

VIA CFTC PORTAL

January 6, 2022

Mr. Christopher Kirkpatrick
Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington, DC 20581

LCH Limited Self-Certification: ForexClear Contract Terms Corrections

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 Product Specific Contract Terms and Eligibility Criteria Manual and FCM Product Specific Contract Terms and Eligibility Criteria Manual (together, “Contract Terms”).

Part I: Explanation and Analysis

The ForexClear service offers clearing for eligible deliverable and non-deliverable FX products.¹ More specifically, ForexClear offers risk management for non-deliverable forward currency pairs (“NDF”), non-deliverable option currency pairs (“NDO”), and deliverable forward, option and swap currency pairs. LCH will make changes to its Contract Terms mainly to correct two aspects of the NDO Contract Terms, aligning them with the NDF Contract Terms.

Part II: Description of Rule Changes

LCH will correct the Contract Terms as follows:

1. The ForexClear NDO Contract Terms will now explicitly provide that the Emerging Markets Trade Association (“EMTA”) Template or Non-EMTA NDF Contract Template applicable to a currency pair are incorporated into the ForexClear NDO Contract Terms (in a similar way to the ForexClear NDF Contract Terms).
2. In common with ForexClear NDF Contracts in non-EMTA currencies, there are specific terms by which LCH will now determine a settlement rate, if a Price Source Disruption

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

occurs in relation to a ForexClear NDO Contract. The amendments make it clear that such specific terms only apply to ForexClear NDO Contracts in non-EMTA currencies.

3. Other minor changes for clarity: in Part B, E, G, I, K and M of Contract Terms, as relevant, the parties to eligible ForexClear transactions are specified; in Part K of the Contract Terms, applicable only to non-FCMs, the reference to Foreign Exchange Swap Contract has been corrected; certain references have been deleted as redundant and others have been added.

The changes to the Contract Terms are set out in **Appendices I-II**. The changes will be effective not earlier than January 24, 2022.

Part III: Core Principle Compliance

LCH reviewed the proposed changes against the requirements of the Core Principles and finds it will continue to comply with all the requirements and standards set forth therein. Specifically, these rule changes have potential relevance to Core Principle C (Participant and Product Eligibility) and Core Principle L (Public information).

The changes described in this filing ensure that LCH meets the objectives of Core Principle C, including that LCH have appropriate requirements for determining the eligibility of agreements, contracts, or transactions submitted for clearing, taking into account LCH's ability to manage the risks associated with such agreements, contracts, or transactions. The changes described in this filing provide for the correction of two aspects of the NDO Contract Terms, aligning them with the NDF Contract Terms. LCH considered its product eligibility requirements, specifically those related to the maintenance of product terms and conditions, and determined that the changes discussed in this filing will not impact LCH's compliance with Core Principle C. As a result, LCH believes these changes are consistent with the requirements of Core Principle C on Participant and Product Eligibility under CFTC regulation §39.12.

The changes described in this filing ensure that LCH meets the objectives of Core Principle L, including that, in addition to the specified requirements of §39.21, LCH make available any information that is relevant to participation in the clearing and settlement activities of LCH. LCH considered its public information requirements and believes making the corrections described above will enhance its compliance with Core Principle L. The corrections provided for in this submission will be included in LCH's publicly available Product Specific Contract Terms and Eligibility Criteria Manual and FCM Product Specific Contract Terms and Eligibility Criteria Manual, thereby providing clarity to market participants. As a result, LCH believes these changes are consistent with the requirements of Core Principle L on Public Information under CFTC regulation §39.21.

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.

Certification

LCH hereby certifies to the CFTC, 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 thereunder.

Should you have any questions please contact me at michelle.weiler@lseg.com.

Yours sincerely,



Michelle Weiler
US Compliance Officer
LCH Limited

Appendix I
Product Specific Contract Terms and Eligibility Criteria Manual
Changed Pages



**PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA
MANUAL**

SCHEDULE 6 THE FOREXCLEAR REGULATIONS

PART A FOREXCLEAR NDF CONTRACT TERMS; FOREXCLEAR CONTRACTS ARISING FROM FOREXCLEAR NDF TRANSACTIONS

Where a ForexClear NDF Contract arises between the Clearing House and a ForexClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such registered ForexClear NDF Contract shall include these ForexClear NDF Contract Terms, which shall comprise:

- (1) Interpretation;
- (2) Economic Terms;
- (3) Standard Terms, being both the:
 - A. Specific Standard Terms; and
 - B. General Standard Terms; and
- (4) if the ForexClear NDF Contract is a ForexClear NDF STM Contract, the ForexClear NDF STM Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail. In the event of any inconsistency between the ForexClear NDF STM Terms (where applicable) and either or both of the Economic Terms and the Standard Terms, the ForexClear NDF STM Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear NDF Contract Terms applicable to a ForexClear NDF Contract to calculate the amounts due under the ForexClear NDF Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation ("Interpretation")

- 1.1 "ISDA Definitions" means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by ISDA, EMTA and FXC and the same are incorporated by reference herein.
- 1.2 "FXC" means the Foreign Exchange Committee or any successor entity.
- 1.3 "ISDA" means International Swaps and Derivatives Association, Inc. ~~or~~ any successor entity.
- 1.4 Words and expressions used in these ForexClear NDF Contract Terms which are not defined herein shall have the meanings given to them in the Regulations and the Procedures, unless expressly provided otherwise. Words and expressions used in these ForexClear Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the ISDA Definitions shall have the meanings given to them in the ISDA Definitions, unless expressly provided otherwise.

- 1.5 In the event of an inconsistency, the Regulations and Procedures will prevail over the ISDA Definitions.
- 1.6 References in the ISDA Definitions to an "FX Transaction" shall be deemed to be references to a "ForexClear NDF Transaction" for the purposes of these ForexClear NDF Contract Terms.
- 1.7 Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.
- 1.8 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment shall apply to ForexClear NDF Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear NDF Contracts that have a Trade Date that falls on or after the effective date of such amendment).
- 1.9 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear NDF Contracts going forward, these ForexClear NDF Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear NDF Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.10 The accidental omission to give notice under this provision to, or the non-receipt of notice under paragraphs 1.8 or 1.9 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. Economic Terms

- 2.1 The Economic Terms of a ForexClear NDF Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear NDF Transaction.
- 2.2 The particulars of a ForexClear NDF Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms which are not predetermined in the EMTA Templates or Non-EMTA NDF Contract Templates, where applicable:
 - (a) Trade Date (Section 1.25)
 - (b) Forward Rate (Section 2.1(a))
 - (c) Reference Currency Notional Amount (Section 1.21) or Notional Amount (Section 1.17(b)) in USD
 - (d) Reference Currency Buyer (Section 1.20)
 - (e) Reference Currency Seller (Section 1.22)
 - (f) scheduled Settlement Date (Section 1.24) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or Non-EMTA NDF Contract Template)

- (g) scheduled Valuation Date (Section 1.16(f)) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or Non-EMTA NDF Contract Template).

