect an entry for the "**Settlement Currency Amount**" and a separate entry for the reversal of the aggregate net Variation Margin which has been paid/received through the term of the FCM ForexClear Contract. This paragraph applies even if the Settlement Date has been adjusted in accordance with the FCM ForexClear Contract Terms.

(l)   *Reference Data*

Holiday Event Calendar:

The FCM ForexClear Service uses the SwapsMonitor Financial Calendar (as published by Swaps Monitor Publications, Inc.) ("**SwapsMonitor Financial Calendar**") in order to determine holidays. This requires all FCM ForexClear Participants to be licensees of the SwapsMonitor Financial Calendar.

If a change is declared that affects the SwapsMonitor Financial Calendar that is referenced on FCM ForexClear, then a corresponding calendar adjustment will be made to the FCM ForexClear system, unless the Clearing House informs FXCCMs by notice on its website (at   www.lch.com/asset-classes/foreign-exchange/products,   or such other web page as the Clearing House determines) that the relevant change will not apply to FCM ForexClear Contracts..

The Clearing House may temporarily close the FCM ForexClear Service to process a calendar adjustment in its clearing system. FX FCMs will be notified in advance of the date, time and expected duration of such closure.

Date Adjustment:

As a result of the calendar adjustment process, the Valuation Date and/or the Settlement Date of any affected FCM ForexClear Contracts will automatically be date adjusted in accordance with the provisions of the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

The Clearing House will notify the FX FCMs via file download from the Clearing Member Reporting as to the FCM ForexClear Contracts affected and the date adjustments made.

2.2.9   *Market Data*

(a)   *Sources used by FCM ForexClear Service*

The FCM ForexClear Service collates instrument quotes for the following from multiple market sources (as detailed in Section 2.2.9(b)) in relation to each Currency Pair:

(i)   FX spot rates ("**FX Spot Rates**");

(ii)   FX swap points ("**FX Swap Points**");

(iii)   Settlement Rate Option;

(iv)   Interest rate curves (see Section 2.2.9(e) below) ("**Interest Rate Curves**");

(v)   USD LIBOR Curve;

(vi)   PAI rates ("**PAI Rates**"); and

(vii)   Country credit spreads (see Section 2.2.9(f) below) ("**Country Credit Spreads**"),

together, "**Market Data**".

FX Spot Rates and FX Swap Points are received by the Clearing House via a live link from all eligible FXCCMs (including FX FCMs) during the Opening Hours (as defined in Section 2.2.4(b)).

(b)   *Market Data Sources and Frequencies*

The Clearing House receives the following updated raw prices:

FX Spot Rates:

(i)   Source – FXCCMs (including FX FCMs).

(ii)   Frequency - every time updated by FXCCMs (including FX FCMs) up to a maximum rate of once every five minutes.

FX Swap Points:

(i)   Source - all FXCCMs (including FX FCMs).

(ii)   Frequency - every time updated by FXCCMs (including FX FCMs) up to a maximum rate of once every five minutes.

(iii)   Tenors – as shown in the table below.

Tenor
S/N
1 week
1 month
2 months
3 months
6 months
12 months
24 months

Settlement Rate Options:

(i)   Source - Reuters.

(ii)   Frequency - when published (as referenced in the Relevant ~~ETMA).~~EMTA Template or given LCH G10 NDF Contract Template, as applicable).

Interest Rate Curves:

(i)   Source - internal Clearing House

(ii)   Frequency - at each SwapClear margin run.

Country Credit Spreads:

(i)   Source - Bloomberg.

(ii)   Frequency - when published.

USD LIBOR Curve:

(i)   Source - SwapClear.

(ii)   Frequency - at each SwapClear margin run.

PAI rates:

(i)   Source - LCH Treasury.

(ii)   Frequency - Daily.

(c)   *[Not Used]*

(d)   *Market Data Provision to FX FCMs*

Market Data used in a Margin Run is made available to FX FCMs via ForexClear Reporting (as defined in Section 2.2.22~~2.2.21~~).

(e)   *Curve Building in ForexClear*

FX Curve (Zero Coupon/Market Rate Curve):

The Clearing House builds for each Currency Pair an FX curve (zero coupon/market rate curve) using the FX Spot Rates, FX Swap Points and the USD LIBOR Curve based on interpolation techniques agreed through the ForexClear Risk & Trading Working Group (a group comprising the Clearing House's and FXCCM's (including FX FCM) risk and trading representatives) ("**RTWG**"). The USD LIBOR Curve is used for discounting; the FX curve is used for capitalization of forward cash flows.

Interest Rate Curve:

The Clearing House applies the linear interpolation method to build the Interest Rate Curve. Linear interpolation is applied on zero coupon curves.

Curve Use:

End of day is defined as 22.00 hours, London time ("**EOD**"). The following EOD data is used in the calculation of risk analytics for an EOD Margin Run (as defined in Section 2.2.16(b)):

(i)   FX Spot Rates; and

(ii)   FX Swap Points.

(f)   *Country Credit Spreads*

2.2.12   ***Additional Margin, MER Buffer, MCE and Intraday Margin Calls***

(a)   *Additional Margin*

The Clearing House may require an FX FCM to furnish additional amounts of Margin (in addition to Initial Margin and Variation Margin) as security for the performance by an FX FCM of its obligations to the Clearing House in respect of FCM ForexClear Contracts to which such FX FCM is a party in accordance with FCM Regulation 14 (*Margin and Collateral*). This may be required from time to time where, in the opinion of the Clearing House, the risk inherent in FCM ForexClear Contracts to which such FX FCM is a party not adequately covered by Initial Margin or Variation Margin. This may cover instances where stress testing losses under various scenarios provided in the ForexClear Default Fund Supplement have increased.

(b)   *Minimum Excess Requirement Buffer ("**MER Buffer**")*

To facilitate the intraday registration of FCM ForexClear Contracts, at each EOD Margin Run, the Clearing House will call from each FX FCM, separately in respect of its Proprietary Account and each of its FCM Client Sub-Accounts, an amount of IM referred to as "**Minimum Excess Requirement Buffer**" ("**MER Buffer**") in respect of that FX FCM's and its FCM Clients' potential intraday Liabilities (as defined below in Section 2.2.17~~2.2.17~~) for the following day. MER Buffer is part of the FX FCM's Required Margin. An FCM's MER Buffer is calculated in respect of an FCM's Proprietary Account and each of its FCM Client Sub-Accounts, and Margin furnished in respect of MER Buffer is credited to each account (as applicable) as IM. Notwithstanding the foregoing, for purposes calculating a given FCM's MER Buffer, the Clearing House may from time to time, and in its sole discretion, exclude an FX FCM's given FCM ForexClear Suspension Sub-Accounts from such calculation.

The required amount of MER Buffer for each applicable account of an FX FCM is expressed as a percentage of start-of-day portfolio IM for such account. The MER Buffer for each account is calibrated daily based on recent activity within the relevant account such that higher levels of intraday trade volumes lead to a proportionally higher MER Buffer requirement and vice versa. The MER Buffer percentage is calculated as a given percentile of intraday peak relative IM changes over a given number of historical business days.

The parameters of the MER Buffer model are: MER percentile, MER look-back period, relative MER cap and absolute MER floor. The values of these parameters are calibrated based on the quantitative analysis of the FX FCM's IM history across the ForexClear Service.

As FCM ForexClear Contracts are registered in an FX FCM's relevant accounts, the Clearing House will, in accordance with the Margin Run

Formatted: English (United States)

process, calculate the FX FCM's intraday Liabilities (or, in the case of an Incremental Risk Check, the FX FCM's estimated Liabilities), taking into account any IM posted as MER Buffer in the applicable account.

