

Trading Venue Access Fees

LCH will charge a trading venue the following fee in order to obtain access to LCH.

SwapClear and ForexClear Services

No fee applies.

RepoClear Service

LCH will charge each trading venue which obtains access to LCH a fee of £25,000.

EquityClear Service

LCH will charge each trading venue which obtains access to LCH a fee of £25,000.

LCH will refund a portion of such fee to the trading venue (up to a maximum of £25,000) equal to four times the fees LCH earns from EquityClear Clearing Members, in the First Year, as a result of EquityClear Contracts arising from transactions and/or matched particulars the trading venue submits to LCH for clearing. “**First Year**” means the period of one calendar year commencing on the first date on which the trading venue is able to submit transactions and/or matched particulars to LCH for clearing, as determined by LCH.

LSE Derivatives Markets Service

No fee applies.

Listed Interest Rates Service

No fee applies.

However, LCH will require a trading venue to reimburse it for any implementation, ongoing support or other costs which LCH incurs in providing such trading venue access to LCH. These costs cannot be known definitively prior to such access and will vary according to the specific trading venue.

The main features of a trading venue which will impact such costs are set out below. This list is not exhaustive and should be used as a guide only.

(a) Product type

Any product traded on the trading venue which will be cleared within the Listed Interest Rates service will be subject to the full risk assessment process required by LCH (even where such product is similar to a product already cleared by LCH). This assessment includes (but is not limited to):

- Sourcing historical data followed by time series validation
- Curve definition and calibration
- Valuation and risk model development

- Stress testing and inclusion of the product(s) in the default management framework

The work required to complete this process will vary depending on the number of products and their similarities to products already cleared by LCH.

(b) Operational process

LCH has a standard clearing process within the Listed Interest Rates service, which includes (but is not limited to) the following aspects:

- Trade management and post trade rules
- Position management including transfer and close out rules
- Expiry processing
- Delivery management including physical delivery settlements with CSDs.

Any deviation from the standard LCH clearing process will impact the implementation costs.

(c) Market data

A trading venue must provide, for each product to be cleared with LCH, the methodology for price calculation, market data collection and (were appropriate) the elicitation of the cheapest to deliver bonds. This methodology will need to be tested and approved by LCH. In addition, the source and quality of market data will need to be demonstrable to LCH.

(d) Testing and connectivity

LCH has standard APIs and connectivity profiles for trade flow, data and member connectivity. If these do not fit the specific trading venue and/or its requirements, LCH will need to review them and assess the impact. There is an expectation there will be a period of testing of trading venue and member connectivity and of any new process specific to the trading venue. Depending on the complexity and trading venue requirements, this period may vary and will therefore also impact the implementation costs.