2.3 However, as set out more particularly in Regulation 90, where the ForexClear NDF Transaction specifies a ForexClear Clearing Member as the Reference Currency Seller, with the other ForexClear Member as the Reference Currency Buyer, the Clearing House, in respect of each ForexClear NDF Contract to which it is party pursuant to the corresponding ForexClear NDF Transaction, shall be (i) the Reference Currency Buyer; and (ii) the Reference Currency Seller under such ForexClear NDF Contract, respectively.

3. **Specific Standard Terms ("Specific Standard Terms")**

The following terms are designated as Specific Standard Terms of a registered ForexClear NDF Contract:

3.1 The EMTA Template or Non-EMTA NDF Contract Template that is, appropriate to the particular Currency Pair is incorporated by reference into these ForexClear Contract Terms, as amended herein, and governs the terms of a ForexClear NDF Contract relating to a given Currency Pair together with, and subject to, the Economic Terms ~~set out in Part 2 above~~, the Specific Standard Terms ~~set out in this Part 3~~, and the General Standard Terms ~~set out in Part 4 or Part 5 below~~, as applicable. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA ~~t~~Template ~~t~~Terms for Non-Deliverable Cross-Currency FX Transactions published by EMTA ~~on 31 May 2011~~.

3.2 In the format "Reference Currency – Settlement Currency", the Currency Pairs are

- (a) BRL-USD
- (b) CLP-USD
- (c) CNY-USD
- (d) INR-USD
- (e) KRW-USD
- (f) RUB-USD
- (g) COP-USD
- (h) IDR-USD
- (i) MYR-USD
- (j) PHP-USD
- (k) TWD-USD
- (l) PEN-USD
- (m) EUR-USD

- (n) GBP-USD
- (o) AUD-USD
- (p) CHF-USD
- (q) JPY-USD
- (r) DKK-USD
- (s) NOK-USD
- (t) SEK-USD
- (u) MXN-USD
- (v) CAD-USD
- (w) SGD-USD
- (x) ZAR-USD
- (y) NZD-USD
- (z) HKD-USD

3.3 Where applicable, certain Specific Standard Terms of each ForexClear NDF Contract are not provided in the EMTA Templates, but the parties to the corresponding ForexClear NDF Transaction will be required to accept the Specific Standard Terms set out below in each ForexClear NDF Contract:

- (a) Date of Annex A (Section 4.2):

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

- (b) Reference Currency (Section 1.19):

To be determined by using the EMTA Template or Non-EMTA NDF Contract Template appropriate to the particular Currency Pair.

- (c) Calculation Agent (Section 1.3):

The Clearing House is the Calculation Agent.

3.4 If the terms of an EMTA Template conflict with these ForexClear NDF Contract Terms, these ForexClear NDF Contract Terms shall prevail. If the terms of an EMTA Template conflict with the ISDA Definitions, the terms of the EMTA Template shall prevail.

4. **General Standard Terms ("General Standard Terms")**

The following terms are designated as General Standard Terms of a registered ForexClear NDF Contract:

4.1 **Business Days**

For the purposes of determining the Settlement Date and the Valuation Date only, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear NDF Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 1.3.12 (*Reference Data*) of Section 2I (*ForexClear Clearing Service*) of the Procedures.

4.2 **Withholding Tax Provisions**

- (a) All payments due under a ForexClear NDF Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.
- (b) All payments due under a ForexClear NDF Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

4.3 **Payment of Stamp Tax**

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear NDF Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("**Stamp Tax Jurisdiction**") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any ForexClear NDF Contract registered by the Clearing House and to which that ForexClear Clearing Member is a party.

4.4 **Discontinuation of a Settlement Rate Option**

If:

- (a) the administrator of a benchmark that is a Settlement Rate Option has publicly announced that it will discontinue publication of the benchmark ("**Discontinued Rate**"); and

PART B
REGISTRATION OF A FOREXCLEAR NDF CONTRACT - PRODUCT
ELIGIBILITY CRITERIA

1. Registration of a ForexClear NDF Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear NDF Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 or 3 below, as applicable, for a ForexClear NDF Transaction; and
- ~~(b) — each party to the transaction is either (i) a ForexClear Dealer, or (ii) a ForexClear Clearing Member, an FCM ForexClear Clearing Member, a ForexClear Clearing Client, an FCM Client or, in respect of Risk Neutralisation, the Clearing House who has not been declared a defaulter by the Clearing House; and~~
- ~~(c)(b) the ForexClear Clearing Member in whose name the ForexClear NDF Contract is to be registered has not been declared a defaulter by the Clearing House.~~

and the requirements of paragraphs 1(a) and, (b) and ~~(c)~~ above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear NDF Contract – EMTA Template Currency Pairs

Instrument	Non-Deliverable FX Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of
	BRL - Brazilian Real,
	RUB - Russian Rouble,
	INR - Indian Rupee,
	CLP - Chilean Peso,
	CNY - Chinese Yuan,
	KRW - South Korean Won,
	COP – Colombian Peso,
	IDR – Indonesian Rupiah,

PART D FOREXCLEAR SPOT CONTRACT TERMS; FOREXCLEAR CONTRACTS ARISING FROM FOREXCLEAR SPOT TRANSACTIONS

Where a ForexClear Spot Contract arises between the Clearing House and a ForexClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such registered ForexClear Spot Contract shall include these ForexClear Spot Contract Terms, which shall comprise:

- (1) Interpretation;
- (2) Economic Terms;
- (3) Standard Terms; and
- (4) if the ForexClear Spot Contract is a ForexClear Spot STM Contract, the ForexClear Spot STM Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail. In the event of any inconsistency between the ForexClear Spot STM Terms (where applicable) and either or both of the Economic Terms and the Standard Terms, the ForexClear Spot STM Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear Spot Contract Terms applicable to a ForexClear Spot Contract to calculate the amounts due under the ForexClear Spot Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation ("Interpretation")

- 1.1 **"ISDA Definitions"** means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), the Emerging Markets Trade Association ("**EMTA**") and The Foreign Exchange Committee ("**FXC**") and the same are incorporated by reference herein.
- 1.2 Words and expressions used in these ForexClear Spot Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the ISDA Definitions shall bear the same meaning herein as in the ISDA Definitions, unless expressly provided otherwise.
- 1.3 In the event of an inconsistency, the Regulations and Procedures will prevail over the ISDA Definitions.
- 1.4 References in the ISDA Definitions to an "FX Transaction" shall be deemed to be references to a "ForexClear Spot Transaction" for the purposes of these ForexClear Spot Contract Terms.
- 1.5 Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.
- 1.6 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment

shall apply to ForexClear Spot Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear Spot Contracts that have a Trade Date that falls on or after the effective date of such amendment).

