

VIA CFTC PORTAL

29 June 2021

Mr Christopher Kirkpatrick  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Three Lafayette Centre  
Washington DC 20581

**LCH Limited Self-Certification: ForexClear fees update**

Dear Mr Kirkpatrick,

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation §40.6(a), LCH Limited (“LCH”), a derivatives clearing organization registered with the CFTC, is submitting for self-certification corrections to the ForexClear fee schedule.

**Part I: Explanation and Analysis**

The ForexClear service charges fees to Clearing Members in relation to their activity in the eligible deliverable and non-deliverable FX products<sup>1</sup>, respectively. These include fixed and variable components and are charged at Clearing Member Group level.

The following revisions will be made to the fee schedule:

- i. Revise annual fee cap for Zinc Tariff, which is applicable to deliverable FX products only, from GBP 1,300,000 to GBP 1,045,000
- ii. Correct one reference related to the Variable Fee Calculation to state that ForexClear Client Clearing fees are calculated based on the total cleared notional in a calendar *month* for each independent Client Clearing portfolio. Currently, the website states that the calculation is based upon a calendar year.

The changes will be effective not earlier than July 14, 2021.

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<sup>1</sup> <https://www.lch.com/services/forexclear/what-we-clear>

## **Part II: Description of Rule Changes**

There are no changes to the LCH Rulebook, however LCH will make changes to its website. The changes to the webpage on ForexClear fees are set out in **Appendix I**.

## **Part III: Core Principle Compliance**

LCH has reviewed the changes against the requirements of the Core Principles and finds that they will continue to comply with all the requirements and standards therein. In particular, in making these changes and publishing them on its website, LCH ensures that it continues to adhere to Core Principle L (§39.21) on Public information, which requires DCOs to make available publicly each clearing and other fee charged to Clearing Members. More generally, the changes described in this filing ensure that LCH meets the objective of that Core Principle that a DCO shall provide sufficient information to market participants to enable them to identify and evaluate accurately the costs associated with using its services.

LCH has processes in place to monitor the content of its website, ensure it is in line with applicable regulatory disclosure requirements and that is updated as necessary. The webpage on ForexClear fees will be updated with the changes set out in **Appendix I** once they become effective not earlier than July 14, 2021.

## **Part IV: Public Information**

LCH has posted a notice of pending certification with the CFTC and a copy of the submission on LCH's website at: <https://www.lch.com/resources/rulebooks/proposed-rule-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 the change.

## **Certification**

LCH hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in CFTC Regulation § 40.6, that the attached submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

Should you have any questions please contact me at [julian.oliver@lch.com](mailto:julian.oliver@lch.com).

Yours sincerely



Julian Oliver  
Chief Compliance Officer  
LCH Limited

**Appendix I**

Website changes (ForexClear fees)

<https://www.lch.com/services/forexclear/fees>

**Fees**

ForexClear Clearing Members may be members of either or both of the ForexClear Deliverable Service and the ForexClear Non-Deliverable Service. ForexClear Clearing Members may choose from a variety of fee tariffs: Gold – Combined Tariff, Bronze, Silver and Zinc. Each tariff covers all house trade registration activity for a ForexClear Clearing Member Group.

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**Deliverable FX Only Fees**

Tariff	Annual Tariff	FX Options Fee / mn	FX spot / Forward Hedges Fee / mn	**FX Forward Settlement Fee / mn	Annual Fee Cap
Silver	GBP 885,000	n/a	n/a	0.2 EUR or USD	
Zinc	GBP 495,000	US\$ 2	n/a	0.2 EUR or USD	GBP <del>1,300,000</del> 1,045,000
Bronze	US\$ 400,000	US\$ 2	US\$ 2	0.2 EUR or USD	

Note: New Clearing Members of the ForexClear Deliverable Service will be eligible for a fee discount, please refer to 'Fee Discounts'

\*\*Only applicable to FX Forward transactions that are not cleared for the purpose of hedging FX Options, reducing initial margin requirements or reducing settlement risk.

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**Variable Fee Calculation**

The Variable tariff fees are calculated on each trade as

- [Notional amount of trade] \* the per million (US\$) notional fee from the relevant tier in the schedule above.
- ForexClear Client Clearing fees are calculated based on the total cleared notional in a calendar year-month for each independent Client Clearing portfolio.