

ForexClear

NDF client clearing overview

ForexClear at a glance

25

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

9

non-deliverable FX option currency pairs

24/5.5

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

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

ForexClear total service volumes

In Q2 2024, the service cleared a record **US\$9trn** in total notional, up **44%** vs Q2 2023. This was driven by strong participation in cleared deliverable¹ and non-deliverable volumes. ForexClear now has over **125** participants, with **two** new members onboarded June and early July 2024. ForexClear has onboarded **four** new members in the past 12 months.

¹ Deliverable service is for members only

Client clearing highlights

- Record **US\$267bn** client notional cleared in Q2 2024, with Q2 2024 becoming the **eleventh consecutive record quarter** for client NDF volumes since Q4 2021
- US\$4bn** client NDF average daily volume cleared in Q2 2024, up **60%** vs Q2 2023
- 84** clients (clearing through a clearing broker), of which **seven** were onboarded in H1 2024

Top five non-deliverable currency pairs

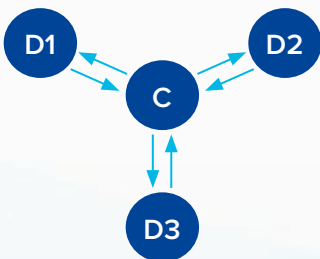
Currency	Q2 2024 volume US\$bn	Q2 2024 average daily volume US\$bn
USD/INR	1,780	27
USD/TWD	1,530	24
USD/KRW	1,344	21
USD/BRL	1,048	16
USD/IDR	454	7

Client NDF volume



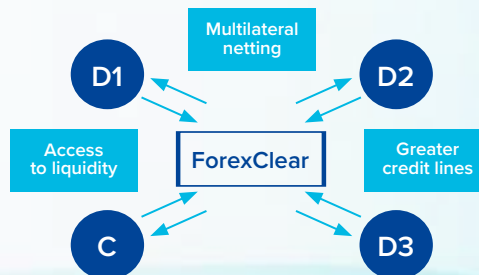
Margin efficiencies of clearing

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



Bilateral initial margin

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



CCP initial margin

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



Why should you clear?

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

ForexClear products now live!

NDF matching platform

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



Future delivery aims²

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

² Subject to regulatory approval

How to clear with ForexClear

01.

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

02.

Use Margin Calculator to understand collateral requirements

03.

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

04.

Engage with ForexClear onboarding team and begin clearing!

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



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