- 1.7 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear Spot Contracts going forward, these ForexClear Spot Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear Spot Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.8 The accidental omission to give notice under this provision to, or the non-receipt of notice under 1.6 or 1.7 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

- 2.1 The Economic Terms of a ForexClear Spot Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear Spot Transaction.
- 2.2 The particulars of a ForexClear Spot Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms:
 - (a) Trade Date (Section 1.25)
 - (b) Amount and currency payable by the ForexClear Clearing Member that is Party A
 - (c) Amount and currency payable by the ForexClear Clearing Member that is Party B
 - (d) Settlement Date (Section 1.24)
- 2.3 However, as set out more particularly in Regulation 16, where the ForexClear Spot Transaction specifies a ForexClear Clearing Member as the First Clearing Member with the other ForexClear Clearing Member as the Second Clearing Member, the Clearing House, in respect of each ForexClear Spot Contract to which it is a party pursuant to the corresponding ForexClear Spot Transaction, shall be (i) Party B, and (ii) Party A under such ForexClear Spot Contract, respectively.

3. **Standard Terms**

The following terms are designated as Standard Terms of a registered ForexClear Spot Contract:

3.1 ***Deliverable Transaction***

The ForexClear Spot Transaction, and the related ForexClear Spot Contract evidenced by these ForexClear Spot Contract Terms, shall be an FX Transaction that is a Deliverable Transaction for the purposes of the ISDA Definitions.

3.2 ***Annex A (Section 4.2)***

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

3.3 **Calculation Agent (Section 1.3)**

The Calculation Agent is the Clearing House.

3.4 **Business Days**

For the purposes of determining the Settlement Date only, in addition to the Business Days for the Principal Financial Centers specified in Annex A, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear Spot Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 1.3.12 (Reference Data) of Section 2I (ForexClear Clearing Service) of the Procedures.

3.5 **Withholding Tax Provisions**

- (a) All payments due under a ForexClear Spot Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.
- (b) All payments due under a ForexClear Spot Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

3.6 **Payment of Stamp Tax**

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear Spot Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("**Stamp Tax Jurisdiction**") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any ForexClear Spot Contract registered by the Clearing House and to which that ForexClear Clearing Member is a party.

3.7 **Payments under a ForexClear Spot Contract**

PART E REGISTRATION OF A FOREXCLEAR SPOT CONTRACT – PRODUCT ELIGIBILITY CRITERIA

1. Registration of a ForexClear Spot Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear Spot Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 below for a ForexClear Spot Transaction; and
- ~~(b) — each party to the transaction is either (i) a ForexClear Dealer, or (ii) a ForexClear Clearing Member, an FCM ForexClear Clearing Member or, in respect of Risk Neutralisation, the Clearing House, who has not been declared a defaulter by the Clearing House; and~~
- ~~(c) the ForexClear Clearing Member in whose name the ForexClear Spot Contract is to be registered has not been declared a defaulter by the Clearing House;~~

and the requirements of ~~p~~Paragraph 1(a) and; (b) ~~and (c)~~ above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear Spot Contract

Instrument	Deliverable FX Spot Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Currency Pair	One of
	USD/JPY,
	EUR/USD,
	GBP/USD,
	AUD/USD,
	EUR/CHF,
	USD/CHF,
	EUR/JPY,
	EUR/GBP
Settlement Date	A valid Business Day for the Currency Pair to which the ForexClear Transaction relates and a date falling not later than the date falling two Business Days immediately following the Submission Date.

PART F FOREXCLEAR DELIVERABLE FORWARD CONTRACT TERMS; FOREXCLEAR CONTRACTS ARISING FROM FOREXCLEAR DELIVERABLE FORWARD TRANSACTIONS

Where a ForexClear Deliverable Forward Contract arises between the Clearing House and a ForexClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such registered ForexClear Deliverable Forward Contract shall include these ForexClear Deliverable Forward Contract Terms, which shall comprise:

- (1) Interpretation;
- (2) Economic Terms;
- (3) Standard Terms; and
- (4) if the ForexClear Deliverable Forward Contract is a ForexClear Deliverable Forward STM Contract, the ForexClear Deliverable Forward STM Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail. In the event of any inconsistency between the ForexClear Deliverable Forward STM Terms (where applicable) and either or both of the Economic Terms and the Standard Terms, the ForexClear Deliverable Forward STM Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear Deliverable Forward Contract Terms applicable to a ForexClear Deliverable Forward Contract to calculate the amounts due under the ForexClear Deliverable Forward Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation ("Interpretation")

- 1.1 **"ISDA Definitions"** means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), the Emerging Markets Trade Association ("**EMTA**") and The Foreign Exchange Committee ("**FXC**") and the same are incorporated by reference herein.
- 1.2 Words and expressions used in these ForexClear Deliverable Forward Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the ISDA Definitions shall bear the same meaning herein as in the ISDA Definitions, unless expressly provided otherwise.
- 1.3 In the event of an inconsistency, the Regulations and Procedures will prevail over the ISDA Definitions.
- 1.4 References in the ISDA Definitions to an "FX Transaction" shall be deemed to be references to a "ForexClear Deliverable Forward Transaction" for the purposes of these ForexClear Deliverable Forward Contract Terms.
- 1.5 Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.

- 1.6 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment shall apply to ForexClear Deliverable Forward Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear Deliverable Forward Contracts that have a Trade Date that falls on or after the effective date of such amendment).
- 1.7 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear Deliverable Forward Contracts going forward, these ForexClear Deliverable Forward Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear Deliverable Forward Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.8 The accidental omission to give notice under this provision to, or the non-receipt of notice under 1.6 or 1.7 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

- 2.1 The Economic Terms of a ForexClear Deliverable Forward Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear Deliverable Forward Transaction.
- 2.2 The particulars of a ForexClear Deliverable Forward Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms:
 - (a) Trade Date (Section 1.25)
 - (b) Amount and currency payable by the ForexClear Clearing Member that is Party A
 - (c) Amount and currency payable by the ForexClear Clearing Member that is Party B
 - (d) Settlement Date (Section 1.24).
- 2.3 However, as set out more particularly in Regulation 16, where the ForexClear Deliverable Forward Transaction specifies a ForexClear Clearing Member as the First Clearing Member with the other ForexClear Clearing Member as the Second Clearing Member, the Clearing House, in respect of each ForexClear Deliverable Forward Contract to which it is a party pursuant to the corresponding ForexClear Deliverable Forward Transaction, shall be (i) Party B, and (ii) Party A under such ForexClear Deliverable Forward Contract, respectively.