At each EOD Margin Run, the Clearing House will recalculate and call the FCM's Required Margin, which includes MER Buffer for all accounts.

(c)   *Mutualized Credit Extension ("MCE")*

If an FX FCM has insufficient Margin attributed to an account to enable the registration of further FCM ForexClear Contracts in such FCM Client Sub-Account or its Proprietary Account, then the Clearing House may make available to an FX FCM intraday credit (in the form of intraday Initial Margin forbearance) by way of a Mutualized Credit Extension ("**MCE**") to enable the FX FCM to register further FCM ForexClear Contracts. An FX FCM may utilize MCE intraday on a one-to-one basis to the value of the IM that would have been required to cover that FX FCM's Liabilities (or, in the case of Incremental Risk Checks, the FX FCM's estimated Liabilities). The amount of the MCE made available to an FX FCM in aggregate during any one day must not exceed an amount that is the lesser of: (a) 50 per cent. of the ForexClear MCE Default Fund Buffer; or (b) the sum of the FX FCM's IM and ForexClear Contribution. The amount of the "**ForexClear MCE Default Fund Buffer**" is currently zero and therefore the Clearing House will not provide MCE to any FX FCM until further notice.

For the avoidance of doubt, MCE is provided in the form of intraday Initial Margin forbearance and an FX FCM's utilization of MCE does not give rise to any payment or transfer of Collateral by the Clearing House nor does it result in any use of the ForexClear Fund Amount (except in events of default).

All MCE credit extended on any given day shall be revoked at the close of business on such day (unless revoked earlier in accordance with the following paragraph). As part of each EOD Margin Run, the Clearing House will call IM from each FX FCM to replace any utilized MCE and that FX FCM's MCE will be reset for the following day (assuming such FX FCM has satisfied any margin calls). Any failure of an FCM Clearing Member to satisfy an IM call relating to the replacement of MCE constitutes a default by such FCM Clearing Member—just as any failure by an FCM Clearing Member to satisfy any other type of IM call constitutes a default.

The MCE is made available at the Clearing House's sole discretion. In particular (but without limitation), the Clearing House may refuse to extend MCE to any or all FX FCMs on risk management grounds, and may at any time require an FXCCM to provide IM in place of any utilized MCE.

(d)   *Intra-day Margin Calls*

In accordance with the Clearing House's FCM Regulations, the Clearing House is entitled to make additional margin calls for furnishing of Margin on the same day (intra-day margin calls) where it is considered necessary. Intra-day margin calls can be called at any time throughout the business day (08:30 to 21:00 hours, London time). Intra-day margin calls will usually be made via the Protected Payments System (PPS) (see Section 2.2.23(c)2.2.22(c)).

In certain circumstances the Clearing House may wish to make a call for additional Margin after the closure of UK PPS facilities at 16:00 hours, London time. In this event the Clearing House will require payment of additional funds through PPS facilities in the USA (see Section 3.2). Members must ensure, in these circumstances, that they are in a position to fund such calls through their nominated US PPS account within one hour of the call.

2.2.13   *Initial Margin Management Events Service ("IMMES")*

IMMES aims to find risk and IM reducing FCM ForexClear Contracts and ForexClear Contracts among participating FXCCMs. IMMES can be run on all Currency Pairs that are cleared through the FCM ForexClear Service, although the primary focus will be on those Currency Pairs that contribute to the largest IM requirement. IMMES is available in respect of an FX FCM's house account only.

FX FCMs who wish to obtain further information about, or to participate in, IMMES should contact ForexClear Business Operations at 0207 426 7527. To be eligible to participate in IMMES, an FX FCM must enter into an IMMES agreement with the Clearing House (the "**IMMES Agreement**").

(a)   *Step-by-step details*

The Clearing House usually conducts the IMMES at least monthly.

A reminder that there is an IMMES run taking place is sent out the week before to each FXCCM which is a party to an IMMES Agreement with LCH and each FXCCM is asked to confirm their participation.

On the day of the scheduled IMMES run, the Clearing House analyses all participating FXCCMs' profiles to find FCM ForexClear Contracts and ForexClear Contracts with equivalent and opposite delta values by tenor and Currency Pair to compile a list of offsetting suggested trades that are mutually beneficial in terms of IM reduction (the "**IMMES Trades**").

The Clearing House then analyses the relevant FX FCM's FCM ForexClear Contract portfolios with the IMMES Trades and

ITD/Ad-hoc Margin Runs are calls in respect of Initial Margin only. Variation Margin and PAI are not included in ITD/Ad-hoc Margin Runs.

(b)   *EOD Margin Run*

The EOD Margin Run is the final ITD/Ad-hoc Day Margin Run that completes by 24:00 hours, London time, on that business day (the "**EOD Margin Run**").

EOD Margin Runs are calls in respect of Initial Margin as well as Variation Margin, NSA and PAI.

(c)   *ITD / Ad Hoc - Night Margin Run*

ITD/Ad-hoc London overnight Margin Runs are initiated as and when dictated by the Schedule or as necessary, and are performed in the time period during which a PPS call cannot be made (the "**ITD/Ad-hoc Night Margin Run**").

ITD/Ad-hoc Night Margin Runs are calls in respect of Initial Margin only. Variation Margin, NSA and PAI are included in ITD/Ad-hoc Night Margin Runs, but only as a component of IM.

2.2.17   *Margin Run Process*

Margin Runs cover all registered FCM ForexClear Contracts with the status "NOVATED".

Margin runs will be carried out for each FCM ForexClear Contract and FCM ForexClear Transaction (as the case maybe) until (and including) the later of:

(a)   EOD Margin Run on the Settlement Date; or

(b)   EOD Margin Run after the Settlement Rate is published.

During every Margin Run the Clearing House calculates the Initial Margin required and (where applicable) the Variation Margin and PAI required to cover each FX FCM's relevant open FCM ForexClear Contracts and FCM ForexClear Transactions (each a "**Liability**" and together the "**Liabilities**").

Each FX FCM's Liability is offset against that FX FCM's non-cash Collateral account (being a sub-account of the FX FCM's financial account) (for IM only) or funds in that FX FCM's cash account (being a sub-account of the FX FCM's financial account) (for VM/PAI/IM). Initial Margin will always be a Liability (payable to the Clearing House) and Variation Margin, NSA and PAI may be a cash posting or a Liability (payable by, or to, the Clearing House, respectively).

FX FCMs are informed via email of their Liabilities as a percentage of their current total cover (such percentage being shown as a percentage of the aggregate cover in their cash and non-cash Collateral account(s)) and are

directed to the ForexClear Services portal (being a secure website made available to FXCCMs) (the "**ForexClear Service Portal**") which provides reports (at the times specified in Section 2.2.222.2.21) informing FX FCMs of their (i) total Liabilities under the FCM ForexClear Service; (ii) current total cover posted with the Clearing House for the FCM ForexClear Service (including any MCE, if any); and (iii) Liabilities as a percentage of their current total cover (such percentage being shown as a percentage of the aggregate cover in their cash and non-cash Collateral account(s)).

If following a Margin Run an FX FCM is required to provide additional Collateral, this is also indicated by email and via the ForexClear Service Portal. In the case of ITD/Ad-hoc Margin Runs, where an FX FCM's Liabilities exceed its available cover and any MCE then the Clearing House will issue a margin call for the amount of the shortfall plus 50 per cent. of the FX FCM's MER Buffer amount.

