

ForexClear overview

ForexClear at a glance

25

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

9

Non-deliverable FX option currency pairs

24/5.5

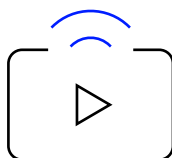
Trades can be registered 24 hours a day, 5.5 days a week

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

ForexClear total service volumes

In 2023, the service cleared total notional of **US\$27.6trn**, up **11%** vs 2022. This was driven by strong participation in cleared deliverable* and non-deliverable volumes. ForexClear now has over 100 participants, of which 77 are clients (clearing through a clearing broker).

*Deliverable service is for members only



Client clearing highlights

- **US\$2.9bn** client NDF average daily volume (ADV) cleared in 2023, up **44%** vs 2022
- A record **US\$739bn** client notional cleared in 2023, with Q4 2023 the eighth consecutive record quarter for client NDF volumes
- 23 new clients onboarded in 2023

Top 5 non-deliverable currency pairs

Currency	Q4 volume US\$bn	Q4 ADV US\$bn
US\$/TWD	1,452	22.3
US\$/INR	1,365	21.0
US\$/KRW	1,195	18.4
US\$/BRL	821	12.6
US\$/IDR	395	6.1

Client NDF volume



To find out more about ForexClear volumes, please visit lch.com/services/forexclear/volumes.



Why should you clear?

- **Counterparty credit risk reduction** – reduce counterparty credit exposure, as LCH becomes the central counterparty once trades are cleared. Rigorous default management process in place, with proven track record in volatile market situations.
- **Access to liquidity** – significant growth in FX clearing is leading to changing market dynamics, where banks increasingly request interbank counterparties to clear, and move toward deliverable forwards clearing as well as pre-execution clearing.
- **Capital Savings** – clearing delivers RWA and leverage ratio framework efficiencies where the CCP attracts a lower capital charge; hence, it is increasingly favoured by bank liquidity providers. Clearing can therefore lead to additional opportunities to strengthen liquidity provider partner relationships.
- Assists with the management of **UMR obligations**; gain margin and operational efficiencies to reduce funding requirements and operational burden.
- **Margin efficiencies** – clearing offers multilateral netting benefits, as multiple bilateral margin requirements are netted down into one single margin requirement against LCH, independent of counterparty and across currency and tenor.
- **Margin optimisation** – calculations can be more favourable against the CCP vs SIMM calculations, depending on the currency pair.
- **Operational risk reduction** – one setup 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



Future delivery aims*

- Deliverable forwards and vanilla FX options for clients
- Availability of all CLS eligible currencies following the addition of new pairs
- Clearing of CNH

*Subject to regulatory approval

To opt in to newsletters, visit: <https://solutions.lseg.com/regular-clearingvolumes-update>

How to clear with LCH ForexClear

01.

Find eligible Clearing Broker. ForexClear currently has 13 ICMs and 9 FCMs

02.

Use Margin Calculator to understand collateral requirements

03.

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

04.

Engage with ForexClear onboarding team and begin clearing!

Please visit <https://www.lch.com/membership/member-search> to search for current members.



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