3. **Standard Terms**

The following terms are designated as Standard Terms of a registered ForexClear Deliverable Forward Contract:

3.1 ***Deliverable Transaction***

The ForexClear Deliverable Forward Transaction, and the related ForexClear Deliverable Forward Contract evidenced by these ForexClear Deliverable Forward Contract Terms, shall be an FX Transaction that is a Deliverable Transaction for the purposes of the ISDA Definitions.

3.2 ***Annex A (Section 4.2)***

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

3.3 ***Calculation Agent (Section 1.3)***

The Calculation Agent is the Clearing House.

3.4 ***Business Days***

For the purposes of determining the Settlement Date only, in addition to the Business Days for the Principal Financial Centers specified in Annex A, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear Deliverable Forward Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 1.3.12 (Reference Data) of Section 2I (ForexClear Clearing Service) of the Procedures.

3.5 ***Withholding Tax Provisions***

- (a) All payments due under a ForexClear Deliverable Forward Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.
- (b) All payments due under a ForexClear Deliverable Forward Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

3.6 ***Payment of Stamp Tax***

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear Deliverable Forward Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("**Stamp Tax Jurisdiction**") or by any other jurisdiction, and will indemnify the Clearing House against any

PART G REGISTRATION OF A FOREXCLEAR DELIVERABLE FORWARD CONTRACT – PRODUCT ELIGIBILITY CRITERIA

1. Registration of a ForexClear Deliverable Forward Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear Deliverable Forward Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 below for a ForexClear Deliverable Forward Transaction; and
- ~~(b) — each party to the transaction is either (i) a ForexClear Dealer, or (ii) a ForexClear Clearing Member, an FCM ForexClear Clearing Member or, in respect of Risk Neutralisation, the Clearing House who has not been declared a defaulter by the Clearing House; and~~
- ~~(c) the ForexClear Clearing Member in whose name the ForexClear Deliverable Forward Contract is to be registered has not been declared a defaulter by the Clearing House,~~

and the requirements of ~~p~~Paragraph 1(a) and; (b) ~~and (c)~~ above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear Deliverable Forward Contract

Instrument	Deliverable FX Forward Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Currency Pair	One of
	USD/JPY,
	EUR/USD,
	GBP/USD,
	AUD/USD,
	EUR/CHF,
	USD/CHF,
	EUR/JPY,
	EUR/GBP
Settlement Date	A valid Business Day for the Currency Pair to which the ForexClear Transaction relates and a date falling:

PART H FOREXCLEAR OPTION CONTRACT TERMS; FOREXCLEAR CONTRACTS ARISING FROM FOREXCLEAR OPTION TRANSACTIONS

Where a ForexClear Option Contract arises between the Clearing House and a ForexClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such registered ForexClear Option Contract shall include these ForexClear Option Contract Terms, which shall comprise:

- (1) Interpretation;
- (2) Economic Terms;
- (3) Standard Terms; and
- (4) if the ForexClear Option Contract is a ForexClear Option STM Contract, the ForexClear Option STM Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail. In the event of any inconsistency between the ForexClear Option STM Terms (where applicable) and either or both of the Economic Terms and the Standard Terms, the ForexClear Option STM Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear Option Contract Terms applicable to a ForexClear Option Contract to calculate the amounts due under the ForexClear Option Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation ("Interpretation")

- 1.1 **"ISDA Definitions"** means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), the Emerging Markets Trade Association ("**EMTA**") and The Foreign Exchange Committee ("**FXC**") and the same are incorporated by reference herein.
- 1.2 Words and expressions used in these ForexClear Option Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the ISDA Definitions shall bear the same meaning herein as in the ISDA Definitions, unless expressly provided otherwise.
- 1.3 In the event of an inconsistency, the Regulations and Procedures will prevail over the ISDA Definitions.
- 1.4 References in the ISDA Definitions to a "Currency Option Transaction" shall be deemed to be references to a "ForexClear Option Transaction" for the purposes of these ForexClear Option Contract Terms.
- 1.5 Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.
- 1.6 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment

shall apply to ForexClear Option Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear Option Contracts that have a Trade Date that falls on or after the effective date of such amendment).

- 1.7 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear Option Contracts going forward, these ForexClear Option Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear Option Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.8 The accidental omission to give notice under this provision to, or the non-receipt of notice under 1.6 or 1.7 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

- 2.1 The Economic Terms of a ForexClear Option Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear Option Transaction.
- 2.2 The particulars of a ForexClear Option Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms:
 - (a) Trade Date (Section 1.25)
 - (b) Buyer (Section 3.1(a))
 - (c) Seller (Section 3.1(f))
 - (d) Currency Option Style (Section 3.2)
 - (e) Currency Option Type (Section 3.3)
 - (f) Call Currency (Section 3.1(b))
 - (g) Call Currency Amount (Section 3.1(c))
 - (h) Put Currency (Section 3.1(d))
 - (i) Put Currency Amount (Section 3.1(e))
 - (j) Strike Price (Section 3.1(g))
 - (k) Expiration Date (Section 3.5(d))
 - (l) Expiration Time (Section 3.5(e))
 - (m) Settlement Date (Section 1.24)
 - (n) Premium; Price (Section 3.4(a))

- (o) Premium Payment Date (Section 3.4(b))
 - (p) the method by which the Buyer and the Seller shall, if relevant, settle the ForexClear Option Transaction on the Exercise Date, which must either be:
 - (i) by way of entry into a ForexClear Spot Transaction; or
 - (ii) by way of entry into a ForexClear Deliverable Forward Transaction
 - (q) the Settlement Date of such ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction
- 2.3 However, as set out more particularly in Regulation 16, where the ForexClear Option Transaction specifies a ForexClear Clearing Member as the Seller, with the other ForexClear Member as the Buyer, the Clearing House, in respect of each ForexClear Option Contract to which it is party pursuant to the corresponding ForexClear Option Transaction, shall be (i) the Buyer; and (ii) the Seller under such ForexClear Option Contract, respectively.

3. **Standard Terms**

3.1 The following terms are designated as Standard Terms of a registered ForexClear Option Contract:

3.2 ***Deliverable Transaction***

The ForexClear Option Transaction, and the related ForexClear Option Contract evidenced by these ForexClear Option Contract Terms, shall be a Currency Option Transaction that is a Deliverable Currency Option Transaction for the purposes of the ISDA Definitions.