2.2.18   *Compression*

    (a)   Pursuant to FCM Regulation 49(l) (*Registration of FCM ForexClear Contracts; Compression; ForexClear Accounts*), an FCM Clearing Member may compress existing FCM ForexClear Contracts in accordance with that FCM Regulation. There are two options available to an FCM Clearing Member that wishes to compress FCM ForexClear Contracts:

        (i)   an FCM Clearing Member can request that all FCM ForexClear Contracts entered into (i) on behalf of a designated FCM Client and in respect of a particular FCM Client Sub-Account (including an FCM ForexClear Suspension Sub-Account), or (ii) on such FCM Clearing Member's own behalf, be considered for compression by the Clearing House. Such a request shall be reconsidered by the Clearing House automatically each day (and the results notified to the FCM Clearing Member after the applicable scheduled compression run) until the FCM Clearing Member notifies the Clearing House to discontinue such compression of FCM ForexClear Contracts. FCM Clearing Members should contact the Clearing House's Membership Department to request such a compression of FCM ForexClear Contracts; or

        (ii)   an FCM Clearing Member may notify the Clearing House directly through the ClearLink API specifying which FCM ForexClear Contracts and/or Resulting FCM ForexClear Contracts should be compressed. The FCM Clearing Member will be notified after the applicable scheduled compression run whether compression has occurred and the Clearing House will not automatically reconsider such compression request on subsequent days regardless of whether compression has occurred.

Formatted: English (United States)

LCH Rule Submission

Appendix C

Procedures Section 2I (ForexClear Service)

LCH.CLEARNET LIMITED

PROCEDURES SECTION 2I

FOREXCLEAR CLEARING SERVICE

CONTENTS

1.   **INTRODUCTION AND INTERPRETATION**

These Procedures govern the ForexClear Service, form part of the Rulebook and must be read in conjunction with the other parts of the Rulebook.

Any terms not defined in these Procedures have the definitions given to them in the Rulebook.

References to "**Sections**" shall mean Sections in these Procedures.

References to "**Business Day**", "**Calculation Agent**", "**Currency Pair**", "**Disruption Fallback**", "**Notional Amount**", "**Reference Currency**", "**Settlement Currency**", "**Settlement Currency Amount**", "**Settlement Date**", "**Settlement Rate**", "**Settlement Rate Option**", "**Trade Date**", "**Valuation Date**", "**Valuation Postponement**" shall have the meanings given to them in the ForexClear Contract Terms.

References to "**business day**" shall carry the meaning given to it in the Rulebook.

"**EMTA**" means EMTA Inc., the trade association for the emerging markets that was formerly known as the Emerging Markets Traders Association, or any successor entity.

"**EMTA Template**" means, where applicable, the template terms for a Non-Deliverable FX ~~Transactions~~Transaction for a particular Currency Pair that are in effect and published by EMTA on its website on the relevant Trade Date.

"**LCH G10 NDF Contract Template**" means, where applicable, the template terms for a Non-Deliverable FX Transaction for a particular Currency Pair that are set forth in the ForexClear Contract Terms.

"**Relevant EMTA Template**" means, for a particular ForexClear Contract, the EMTA Template that is incorporated by reference into the ForexClear Contract Terms applicable to such Contract, together with any amendments thereto as set out in the ForexClear Contract Terms.

"**Submission Date**" means the date on which a given trade is submitted to the Clearing House for registration.

Unless otherwise specified, all times are in local London time.

The liability of the Clearing House is as set out in Regulation 52 (*Exclusion of Liability*), which applies to these Procedures in its entirety unless provided otherwise.

1.1   **Users of ForexClear**

The ForexClear Service is an interface that processes and stores all ForexClear Transactions. Those authorised by the Clearing House to submit trades (as defined below) for clearing in the ForexClear Service fall into two categories – ForexClear Clearing Members ("**FXCCMs**") and ForexClear Dealers ("**FXDs**"). FXCCMs are clearing members who have applied and have been accepted by the Clearing House to

FXCCMs must not submit instructions to the Clearing House for trades which will not meet the ForexClear Eligibility Criteria. The Clearing House will register a ForexClear Transaction on the basis of the data provided to it by the ForexClear Approved Trade Source System and has no obligation to verify that the details received from the ForexClear Approved Trade Source System in respect of a ForexClear Transaction properly reflect the trade entered into by the relevant FXCCMs.

Application for ForexClear Approved Trade Source System status shall be made in accordance with the policies published from time to time on the Clearing House's website. A list of ForexClear Approved Trade Source System currently approved by the Clearing House is available on the Clearing House's website. Where the Clearing House approves additional ForexClear Approved Trade Source System, it will notify FXCCMs via a member circular.

The Clearing House is not able to, and will not, verify the authorisation of the source of any details of any ForexClear Transaction reported to it for registration by the ForexClear Approved Trade Source System. The Clearing House shall have no liability in the event that any FXCCM suffers any loss through the unauthorised input of details into a system of a ForexClear Approved Trade Source System.

Notwithstanding the designation by the Clearing House of a system as a ForexClear Approved Trade Source System, the Clearing House makes no warranty (and will accept no liability) as to the effectiveness, efficiency, performance or any other aspect of the services provided by any ForexClear Approved Trade Source System or the timeliness or otherwise of the delivery of any ForexClear Transaction details by that ForexClear Approved Trade Source System to the Clearing House. Such matters form part of the relationship between the FXCCM and the ForexClear Approved Trade Source System and the terms of such relationship may entitle the ForexClear Approved Trade Source System to suspend the ability of an FXCCM to make submissions from time to time.

The Clearing House accepts no liability for any error within or corruption of any data sent by the ForexClear Approved Trade Source System to the Clearing House or to an FXCCM or any delay in or failure of the transmission of such data to the Clearing House. In the event that the Clearing House registers any ForexClear Contract(s) on the basis of incorrect or corrupted data sent to it by a ForexClear Approved Trade Source System, the FXCCM(s) concerned shall be bound by the terms of such ForexClear Contract(s), unless the ForexClear Contract is subsequently cancelled in accordance with Regulation 91 (*Cancellation of ForexClear Contracts*).

1.3.3   *Trade Validation and Registration*

    (a)   *Process Flow Description*

        (i)   The Clearing House performs a validation check on each trade submitted by FXPs to ensure that each such trade meets the ForexClear Eligibility Criteria and the Counterparty Technical

Validation Check (as defined <u>below</u> in paragraph (b)) and Incremental Risk Checks (as defined in paragraph (c) of this Section 1.3.3 (*Trade Validation and Registration*) required for ForexClear Transactions (together the "**Validation Checks**").

(ii)   Trades that pass the Validation Checks are accepted and two trade records are created for the ForexClear Transaction: one for the ForexClear Contract between the Clearing House and the first FXCCM to the ForexClear Transaction and the other for the ForexClear Contract between the Clearing House and the second FXCCM to the ForexClear Transaction.

(iii)   Provided each FXCCM has transferred sufficient Collateral to the Clearing House, the Clearing House will send a message via the ForexClear Approved Trade Source System confirming the registration or, where the trade fails a Validation Check, the trade will be rejected and a status message will be sent to the ForexClear Approved Trade Source System giving a reason for rejection.

(iv)   As provided in paragraph 1.2.5(d) (*Novation and Registration*), in respect of messages confirming registration, the time of dispatch of such message shall be the Registration Time of that ForexClear Contract.

(v)   The internal sub-account (i.e. FXCCM, branch, or FXD) into which each trade record is booked is derived from the BIC code within the message from the ForexClear Approved Trade Source System. The BIC links to the FXCCM reference data.

