ForexClear is LCH’s leading foreign exchange clearing solution for deliverable and non-deliverable FX products. As the leading provider of OTC FX clearing services, ForexClear works closely with market participants to develop innovative products that meet the growing global demand for OTC FX clearing, delivering unmatched capital, margin and operational efficiencies, and enhanced risk management.

FOREXCLEAR AT A GLANCE

Deliverable FX

8 currency pairs, clearing all Forwards, Spots and Options

Non-Deliverable FX

15 emerging market Non-deliverable Forward (NDF) currency pairs

4 emerging market Non-deliverable Option (NDO) currency pairs

10 G10 NDF currency pairs

5 G10 NDO currency pairs

For specific currencies only

Availability

24 hours

Tenors

1 day out to 5 years

KEY BENEFITS

ForexClear is supported by global regulatory encouragement to clear OTC FX derivatives and delivers the following benefits to participants:

Margin Reductions

01. Lower margin requirements through multilateral netting

02. No requirement to rely on uncleared margin models

Capital Optimisation

01. Reduction in RWAs resulting from lower risk weightings for CCP exposure

02. Unilateral (solo) compression reduces the number of line items and gross notional, and further reduces capital requirements

03. Improved leverage ratio impact

Operational Efficiencies

01. One margin model

02. One price, one payment

03. No disputes on initial and variation margin prices

04. Reduced operational risk
DELIVERABLE FX CLEARING

In collaboration with CLS and major market participants, ForexClear has pioneered the clearing of deliverable FX. This is the industry’s first physical FX settlement service for cleared FX products and offers the following benefits:

- **01. Reduced settlement and counterparty risk**
- **02. Increased margin, capital and operational efficiencies**
- **03. Physical delivery for FX forwards, spots and options in eight major currency pairs:**

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Deliverable Service</th>
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<tbody>
<tr>
<td>EURUSD</td>
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<td>USDJPY</td>
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<td>USDCHF</td>
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*Deliverable service is available to clearing members only*

EXPANDED NON-DELIVERABLE FX SERVICE

ForexClear continues to innovate and has partnered with the market to launch clearing for NDOs in nine currency pairs. The new service, available to clearing members and buy-side clients (via a clearing broker), complements our existing offering for NDFs, FX Options and FX Forwards, creating new opportunities for margin, capital and operational efficiencies.

Clearing NDOs significantly increases opportunities for portfolio netting with NDFs that are already cleared at LCH. Access to a wider set of FX products in scope for Uncleared Margin Rules (UMR) also enables participants to manage their initial margin requirements more effectively.

SUSTAINED NDF GROWTH

ForexClear has seen strong growth in cleared NDF volumes since the introduction of UMR in 2016. As of March 2021, the service clears around $88 bn average daily volume of NDFs — approximately over half of all interbank NDF volumes.

**COMING SOON TO FOREXCLEAR**

Additional currency pair to NDFs

*Subject to regulatory approval

**CONTACT US**

<table>
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<th>Country</th>
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</tbody>
</table>

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