3.3 ***Annex A (Section 4.2)***

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

3.4 ***Calculation Agent (Section 1.3)***

The Calculation Agent is the Clearing House.

3.5 ***Exercise (Section 3.6(a)) and Effectiveness of Notice of Exercise (Section 3.6(b))***

Regulation 94 shall govern (i) the method by which the parties to a ForexClear Option Contract shall be able to exercise the rights granted pursuant to the related ForexClear Option Transaction, and (ii) the effectiveness of such exercise. Accordingly, Section 3.6(a) and Section 3.6(b) of the ISDA Definitions shall each be disapplied in their entirety.

3.6 ***Automatic Exercise (Section 3.6(c))***

(a) Subject to (b) below, Automatic Exercise shall be applicable to a ForexClear Option Transaction and the related ForexClear Option Contract.

- (b) The manner in which Automatic Exercise shall apply to a ForexClear Option Transaction and the related ForexClear Option Contract shall not be as set forth in Section 3.6(c) of the ISDA Definitions, and instead, if, at the Expiration Time on the Expiration Date, the ForexClear Option Transaction and the related ForexClear Option Contract has not been exercised in accordance with Regulation 94, then it shall be deemed exercised as of that time in accordance with, and subject to the satisfaction of any conditions set forth in, Regulation 94.

3.7 **Terms Relating to Settlement (Section 3.7(a))**

Regulation 95 shall govern settlement of this ForexClear Option Transaction and the related ForexClear Option Contract and accordingly Section 3.7(a) of the ISDA Definitions shall be disappplied in its entirety.

3.8 **Business Days**

For the purposes of determining the Settlement Date and Expiration Date only, in addition to the Business Days for the Principal Financial Centers specified in Annex A, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear Option Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 1.3.12 (Reference Data) of Section 2I (ForexClear Clearing Service) of the Procedures-

3.9 **Withholding Tax Provisions**

- (a) All payments due under a ForexClear Option Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.
- (b) All payments due under a ForexClear Option Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

3.10 **Payment of Stamp Tax**

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear Option Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or

PART I REGISTRATION OF A FOREXCLEAR OPTION CONTRACT – PRODUCT ELIGIBILITY CRITERIA

1. Registration of a ForexClear Option Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear Option Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 below for a ForexClear Option Transaction; and
- (b) each party to the transaction is ~~either (i) a ForexClear Dealer, or (ii) a ForexClear Clearing Member, an FCM ForexClear Clearing Member or, in respect of Risk Neutralisation, the Clearing House, who has not been declared a defaulter by the Clearing House; and~~
- ~~(c) the ForexClear Clearing Member in whose name the ForexClear Option Contract is to be registered has not been declared a defaulter by the Clearing House;~~

and the requirements of ~~p~~Paragraph 1(a) and; (b) ~~and (c)~~ above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear Option Contract

Instrument	Deliverable Currency Option Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Currency Pair	One of
	USD/JPY,
	EUR/USD,
	GBP/USD,
	AUD/USD,
	EUR/CHF,
	USD/CHF,
	EUR/JPY,
	EUR/GBP
Currency Option Style	European

PART K REGISTRATION OF A FOREXCLEAR SWAP CONTRACT – PRODUCT ELIGIBILITY CRITERIA

1. Registration of a ForexClear Swap Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear Swap Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented (or, in the case of a Mandatory ForexClear Swap Transaction, the time at which the particulars are determined by the Clearing House in accordance with Regulation 101, or in the case of a Mandatory Settlement ForexClear Transaction, the particulars determined by the Clearing House in accordance with 100):

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 below for a ForexClear Swap Transaction; and
- ~~(b) each party to the transaction is either (i) a ForexClear Dealer, or (ii) a ForexClear Clearing Member, an FCM ForexClear Clearing Member or, in respect of Risk Neutralisation, the Clearing House, who has not been declared a defaulter by the Clearing House; and~~
- ~~(c)(b) the ForexClear Clearing Member in whose name the ForexClear Swap Contract is to be registered has not been declared a defaulter by the Clearing House.~~

and the requirements of pParagraph 1(a) and; (b); ~~and (c)~~ above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear Swap Contract

Instrument	Currency-Foreign Exchange Swap Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Currency Pair	One of
	USD/JPY,
	EUR/USD,
	GBP/USD,
	AUD/USD,
	EUR/CHF,
	USD/CHF,
	EUR/JPY,
	EUR/GBP
Initial Exchange	A date falling not later than the date that is two calendar

PART L FOREXCLEAR NDO CONTRACT TERMS; FOREXCLEAR CONTRACTS ARISING FROM FOREXCLEAR NDO TRANSACTIONS

Where a ForexClear NDO Contract arises between the Clearing House and a ForexClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such registered ForexClear NDO Contract shall include these ForexClear NDO Contract Terms, which shall comprise:

- (1) Interpretation;
- (2) Economic Terms;
- (3) Standard Terms; and
- (4) if the ForexClear NDO Contract is a ForexClear NDO STM Contract, the ForexClear NDO STM Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail. In the event of any inconsistency between the ForexClear NDO STM Terms (where applicable) and either or both of the Economic Terms and the Standard Terms, the ForexClear NDO STM Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear NDO Contract Terms applicable to a ForexClear NDO Contract to calculate the amounts due under the ForexClear NDO Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation ("Interpretation")

- 1.1 **"ISDA Definitions"** means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by ISDA, EMTA and FXC and, as applicable, are incorporated by reference herein.
- 1.2 **"FXC"** means the Foreign Exchange Committee or any successor entity.
- 1.3 **"ISDA"** means the International Swaps and Derivatives Association, Inc. or any successor entity.
- 1.4 Words and expressions used in these ForexClear NDO Contract Terms that are not defined herein shall have the meaning given to them in the Regulations or the Procedures, unless expressly provided otherwise. Words and expressions used in these ForexClear NDO Contract Terms that are not defined in the Regulations and the Procedures, but which are defined in the ISDA Definitions, EMTA Templates or LCH Non-EMTA NDO Contract Templates, shall have the meanings given to them in the ISDA Definitions, EMTA Templates or LCH Non-EMTA NDO Contract Templates, unless expressly provided otherwise.
- 1.5 In the event of an inconsistency or conflict, the Regulations and Procedures will prevail over the ISDA Definitions.