(vi)   Both new trade records arising out of the ForexClear Transaction have the same unique ForexClear ID (the "**ForexClear ID**"). Any further events or actions are applied on the basis of this ForexClear ID, to ensure consistency.

(b)   "**Counterparty Technical Validation Check**" ~~The counterparties to each trade (a) are both parties submitted trade particulars FXPs, (b) are each a Non-Defaulting FXCCM and (c) are~~<u>(a) Each counterparty to the trade is a FXP, (b) each FXCCM in whose name the ForexClear Contract is to be registered has not been declared a Defaulter by the Clearing House and (c) each counterparty to the trade is</u> approved by the Clearing House to clear the relevant trade type.

(c)   *Incremental Risk Checks*

(i)   The Clearing House will apply an "**Incremental Risk Check**" to each individual ForexClear Transaction. The Incremental Risk Check uses a suitable approximation methodology to estimate an FXCCM's Liabilities (including the new ForexClear Transaction) against available Collateral (taking into account any MER Buffer and MCE made available by the

(iv)   All trade cancellation instructions must pass the Incremental Risk Check. If any FXCCM has not transferred sufficient Collateral in respect of its Liabilities or estimated Liabilities to the Clearing House (taking into account any MER Buffer and MCE provided by the Clearing House, if any) at the time of the relevant Incremental Risk Check, then any ForexClear trade cancellation instruction to which it is a party will be rejected immediately. However, any ForexClear trade cancellation instruction that is risk reducing (i.e. results in a reduction of that FXCCM's Liabilities) will always pass the Incremental Risk Check, even if the FXCCM has not transferred sufficient Collateral in respect of its Liabilities to the Clearing House.

1.3.6   *Valuation Date Event Management*: The Clearing House is the Calculation Agent and will store and apply the Settlement Rate Option and the Valuation Date for each ForexClear Contract.

On the Valuation Date with respect to each ForexClear Contract, the Settlement Rate will be retrieved ~~from the Settlement Rate Option per Currency Pair in accordance with the Relevant EMTA Templates.~~as set forth in paragraph (a) below. The Market Data provider for Settlement Rates is Reuters.

ForexClear applies the relevant Settlement Rate to ForexClear Contracts using the ~~following criteria~~:

(a)   Settlement Rate Option source code ~~(as referenced in the Relevant ETMA Template);~~; and

(b)   Valuation Date.

The Clearing House applies the Settlement Rate to all relevant ForexClear Contracts at a predefined time ~~(see Section 1.4 (*Market Data*) below)~~ following its publication.

The Clearing House calculates the Settlement Currency Amount in the Settlement Currency per ForexClear Contract. FXCCMs can retrieve the Settlement Rate and Settlement Currency Amount in the Settlement Currency via ForexClear Reporting (as defined in Section 1.7 (*ForexClear Reporting*)) on the ForexClear Service Portal and on MemWeb, which are internet services onto which information is loaded and can be accessed by FXCCMs.

(c)   *Process Flow Description*

(i)   After the Registration Time for a ForexClear Contract, the ForexClear Service links a Settlement Rate Option to it in accordance with the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

(ii)   On the Valuation Date, the Clearing House uses the Settlement Rate for the Currency Pair for the ForexClear Contract when it

is published by Reuters, and calculates the Settlement Currency Amount for each ForexClear Contract in the Settlement Currency by applying the relevant Settlement Rate Option as referenced in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

(iii)   If the Settlement Rate Option set out in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable, is unavailable at the relevant time, Disruption Fallback alternatives for the determination of the Settlement Rate will apply as set out in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

1.3.7   *Settlement*:   With respect to each ForexClear Contract, the Settlement Currency Amount is calculated by the application of the Settlement Rate to the Notional Amount in accordance with the ForexClear Contract Terms.

From (and including) the Registration Time to (and including) the Business Day immediately preceding the Settlement Date, changes in the daily value of open ForexClear Contracts will have resulted in variation margin credits and debits between the parties (as set out at Section 1.5.2 (*Variation Margin*)). With respect to each ForexClear Contract, on the Business Day immediately preceding the Settlement Date, the Clearing House nets the Settlement Currency Amount against the aggregate net variation margin which has been paid/received through the term of the ForexClear Contract, the result of which is a Net Settlement Amount ("**NSA**"), which will be reflected in the FXCCMs' cash accounts with the Clearing House on the Settlement Date. As such, with respect to each ForexClear Contract, the transfer to the Clearing House of all the Collateral in respect of the variation margin required during the term of such ForexClear Contract shall satisfy the relevant party's obligation to pay the Settlement Currency Amount on the Settlement Date of such ForexClear Contract. For the purpose of providing Nostro reconciliations, to the relevant parties, the Clearing House will provide Reporting (as defined in Section 1.7 (*ForexClear Reporting*)) which will reflect an entry for the "**Settlement Currency Amount**" and a separate entry for the reversal of the aggregate net variation margin which has been paid/received through the term of the ForexClear Contract. This paragraph applies even if the Settlement Date has been adjusted in accordance with the ForexClear Contract Terms.

1.3.8   *Portfolio Management*:   The Clearing House allows portfolios of ForexClear Contracts to be transferred between FXCCMs e.g. in the event of merger, or where agreed between the relevant FXPs.

The portfolio transfer capability allows the transfer of:

(a)   A single ForexClear Contract.

(b)   Part of an FXCCM's portfolio (which includes the ability to transfer ForexClear Contracts to various other FXCCMs, e.g. Bank A to Bank B for USD/RUB, Bank A to Bank C for USD/KRW and Bank A to Bank D for USD/BRL).

(c)   Portfolio transfer (i.e. the transfer of all or just one of the portfolios belonging to an FXCCM).

(d)   Multiple portfolio transfers (i.e. the transfer of several portfolios of an FXCCM).

The Clearing House will carry out the portfolio transfer. For transfers under (b), (c) and (d), this can be on a ForexClear Contract by ForexClear Contract or on a Currency Pair basis.

Before the completion of a portfolio transfer, the Clearing House will perform a margin impact analysis of the transfer to the source and destination portfolios. The Clearing House will advise the relevant FXCCM regarding any additional Collateral that may be required in order to complete the portfolio transfer.

(e)   *Legal Documentation*: The Transfer of ForexClear Contracts will be documented in accordance with the standard legal documentation for the transfer of ForexClear Contracts provided by the Clearing House to FXPs. Any such transfer must be authorised by all relevant parties and executed by individuals with appropriate signing authority.

1.3.9   *Reference Data*

(a)   *Holiday Event Calendar:*

The ForexClear Service uses the SwapsMonitor Financial Calendar (as published by Swaps Monitor Publications, INC.) ("**SwapsMonitor Financial Calendar**") in order to determine holidays. This requires all ForexClear Participants to be licensees of the SwapsMonitor Financial Calendar.

If a change is declared that affects the SwapsMonitor Financial Calendar that is referenced on ForexClear, then a corresponding calendar adjustment will be made to the ForexClear system, unless the Clearing House informs FXCCMs by notice on its website (at www.lchclearnet.com/asset-classes/foreign-exchange/products, or such other web page as the Clearing House determines) that the relevant change will not apply to ForexClear Contracts. a corresponding calendar adjustment will be made to the ForexClear system. The Clearing House may temporarily close the ForexClear Service to process a calendar adjustment in its clearing system. FXCCMs will be notified in advance of the date, time and expected duration of such closure.

(b)   *Date Adjustment:*

As a result of the calendar adjustment process, the Valuation Date and/or the Settlement Date of any affected ForexClear Contracts will automatically be date adjusted in accordance with the provisions of the

Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable.