- 1.6 References in the ISDA Definitions to a "Currency Option Transaction" shall be deemed to be references to a "ForexClear NDO Transaction" for the purposes of these ForexClear NDO Contract Terms.
- 1.7 Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.
- 1.8 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment shall apply to ForexClear NDO Contracts and, if so, with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear NDO Contracts that have a Trade Date that falls on or after the effective date of such amendment).
- 1.9 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear NDO Contracts going forward, these ForexClear NDO Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear NDO Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.10 The omission to give notice under this provision to, or the non-receipt of notice under paragraphs 1.8 or 1.9 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

- 2.1 The Economic Terms of a ForexClear NDO Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear NDO Transaction.
- 2.2 The particulars of a ForexClear NDO Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms that are not predetermined in the relevant EMTA Template or LCH Non-EMTA NDO Contract Template, where applicable:
 - (a) Trade Date (Section 1.25)
 - (b) Buyer (Section 3.1(a))
 - (c) Seller (Section 3.1(f))
 - (d) Call Currency (Section 3.1(b))
 - (e) Call Currency Amount (Section 3.1(c))
 - (f) Put Currency (Section 3.1(d))
 - (g) Put Currency Amount (Section 3.1(e))
 - (h) Strike Price (Section 3.1(g))

- (i) Settlement Date (Section 1.24)
- (j) Valuation Date (Section 1.16(f))
- (k) Premium; Price (Section 3.4(a))
- (l) Premium Payment Date (Section 3.4(b))

2.3 However, as set out more particularly in Regulation 16, where the ForexClear NDO Transaction specifies a ForexClear Clearing Member as the Seller, with the other ForexClear Member as the Buyer, the Clearing House, in respect of each ForexClear NDO Contract to which it is party pursuant to the corresponding ForexClear NDO Transaction, shall be (i) the Buyer; and (ii) the Seller under such ForexClear NDO Contract, respectively.

3. **Standard Terms ("Standard Terms")**

The following terms are the Standard Terms of a registered ForexClear NDO Contract:

3.1 **EMTA and Non-EMTA Currencies – Template Terms**

The EMTA Template or Non-EMTA NDO Contract Template that is appropriate to the particular Currency Pair is incorporated by reference into these ForexClear Contract Terms, as amended herein, and governs the terms of a ForexClear NDO Contract relating to a given Currency Pair together with, and subject to, the Economic Terms and the Standard Terms, as applicable. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA template terms for Non-Deliverable Cross-Currency FX Transactions published by EMTA.

3.13.2 **Non-Deliverable Transaction**

The ForexClear NDO Transaction, and the related ForexClear NDO Contract evidenced by these ForexClear NDO Contract Terms, shall be a Non-Deliverable Currency Option Transaction.

3.23.3 **Currency Option Style (Section 3.2)**

European

3.33.4 **Currency Option Type (Section 3.3)**

Put / Call

3.43.5 **Date of Annex A (Section 4.2)**

Annex A to the ISDA Definitions is incorporated, as amended as at the Trade Date.

3.53.6 **Calculation Agent (Section 1.3)**

The Clearing House is the Calculation Agent.

3.63.7 **Exercise (Section 3.6(a)) and Effectiveness of Notice of Exercise (Section 3.6(b))**

The Procedures shall govern the method by which the parties to a ForexClear NDO Contract shall be able to exercise the rights granted pursuant to the related ForexClear NDO Transaction and the effectiveness of such exercise. Accordingly, Section 3.6(a) and Section 3.6(b) of the ISDA Definitions shall each be disappplied in their entirety.

3.73.8 *Automatic Exercise (Section 3.6(c))*

- (a) Subject to (b) below, Automatic Exercise shall be applicable to a ForexClear NDO Transaction and the related ForexClear NDO Contract.
- (b) The manner in which Automatic Exercise shall apply to a ForexClear NDO Transaction and the related ForexClear NDO Contract shall not be as set forth in Section 3.6(c) of the ISDA Definitions, but in accordance with, and subject to, the Procedures.

3.83.9 *Terms Relating to Settlement (Section 3.7(b))*

The Procedures shall govern the settlement of a ForexClear NDO Transaction and the related ForexClear NDO Contract and, accordingly, Section 3.7(b) of the ISDA Definitions shall be disappplied in its entirety (as applicable).

3.93.10 *Business Days*

For the purposes of determining the Settlement Date, Valuation Date and Expiration Date, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear NDO Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 1.3.12 (Reference Data) of Section 2I (ForexClear Clearing Service) of the Procedures~~except where the Clearing House notifies FXCCMs otherwise in accordance with the Procedures.~~

3.103.11 *Withholding Tax Provisions*

- (a) All payments due under a ForexClear NDO Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.
- (b) All payments due under a ForexClear NDO Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum

which it would have received and so retained had no such deduction or withholding been made or required to be made.

3.113.12 ***Payment of Stamp Tax***

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear NDO Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("**Stamp Tax Jurisdiction**") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any ForexClear NDO Contract registered by the Clearing House and to which that ForexClear Clearing Member is a party.

3.123.13 ***Payments under a ForexClear NDO Contract***

Payments under, and in respect of, a ForexClear NDO Contract shall be calculated by the Clearing House and shall be made by, or to, the ForexClear Clearing Member in accordance with the provisions of the Procedures.

3.133.14 ***Regulations***

A ForexClear NDO Contract shall be subject to the Regulations and the Procedures, which shall form a part of its terms. In the event of any inconsistency between these ForexClear NDO Contract Terms and the Regulations or the Procedures, the Regulations and the Procedures will prevail.

3.143.15 ***Governing Law***

Each ForexClear NDO Contract, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree for the benefit of the Clearing House that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise here from. The ForexClear Clearing Member party hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the jurisdiction of the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

3.153.16 ***Third Party Rights***

A person who is not a party to this ForexClear NDO Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of this ForexClear NDO Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

3.17 Non-EMTA Currencies

The following terms are designated as Standard Terms of a registered ForexClear NDO Contract only where EUR, GBP, AUD, CHF or JPY is the Reference Currency.

(a) Valuation Postponement for Price Source Disruption

“**Valuation Postponement**” means, for purposes of obtaining a Settlement Rate, that the Settlement Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Settlement Rate will be determined on the next Business Day after the Maximum Days of Postponement as being the applicable Fallback Reference Price.

“**Fallback Reference Price**” means the Clearing House calculated end of day spot price for the applicable Currency Pair from the previous end of day margin run.

~~(b)~~—WM/Reuters Closing Spot Rate

~~(e)(b)~~ The following shall only apply to a ForexClear NDO Contract where EUR, GBP, AUD, CHF or JPY is the Reference Currency:

“**WM/Reuters Closing Spot Rate**” means, for the relevant Currency Pair, the exchange rate at the relevant time at which such rate is to determined for foreign exchange transactions for value on the relevant Settlement Date, as calculated and published by the WM Company and Thomson Reuters, which appears on the respective Thomson Reuters screen, as follows:

(~~ia~~) Reference Currency: AUD; Settlement Currency: USD; Thomson Reuters Screen: USDAUDFIXM=WM;

(~~iib~~) Reference Currency: GBP; Settlement Currency: USD; Thomson Reuters Screen: USDGBPFIXM=WM;

(~~iiie~~) Reference Currency: EUR; Settlement Currency: USD; Thomson Reuters Screen: USDEURFIXM=WM;

(~~ivd~~)—Reference Currency: CHF; Settlement Currency: USD; Thomson Reuters Screen: USDCHFFIXM=WM; or

(~~ve~~) Reference Currency: JPY; Settlement Currency: USD; Thomson Reuters USDJPYFIXM=WM.

4. **ForexClear NDO STM Terms**

The following terms are designated as the ForexClear NDO STM Terms of a ForexClear NDO STM Contract:

4.1 **Net Present Value**

- (a) The Clearing House shall, at least once per Business Day, determine the net present value of this ForexClear NDO STM Contract in such manner and at such times as may be provided in the Procedures.
- (b) Immediately upon the Clearing House making such a determination of the net present value of this ForexClear NDO STM Contract:
 - (i) an amount (determined in accordance with Regulation 106A) of cash may become due and payable by the ForexClear Clearing Member or the Clearing House (as applicable, and as determined in accordance with Regulation 106A) under these ForexClear NDO STM Terms; and
 - (ii) the net present value of this ForexClear NDO STM Contract shall for all purposes be reset to zero.
- (c) The amount (if any) referred to in Part A10.1(b)(i) above shall immediately become due and payable by the relevant party under the ForexClear NDO STM Terms applicable to this ForexClear NDO STM Contract and shall be paid in such manner and at such times as may be provided in the Procedures.

4.2 Price Alignment Amount

- (a) The Clearing House shall, at least once per Business Day, determine the Price Alignment Amount in respect of this ForexClear NDO STM Contract in such manner and at such times as may be provided in the Procedures.
 - (b) Immediately upon the Clearing House making such a determination of the Price Alignment Amount in respect of this ForexClear NDO STM Contract an amount (determined in accordance with Regulation 106A) of cash may become due and payable by the ForexClear Clearing Member or the Clearing House (as applicable, and as determined in accordance with Regulation 106A) under these ForexClear NDO STM Terms.
 - (c) The amount (if any) referred to in (b) above shall immediately become due and payable by the relevant party under the ForexClear NDO STM Terms applicable to this ForexClear NDO STM Contract and shall be made in such manner and at such times as may be provided in the Procedures.
5. If the terms of an EMTA Template or LCH Non-EMTA NDO Contract Template conflict with these ForexClear NDO Contract Terms, these ForexClear NDO Contract Terms shall prevail. If the terms of an EMTA Template conflict with the ISDA Definitions, the terms of the EMTA Template shall prevail.

PART M
REGISTRATION OF A FOREXCLEAR NDO CONTRACT - PRODUCT
ELIGIBILITY CRITERIA

1. Registration of a ForexClear NDO Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear NDO Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 below, ~~as applicable,~~ for a ForexClear NDO Transaction; and
- ~~(b) — each party to the transaction is either (i) a ForexClear Dealer, or (ii) a ForexClear Clearing Member, an FCM ForexClear Clearing Member, a ForexClear Clearing Client, an FCM Client or, in respect of Risk Neutralisation, the Clearing House who has not been declared a defaulter by the Clearing House; and~~
- ~~(c)(b) the ForexClear Clearing Member in whose name the ForexClear NDO Contract is to be registered has not been declared a defaulter by the Clearing House.~~

and the requirements of paragraphs 1(a) and, (b) ~~and~~ (c) ~~and~~ above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear NDO Contract

Instrument	Non-Deliverable Currency Option Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Currency Pair	One of
	USD/BRL,
	USD/KRW,
	USD/INR,
	USD/TWD,
	AUD/USD,
	EUR/USD,
	GBP/USD,
	CHF/USD, or
	JPY/USD

Appendix II
FCM Product Specific Contract Terms and Eligibility Criteria Manual
Changed Pages



FCM PRODUCT SPECIFIC CONTRACT TERMS AND ELIGIBILITY CRITERIA
MANUAL

SCHEDULE 3 FCM FOREXCLEAR

PART A FCM FOREXCLEAR NDF CONTRACT TERMS

The terms of a registered FCM ForexClear NDF Contract shall include these FCM ForexClear NDF Contract Terms which shall comprise:

Interpretation;

- (1) Economic Terms; and
- (2) Standard Terms, being both the:
 - A. Specific Standard Terms; and
 - B. General Standard Terms

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the FCM Regulations and the FCM Procedures, the Clearing House will use the FCM ForexClear NDF Contract Terms applicable to an FCM ForexClear NDF Contract to calculate the amounts due under the FCM ForexClear NDF Contract to, or from, the Clearing House in accordance with the FCM Procedures.

1. Interpretation ("**Interpretation**")

- 1.1 "**ISDA Definitions**" means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by ISDA, EMTA and FXC, and the same are incorporated by reference herein.
- 1.2 "**FXC**" means the Foreign Exchange Committee or any successor entity
- 1.3 "**ISDA**" means International Swaps and Derivatives Association, Inc. or any successor entity.
- 1.4 Words and expressions used in these FCM ForexClear NDF Contract NDF Terms which are not defined herein shall have the meanings given to them in the FCM Regulations and the FCM Procedures, unless expressly provided otherwise. Words and expressions used in these FCM ForexClear NDF Contract NDF Terms which are not defined in the FCM Regulations and the FCM Procedures but which are defined in the ISDA Definitions shall have the meanings given to them in the ISDA Definitions, unless expressly provided otherwise.
- 1.5 In the event of an inconsistency, the FCM Regulations and the FCM Procedures will prevail over the ISDA Definitions.
- 1.6 References in the ISDA Definitions to an "**FX Transaction**" shall be deemed to be references to an "**FCM ForexClear NDF Transaction**" for the purposes of the FCM ForexClear Service.