The Clearing House will notify the FXCCMs via file download from the Clearing Member Reporting as to the ForexClear Contracts affected and the date adjustments made.

1.4 **Market Data**

1.4.1   *Sources used by ForexClear Service*:   The ForexClear Service collates instrument quotes for the following from multiple market sources (as detailed in Section 1.4.2 (*Market Data Sources and Frequencies*)) in relation to each Currency Pair:

(a)   FX spot rates ("**FX Spot Rates**");

(b)   FX swap points ("**FX Swap Points**");

(c)   Settlement Rate Option;

(d)   Interest rate curves (see paragraph (b) of Section 1.4.5 (*Curve Building in ForexClear*) below) ("**Interest Rate Curves**");

(e)   USD LIBOR Curve;

(f)   PAI rates ("**PAI Rates**"); and

(g)   Country credit spreads (see Section 1.4.6 (*Country Credit Spreads*) below) ("**Country Credit Spreads**"),

together, "**Market Data**".

FX Spot Rates and FX Swap Points are received by the Clearing House via a live link from all eligible FXCCMs during the Opening Hours (as defined in paragraph (b) of Section 1.2.2 (*Service Operating Hours*)).

1.4.2   *Market Data Sources and Frequencies*:   The Clearing House receives the following updated raw prices:

(a)   FX Spot Rates:

(i)   Source – contributing FXCCMs.

(ii)   Frequency - every time updated by contributing FXCCMs up to a maximum rate of once every five minutes.

(b)   FX Swap Points:

(i)   Source - all contributing FXCCMs.

(ii)   Frequency - every time updated by contributing FXCCMs up to a maximum rate of once every five minutes.

(iii)   Tenors – as shown in the table below.

Tenor
S/N
1 week
1 month
2 months
3 months
6 months
12 months
24 months

(c)   Settlement Rate Options:

(i)   Source - Reuters.

(ii)   Frequency - when published (as referenced in the Relevant EMTA Template or given LCH G10 NDF Contract Template, as applicable).

(d)   Interest Rate Curves:

(i)   Source - internal Clearing House.

(ii)   Frequency - at each SwapClear margin run.

(e)   Country Credit Spreads:

(i)   Source - Bloomberg.

(ii)   Frequency - when published.

(f)   USD LIBOR Curve:

(i)   Source - SwapClear.

(ii)   Frequency - at each SwapClear margin run.

(g)   PAI rates:

(i)   Source - LCH Treasury.

(ii)   Frequency - daily.

1.4.3   *[Not Used]*

1.4.4   *Market Data Provision to FXCCMs*: Market Data used in a Margin Run is made available to FXCCMs via ForexClear Reporting (as defined in Section 1.7 (*ForexClear Reporting*)).

1.4.5   *Curve Building in ForexClear*

Appendix D

FCM Product Specific Contract Terms and Eligibility Criteria Manual

FCM PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA MANUAL

CONTENTS

SCHEDULE 3
FCM FOREXCLEAR

PART A
FCM FOREXCLEAR CONTRACT TERMS

The terms of a registered FCM ForexClear Contract shall include these FCM ForexClear Contract Terms which shall comprise:

Interpretation;

(1)   Economic Terms; and

(2)   Standard Terms, being both the:

      A.   Specific Standard Terms; and

      B.   General Standard Terms

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the FCM Regulations and the FCM Procedures, the Clearing House will use the FCM ForexClear Contract Terms applicable to an FCM ForexClear Contract to calculate the amounts due under the FCM ForexClear Contract to, or from, the Clearing House in accordance with the FCM Procedures.

1.   **Interpretation ("Interpretation")**

1.1   "**ISDA Definitions**" means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by ISDA, EMTA and FXC, and the same are incorporated by reference herein.

1.2   "**FXC**" means the Foreign Exchange Committee or any successor entity

1.3   "**ISDA**" means International Swaps and Derivatives Association, Inc. or any successor entity.

1.4   Words and expressions used in these FCM ForexClear Contract Terms which are not defined herein shall have the meanings given to them in the FCM Regulations and the FCM Procedures, unless expressly provided otherwise. Words and expressions used in these FCM ForexClear Contract Terms which are not defined in the FCM Regulations and the FCM Procedures but which are defined in the ISDA Definitions shall have the meanings given to them in the ISDA Definitions, unless expressly provided otherwise.

1.5   In the event of an inconsistency, the FCM Regulations and the FCM Procedures will prevail over the ISDA Definitions.

1.6   References in the ISDA Definitions to an "**FX Transaction**" shall be deemed to be references to an "**FCM ForexClear Transaction**" for the purposes of the FCM ForexClear Service.

1.7   Except where expressly stated otherwise, all reference to "**Sections**" means Sections in the ISDA Definitions.

1.8   In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the FCM ForexClear Clearing Members, give directions as to whether such amendment shall apply to FCM ForexClear Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (**provided that** in any event any such amendment shall only apply in relation to FCM ForexClear Contracts that have a Trade Date that falls on or after the effective date of such amendment).

1.9   Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to FCM ForexClear Contracts going forward, these FCM ForexClear Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with FCM ForexClear Contracts registered in an FCM ForexClear Clearing Member's name prior to the time such amendment comes into effect.

1.10   The accidental omission to give notice under this provision to, or the non-receipt of notice under paragraphs 1.8 or 1.9 above by, any FCM ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2.   **Economic Terms**

2.1   The Economic Terms of an FCM ForexClear Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding FCM ForexClear Transaction.

2.2   The particulars of an FCM ForexClear Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms which are not predetermined in the EMTA Templates or LCH G10 NDF Contract Templates, where applicable:

        (1)   Trade Date (Section 1.25)

        (2)   Forward Rate (Section 2.1(a))

        (3)   Reference Currency Notional Amount (Section 1.21) or Notional Amount (Section 1.17(b)) in USD

        (4)   Reference Currency Buyer (Section 1.20)

        (5)   Reference Currency Seller (Section 1.22)

        (6)   scheduled Settlement Date (Section 1.24) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or LCH G10 NDF Contract Template)

        (7)   scheduled Valuation Date (Section 1.16(f)) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or LCH G10 NDF Contract Template).

2.3   However, as set out more particularly in FCM Regulation 38, where the FCM ForexClear Transaction specifies an FCM ForexClear Clearing Member as the Reference Currency Seller, with the other FCM ForexClear Member as the Reference Currency Buyer, the Clearing House, in respect of each FCM ForexClear Contract to which it is party pursuant to the corresponding FCM ForexClear Transaction, shall be (i) the Reference Currency Buyer; and (ii) the Reference Currency Seller under such FCM ForexClear Contract, respectively.

3.   **Specific Standard Terms ("Specific Standard Terms")**

The following terms are designated as Specific Standard Terms of a registered FCM ForexClear Contract:

3.1   The EMTA Template or LCH G10 NDF Contract Template appropriate to the particular Currency Pair is incorporated by reference into these FCM ForexClear Contract Terms, as amended herein, and governs the terms of an FCM ForexClear Contract relating to such a given Currency Pair together with, and subject to, the Economic Terms set out in Clause 2 above, and the Specific Standard Terms and the General Standard Terms set out in this Clause 3 and the General Standard Terms set out in Clause 4 or Clause 5 below, as applicable. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA Template Terms for Non-Deliverable Cross-Currency FX Transactions published by EMTA on 31 May 2011.

3.2   In the format "Reference Currency – Settlement Currency", the Currency Pairs are

(1)   BRL-USD

(2)   CLP-USD

(3)   CNY-USD

(4)   INR-USD

(5)   KRW-USD

(6)   RUB-USD

(7)   COP-USD

(8)   IDR-USD

(9)   MYR-USD

(10)   PHP-USD

(11)   TWD-USD

(12)   PEN-USD

(13)   EUR-USD

(14)   GBP-USD

(15)   AUD-USD

(16)   CHF-USD

(17)   JPY-USD

3.3   ~~Certain~~ Where applicable, certain Specific Standard Terms of each FCM ForexClear Contract are not provided in the EMTA Templates, but the parties to the corresponding FCM ForexClear Transaction will be required to accept the Specific Standard Terms set out below in each FCM ForexClear Contract:

(1)   Date of Annex A (Section 4.2):

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

(2)   Reference Currency (Section 1.19):

To be determined by using the EMTA Template or LCH G10 NDF Contract Template appropriate to the particular Currency Pair.

Calculation Agent (Section 1.3):

(3)   The Clearing House is the Calculation Agent.

3.4   If the terms of an EMTA Template conflict with these FCM ForexClear Contract Terms, these FCM ForexClear Contract Terms shall prevail. If the terms of an EMTA Template conflict with the ISDA Definitions, the terms of the EMTA Template shall prevail.

4.   **General Standard Terms ("General Standard Terms")**

The following terms are designated as General Standard Terms of a registered FCM ForexClear Contract:

4.1   *Business Days*

For the purposes of determining the Settlement Date and the Valuation Date only, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the FCM Procedures) from time to time, will apply to an FCM ForexClear Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 2.2.8(k) (*Reference Data*) of the FCM Procedures.

4.2   *Withholding Tax Provisions*

4.2.1   All payments due under an FCM ForexClear Contract shall be made by the FCM ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the FCM ForexClear Clearing Member, shall be increased to the extent necessary to ensure that,

5.   General Standard Terms – G10 Currencies ("General Standard Terms – G10 Currencies")

The following terms are designated as General Standard Terms – G10 Currencies of a registered FCM ForexClear Contract – G10 Currencies:

5.1   *Valuation Postponement for Price Source Disruption*

"**Valuation Postponement**" means, for purposes of obtaining a Settlement Rate, that the Settlement Rate will be determined on the business day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Settlement Rate will be determined on the next business day after the Maximum Days of Postponement as being the applicable Fallback Reference Price.

5.2   *Fallback Reference Price*

"**Fallback Reference Price**" means the Clearing House calculated end of day spot price for the applicable Currency Pair from the previous end of day margin run.

5.3   *WM/Reuters Closing Spot Rate*

"**WM/Reuters Closing Spot Rate**" means, for the relevant Currency Pair, the exchange rate at the relevant time at which such rate is to determined for foreign exchange transactions for value on the relevant Settlement Date, as calculated and published by the WM Company and Thomson Reuters, which appears on the respective Thomson Reuters screen, as follows:

(a)   Reference Currency: AUD; Settlement Currency: USD; Thomson Reuters Screen: USDAUDFIXM=WM

(b)   Reference Currency: GBP; Settlement Currency: USD; Thomson Reuters Screen: USDGBPFIXM=WM

(c)   Reference Currency: EUR; Settlement Currency: USD; Thomson Reuters Screen: USDEURFIXM=WM

(d)   Reference Currency: CHF; Settlement Currency: USD; Thomson Reuters Screen: USDCHFFIXM=WM

(e)   Reference Currency: JPY; Settlement Currency: USD; Thomson Reuters USDJPYFIXM=WM

PART B
REGISTRATION OF AN FCM FOREXCLEAR CONTRACT - PRODUCT ELIGIBILITY CRITERIA

1. **Registration of an FCM ForexClear Contract**

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

   (a)   the transaction meets the Product Eligibility Criteria set out in paragraphs 2 or 3 below, as applicable, for an FCM ForexClear Transaction;

   (b)   each party to the transaction is an Executing Party; and

   (c)   the FCM ForexClear Clearing Member in whose name the FCM ForexClear Contract is to be registered has not been declared a defaulter by the Clearing House.

   and the requirements of ~~Paragraph~~ paragraphs 1(a), (b) and (c) above continue to be satisfied at the Registration Time.

2. **FCM ForexClear Product Eligibility Criteria for an FCM ForexClear Contract – Emerging Currencies**

Instrument	Non-Deliverable FX Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of:

   1.   BRL – Brazilian Real,

   2.   RUB – Russian Rouble,

   3.   INR – Indian Rupee,

   4.   CLP – Chilean Peso,

   5.   CNY – Chinese Yuan,

   6.   KRW – South Korean Won,

   7.   COP – Colombian Peso,

   8.   IDR – Indonesian Rupiah,

   9.   MYR – Malaysian Ringgit,

   10.   PHP – Philippine Peso, or

11.	TWD – Taiwan Dollar.
12.	PEN – Peruvian Sol

Valuation Date

A date with respect to the Currency Pair to which the ForexClear Transaction relates and is (i) a valid Business Day, (ii) no earlier than the Business Day (as defined in the FCM Regulations) immediately following the Submission Date and (iii) determined as set forth in the FCM Procedures and/or relevant EMTA Template for the Currency Pair.

Settlement Date

A date with respect to the Currency Pair to which the ForexClear Transaction relates and is:

A. no earlier than the date immediately following the Valuation Date; and

B. no later than the date falling two calendar years plus two Business Days immediately following the Submission Date, **provided that** in each case such date shall be: (i) a valid Business Day and (ii) determined as set out in the FCM Procedures and/or relevant EMTA Template.

Settlement Type Non-Deliverable

Settlement Currency USD

Calculation Agent The Clearing House

3. **FCM ForexClear Product Eligibility Criteria for an FCM ForexClear Contract – G10 Currencies**

Instrument Non-Deliverable FX Transaction – G10 Currencies

Economic Terms The transaction particulars submitted to the Clearing House specify all the Economic Terms.

Reference Currency One of:

1. EUR – Euro,

2. GBP – British Pound,

3. AUD – Australian Dollar,

4. CHF – Swiss Franc, or

5. JPY – Japanese Yen.

Valuation Date	A date with respect to the Currency Pair to which the FCM ForexClear Transaction relates and is (i) a valid Business Day, (ii) no earlier than the Business Day (as defined in the FCM Regulations) immediately following the Submission Date and (iii) determined as set forth in the FCM Procedures and/or given LCH G10 NDF Contract Template.
Settlement Date	A date with respect to the Currency Pair to which the FCM ForexClear Transaction relates and is:
	A. no earlier than the date immediately following the Valuation Date; and
	B. no later than the date falling two calendar years plus two Business Days immediately following the Submission Date, **provided that** in each case such date shall be: (i) a valid Business Day and (ii) determined as set out in the FCM Procedures and/or given LCH G10 NDF Contract Template.
Settlement Type	Non-Deliverable
Settlement Currency	USD
Settlement Rate (Option)	As set forth in the relevant LCH G10 NDF Contract Template
Calculation Agent	The Clearing House

PART C

LCH G10 NDF Contract Templates

i.   Specific Standard Terms for EUR/USD Non-Deliverable FX Transactions

Reference Currency:	EUR
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to

	9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

ii.   Specific Standard Terms for GBP/USD Non-Deliverable FX Transactions

Reference Currency:	GBP
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House

Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

iii.   Specific Standard Terms for AUD/USD Non-Deliverable FX Transactions

Reference Currency:	AUD
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.

Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

iv.   Specific Standard Terms for CHF/USD Non-Deliverable FX Transactions

Reference Currency:	CHF

Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention.

	An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

v.   Specific Standard Terms for JPY/USD Non-Deliverable FX Transactions

Reference Currency:	JPY
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business.

Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date. |
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date.

An 'unscheduled holiday' is deemed to be such when it (i) falls |

	on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

LCH Rule Submission

Appendix E

Product Specific Contract Terms and Eligibility Criteria Manual

PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA MANUAL

CONTENTS

Page

SCHEDULE 7
THE FOREXCLEAR REGULATIONS

PART A
FOREXCLEAR CONTRACT TERMS

The terms of a registered ForexClear Contract shall include these ForexClear Contract Terms which shall comprise:

(1)   Interpretation;

(2)   Economic Terms; and

(3)   Standard Terms, being both the:

    A.   Specific Standard Terms; and

    B.   General Standard Terms

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear Contract Terms applicable to a ForexClear Contract to calculate the amounts due under the ForexClear Contract to, or from, the Clearing House in accordance with the Procedures.

1.   **Interpretation ("Interpretation")**

1.1   "**ISDA Definitions**" means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by ISDA, EMTA and FXC and the same are incorporated by reference herein.

1.2   "**FXC**" means the Foreign Exchange Committee or any successor entity.

1.3   "**ISDA**" means International Swaps and Derivatives Association, Inc. Or any successor entity.

1.4   Words and expressions used in these ForexClear Contract Terms which are not defined herein shall have the meanings given to them in the Regulations and the Procedures, unless expressly provided otherwise. Words and expressions used in these ForexClear Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the ISDA Definitions shall have the meanings given to them in the ISDA Definitions, unless expressly provided otherwise.

1.5   In the event of an inconsistency, the Regulations and Procedures will prevail over the ISDA Definitions.

1.6   References in the ISDA Definitions to an "FX Transaction" shall be deemed to be references to a "ForexClear Transaction" for the purposes of ForexClear.

1.7   Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.

1.8 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment shall apply to ForexClear Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear Contracts that have a Trade Date that falls on or after the effective date of such amendment).

1.9 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear Contracts going forward, these ForexClear Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.

1.10 The accidental omission to give notice under this provision to, or the non-receipt of notice under paragraphs 1.8 or 1.9 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

2.1 The Economic Terms of a ForexClear Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear Transaction.

2.2 The particulars of a ForexClear Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms which are not predetermined in the EMTA Templates or LCH G10 NDF Contract Templates, where applicable:

 (d) Trade Date (Section 1.25)

 (e) Forward Rate (Section 2.1(a))

 (f) Reference Currency Notional Amount (Section 1.21) or Notional Amount (Section 1.17(b)) in USD

 (g) Reference Currency Buyer (Section 1.20)

 (h) Reference Currency Seller (Section 1.22)

 (i) scheduled Settlement Date (Section 1.24) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or LCH G10 NDF Contract Template)

 (j) scheduled Valuation Date (Section 1.16(f)) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or LCH G10 NDF Contract Template).

2.3 However, as set out more particularly in Regulation 90, where the ForexClear Transaction specifies a ForexClear Clearing Member as the Reference Currency Seller, with the other ForexClear Member as the Reference Currency Buyer, the Clearing House, in respect of each ForexClear Contract to which it is party pursuant to the corresponding ForexClear

Transaction, shall be (i) the Reference Currency Buyer; and (ii) the Reference Currency Seller under such ForexClear Contract, respectively.

3. **Specific Standard Terms ("Specific Standard Terms")**

The following terms are designated as Specific Standard Terms of a registered ForexClear Contract:

3.1 The EMTA Template or LCH G10 NDF Contract Template, appropriate to the particular Currency Pair is incorporated by reference into these ForexClear Contract Terms, as amended herein, and governs the terms of a ForexClear Contract relating to sucha given Currency Pair together with, and subject to, the Economic Terms set out in Part 2 above, the Specific Standard Terms set out in this Part 3, and the General Standard Terms set out in Part 4 or Part 5 below, as applicable. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA Template Terms for Non-Deliverable Cross-Currency FX Transactions published by EMTA on 31 May 2011.

3.2 In the format "Reference Currency – Settlement Currency", the Currency Pairs are

    (a)   BRL-USD

    (b)   CLP-USD

    (c)   CNY-USD

    (d)   INR-USD

    (e)   KRW-USD

    (f)   RUB-USD

    (g)   COP-USD

    (h)   IDR-USD

    (i)   MYR-USD

    (j)   PHP-USD

    (k)   TWD-USD

    (l)   PEN-USD

    (m)   CertainEUR-USD

    (n)   GBP-USD

    (o)   AUD-USD

    (p)   CHF-USD

    (q)   JPY-USD

3.3   Where applicable, certain Specific Standard Terms of each ForexClear Contract are not provided in the EMTA Templates, but the parties to the corresponding ForexClear Transaction will be required to accept the Specific Standard Terms set out below in each ForexClear Contract:

(d)   Date of Annex A (Section 4.2):

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

(e)   Reference Currency (Section 1.19):

To be determined by using the EMTA Template or LCH G10 NDF Contract Template appropriate to the particular Currency Pair.

(f)   Calculation Agent (Section 1.3):

The Clearing House is the Calculation Agent.

3.4   If the terms of an EMTA Template conflict with these ForexClear Contract Terms, these ForexClear Contract Terms shall prevail. If the terms of an EMTA Template conflict with the ISDA Definitions, the terms of the EMTA Template shall prevail.

4.   **General Standard Terms ("General Standard Terms")**

The following terms are designated as General Standard Terms of a registered ForexClear Contract:

4.1   *Business Days*

For the purposes of determining the Settlement Date and the Valuation Date only, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 1.3.9 (*Reference Data*) of Section 2I (*ForexClear Clearing Service*) of the Procedures.

4.2   *Withholding Tax Provisions*

(d)   All payments due under a ForexClear Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

(e)   All payments due under a ForexClear Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

4.3   ***Payment of Stamp Tax***

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("**Stamp Tax Jurisdiction**") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any ForexClear Contract registered by the Clearing House and to which that ForexClear Clearing Member is a party.

~~5.~~4.4   ***Discontinuation of a Settlement Rate Option***

~~5.1~~   If:

~~(d)~~(a)   the administrator of a benchmark that is a Settlement Rate Option has publicly announced that it will discontinue publication of the benchmark ("**Discontinued Rate**"); and

~~(e)~~(b)   ISDA has published a "Multilateral Amendment Agreement" to amend certain transactions to use an alternative benchmark ("**Substitute Rate**") in the lieu of the Discontinued Rate on and from a specified date ("**Effective Date**"),

then, in respect of a ForexClear Contract in respect of which a Settlement Rate has not been determined as at the Effective Date and which references the Discontinued Rate ("**Affected ForexClear Contract**"), the Clearing House may, by written notice to all ForexClear Clearing Members, amend the Settlement Rate Option of each Affected ForexClear Contract to reference the Substitute Rate with effect on and from the Effective Date and specify such incidental amendments to the Affected ForexClear Contract as may be required.

The terms "ISDA", "Settlement Rate Option" and "Valuation Date" have the meanings given to them by the ForexClear Contract Terms.

~~5.2~~4.5   The accidental omission to give notice under this provision to, or the non-receipt of notice by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

5.   **General Standard Terms – G10 Currencies ("General Standard Terms – G10 Currencies")**

The following terms are designated as General Standard Terms – G10 Currencies of a registered ForexClear Contract – G10 Currencies:

5.1 ***Valuation Postponement for Price Source Disruption***

"**Valuation Postponement**" means, for purposes of obtaining a Settlement Rate, that the Settlement Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Settlement Rate will be determined on the next Business Day after the Maximum Days of Postponement as being the applicable Fallback Reference Price.

5.2 ***Fallback Reference Price***

"**Fallback Reference Price**" means the Clearing House calculated end of day spot price for the applicable Currency Pair from the previous end of day margin run.

5.3 ***WM/Reuters Closing Spot Rate***

"**WM/Reuters Closing Spot Rate**" means, for the relevant Currency Pair, the exchange rate at the relevant time at which such rate is to determined for foreign exchange transactions for value on the relevant Settlement Date, as calculated and published by the WM Company and Thomson Reuters, which appears on the respective Thomson Reuters screen, as follows:

(a) Reference Currency: AUD; Settlement Currency: USD; Thomson Reuters Screen: USDAUDFIXM=WM

(b) Reference Currency: GBP; Settlement Currency: USD; Thomson Reuters Screen: USDGBPFIXM=WM

(c) Reference Currency: EUR; Settlement Currency: USD; Thomson Reuters Screen: USDEURFIXM=WM

(d) Reference Currency: CHF; Settlement Currency: USD; Thomson Reuters Screen: USDCHFFIXM=WM

(e) Reference Currency: JPY; Settlement Currency: USD; Thomson Reuters USDJPYFIXM=WM

6. **Payments under a ForexClear Contract**

Payments under, and in respect of, a ForexClear Contract shall be calculated by the Clearing House and shall be made by, or to, the ForexClear Clearing Member in accordance with the provisions of the Procedures.

7. **Regulations**

A ForexClear Contract shall be subject to the Regulations and the Procedures, which shall form a part of its terms. In the event of any inconsistency between these ForexClear

PART B
REGISTRATION OF A FOREXCLEAR CONTRACT - PRODUCT ELIGIBILITY
CRITERIA

1. **Registration of a ForexClear Contract**

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

    (d)   the transaction meets the Product Eligibility Criteria set out in paragraph 2 or 3 below, as applicable, for a ForexClear Transaction;

    (e)   each party to the transaction is either (i) a ForexClear Dealer or (ii) a ForexClear Clearing Member who has not been declared a defaulter by the Clearing House;

    (f)   the ForexClear Clearing Member in whose name the ForexClear Contract is to be registered has not been declared a defaulter by the Clearing House.

    and the requirements of ~~Paragraph~~paragraphs 1(a), (b) and (c) above continue to be satisfied at the Registration Time.

2. **Product Eligibility Criteria for a ForexClear Contract – Emerging Currencies**

Instrument	Non-Deliverable FX Transaction – Emerging Currencies
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of
	BRL - Brazilian Real,
	RUB - Russian Rouble,
	INR - Indian Rupee,
	CLP - Chilean Peso,
	CNY - Chinese Yuan,
	KRW - South Korean Won,
	COP – Colombian Peso,
	IDR – Indonesian Rupiah,
	MYR – Malaysian Ringgit,
	PHP – Philippine Peso, or

	TWD – Taiwan Dollar.
	PEN – Peruvian Sol
Valuation Date	A date with respect to the Currency Pair to which the ForexClear Transaction relates and is (i) a valid Business Day, (ii) no earlier than the Business Day (as defined in the Regulations) immediately following the Submission Date and (iii) determined as set forth in the Procedures and/or relevant EMTA Template for the Currency Pair.
Settlement Date	A date with respect to the Currency Pair to which the ForexClear Transaction relates and is:
	no earlier than the date immediately following the Valuation Date; and
	no later than the date falling two calendar years plus two Business Days immediately following the Submission Date, provided that in each case such date shall be: (i) a valid Business Day and (ii) determined as set forth in the Procedures and/or relevant EMTA Template for the Currency Pair.
Settlement Type	Non-Deliverable
Settlement Currency	USD
Settlement Rate (Option)	As set forth in the relevant EMTA Template
Calculation Agent	The Clearing House

3. **Product Eligibility Criteria for a ForexClear Contract – G10 Currencies**

Instrument	Non-Deliverable FX Transaction – G10 Currencies
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of
	EUR – Euro,
	GBP – British Pound,
	AUD – Australian Dollar,

	CHF – Swiss Franc, or
	JPY – Japanese Yen.
Valuation Date	A date with respect to the Currency Pair to which the ForexClear Transaction relates and is (i) a valid Business Day, (ii) no earlier than the business day (as defined in the Regulations) immediately following the Submission Date and (iii) determined as set forth in the Procedures and/or given LCH G10 NDF Contract Template.
Settlement Date	A date with respect to the Currency Pair to which the ForexClear Transaction relates and is: A. no earlier than the date immediately following the Valuation Date; and B. no later than the date falling two calendar years plus two Business Days immediately following the Submission Date, **provided that** in each case such date shall be: (i) a valid Business Day and (ii) determined as set out in the Procedures and/or given LCH G10 NDF Contract Template.
Settlement Type	Non-Deliverable
Settlement Currency	USD
Settlement Rate (Option)	As set forth in the relevant LCH G10 NDF Contract Template
Calculation Agent	The Clearing House

PART C

LCH G10 NDF CONTRACT TEMPLATES

i. Specific Standard Terms for EUR/USD Non-Deliverable FX Transactions

Reference Currency:	EUR
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Business Day	Business Day Convention for a Holiday Type Determination Date

Convention for a Holiday Type Determination Date for Valuation Date:	for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

ii. Specific Standard Terms for GBP/USD Non-Deliverable FX Transactions

Reference Currency:	GBP
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price

Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

iii.   Specific Standard Terms for AUD/USD Non-Deliverable FX Transactions

Reference Currency:	AUD
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate	WM/Reuters Closing Spot Rate

(Option):	
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

iv.   Specific Standard Terms for CHF/USD Non-Deliverable FX Transactions

Reference Currency:	CHF
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor

	Publications, Inc., and is a day on which the Clearing House is open for business.
	Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price)
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to 9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the

	Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar

v.   Specific Standard Terms for JPY/USD Non-Deliverable FX Transactions

Reference Currency:	JPY
Settlement Currency:	USD
Settlement Date:	Will be valid if a business day pursuant to the New York public holiday calendar (NYB), as published by Swaps Monitor Publications, Inc., and is a day on which the Clearing House is open for business. Will be subject to adjustment in accordance with the Following Business Day Convention if the Valuation Date is adjusted to a date equal to or after the Settlement Date. In such cases, the Settlement Date should be adjusted to the next Business Day (which also meets the foregoing requirements) after the Valuation Date.
Settlement:	Non-Deliverable
Settlement Rate (Option):	WM/Reuters Closing Spot Rate
Price Source Disruption:	Applicable
Maximum Days of Postponement:	14 days
Calculation Agent for Fallback Reference Price:	The Clearing House
Fallback Reference Price:	Calculation Agent for Fallback Reference Price
Holiday Type Determination for Valuation Date:	A 'scheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time greater than 48 hours prior to 9:00 London time on the Valuation Date. An 'unscheduled holiday' is deemed to be such when it (i) falls on the Valuation Date and (ii) is published in the SwapsMonitor Financial Calendar (with respect to the Relevant Calendar for Valuation Date) at a time less than or equal to 48 hours prior to

	9:00 London time on the Valuation Date.
Convention for a Holiday Type Determination Date for Valuation Date:	Business Day Convention for a Holiday Type Determination Date for Valuation Date: A 'scheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Preceding Business Day Convention. An 'unscheduled holiday' pursuant to Holiday Type Determination for Valuation Date with respect to the Valuation Date will adjust the Valuation Date in accordance with the Following Business Day Convention.
Relevant Calendar for Valuation Date:	WMR Calendar