- 1.7 Except where expressly stated otherwise, all reference to "**Sections**" means Sections in the ISDA Definitions.
- 1.8 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the FCM ForexClear Clearing Members, give directions as to whether such amendment shall apply to FCM ForexClear Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (**provided that** in any event any such amendment shall only apply in relation to FCM ForexClear Contracts that have a Trade Date that falls on or after the effective date of such amendment).
- 1.9 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to FCM ForexClear Contracts going forward, these FCM ForexClear Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with FCM ForexClear Contracts registered in an FCM ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.10 The accidental omission to give notice under this provision to, or the non-receipt of notice under paragraphs 1.8 or 1.9 above by, any FCM ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

- 2.1 The Economic Terms of an FCM ForexClear NDF Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding FCM ForexClear Transaction.
- 2.2 The particulars of an FCM ForexClear Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms which are not predetermined in the EMTA Templates or Non-EMTA NDF Contract Templates, where applicable:
 - (1) Trade Date (Section 1.25)
 - (2) Forward Rate (Section 2.1(a))
 - (3) Reference Currency Notional Amount (Section 1.21) or Notional Amount (Section 1.17(b)) in USD
 - (4) Reference Currency Buyer (Section 1.20)
 - (5) Reference Currency Seller (Section 1.22)
 - (6) scheduled Settlement Date (Section 1.24) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or Non-EMTA NDF Contract Template)
 - (7) scheduled Valuation Date (Section 1.16(f)) (where applicable, without prejudice to the adjustments set out in the relevant EMTA Template or Non-EMTA NDF Contract Template).

- 2.3 However, as set out more particularly in FCM Regulation 38, where the FCM ForexClear Transaction specifies an FCM ForexClear Clearing Member as the Reference Currency Seller, with the other FCM ForexClear Member as the Reference Currency Buyer, the Clearing House, in respect of each FCM ForexClear NDF Contract to which it is party pursuant to the corresponding FCM ForexClear Transaction, shall be (i) the Reference Currency Buyer; and (ii) the Reference Currency Seller under such FCM ForexClear Contract, respectively.

3. **Specific Standard Terms ("Specific Standard Terms")**

The following terms are designated as Specific Standard Terms of a registered FCM ForexClear Contract:

- 3.1 The EMTA Template or Non-EMTA NDF Contract Template that is appropriate to the particular Currency Pair is incorporated by reference into these FCM ForexClear NDF Contract Terms, as amended herein, and governs the terms of an FCM ForexClear NDF Contract relating to a given Currency Pair together with, and subject to, the Economic Terms ~~set out in Clause 2 above, and~~ the Specific Standard Terms and the General Standard Terms ~~set out in this Clause 3, and the General Standard Terms set out in Clause 4 or Clause 5 below~~, as applicable. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA ~~Template-template Terms-terms~~ for Non-Deliverable Cross-Currency FX Transactions published by EMTA ~~on 31 May 2011~~.

- 3.2 In the format "Reference Currency – Settlement Currency", the Currency Pairs are

- (1) BRL-USD
- (2) CLP-USD
- (3) CNY-USD
- (4) INR-USD
- (5) KRW-USD
- (6) RUB-USD
- (7) COP-USD
- (8) IDR-USD
- (9) MYR-USD
- (10) PHP-USD
- (11) TWD-USD
- (12) PEN-USD
- (13) EUR-USD

The following terms are designated as General Standard Terms of a registered FCM ForexClear Contract:

4.1 ***Business Days***

For the purposes of determining the Settlement Date and the Valuation Date only, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the FCM Procedures) from time to time, will apply to an FCM ForexClear Contract, except where the Clearing House notifies FXCCMs otherwise in accordance with section 2.2.8(pk) (*Reference Data*) of the FCM Procedures.

4.2 ***Withholding Tax Provisions***

4.2.1 All payments due under an FCM ForexClear NDF Contract shall be made by the FCM ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the FCM ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

4.2.2 All payments due under an FCM ForexClear NDF Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the FCM ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

4.3 ***Payment of Stamp Tax***

Each FCM ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any FCM ForexClear NDF Contract to which it is a party by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located or by any other jurisdiction, and will indemnify the Clearing House against any stamp tax or duty levied or imposed upon the Clearing House by any such jurisdiction in respect of any FCM ForexClear NDF Contract registered by the Clearing House and to which that FCM ForexClear Clearing Member is a party.

4.4 ***Discontinuation of a Settlement Rate Option***

(a) If:

PART B
REGISTRATION OF AN FCM FOREXCLEAR NDF CONTRACT - PRODUCT
ELIGIBILITY CRITERIA

1. Registration of an FCM ForexClear Contract

Without prejudice to the FCM Regulations and the FCM Procedures, the Clearing House will only register an FCM ForexClear NDF Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraphs 2 -or 3 below, as applicable, for an FCM ForexClear NDF Transaction; and
- ~~(b) — each party to the transaction is a ForexClear Dealer (as defined in the UK Regulations), a ForexClear Clearing Member, an FCM ForexClear Clearing Member, a ForexClear Clearing Client (as defined in the UK Regulations), an FCM Client or, in respect of Risk Neutralisation, the Clearing House and an Executing Party; and~~
- ~~(c) the FCM ForexClear Clearing Member in whose name the FCM ForexClear NDF Contract is to be registered has not been declared a defaulter by the Clearing House.~~

and the requirements of paragraph 1(a) and; (b) ~~and (c)~~ above continue to be satisfied at the Registration Time.

2. FCM ForexClear Product Eligibility Criteria for an FCM ForexClear NDF Contract – EMTA Template Currency Pairs

Instrument	Non-Deliverable FX Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of: <ul style="list-style-type: none">1. BRL – Brazilian Real,2. RUB – Russian Rouble,3. INR – Indian Rupee,4. CLP – Chilean Peso,5. CNY – Chinese Yuan,6. KRW – South Korean Won,7. COP – Colombian Peso,8. IDR – Indonesian Rupiah,

9. MYR – Malaysian Ringgit,
10. PHP – Philippine Peso,
11. TWD – Taiwan Dollar, or
12. PEN – Peruvian Sol.

Valuation Date A date with respect to the EMTA Template Currency Pair to which the FCM ForexClear NDF Transaction relates and is (i) a valid Business Day, (ii) no earlier than the Business Day (as defined in the FCM Regulations) immediately following the Submission Date and (iii) determined as set forth in the FCM Procedures and/or relevant EMTA Template for the EMTA Template Currency Pair.

Settlement Date A date with respect to the EMTA Template Currency Pair to which the FCM ForexClear NDF Transaction relates and is:

- A. no earlier than the date immediately following the Valuation Date; and
- B. no later than the date falling (1) for Brazilian Real, five calendar years and (2) for all other Reference Currencies, two calendar years, in each case plus two Business Days immediately following the Submission Date, **provided that** in each case such date shall be: (i) a valid Business Day and (ii) determined as set out in the FCM Procedures and/or relevant EMTA Template.

Settlement Type Non-Deliverable

Settlement Currency USD

Calculation Agent The Clearing House

3. **FCM ForexClear Product Eligibility Criteria for an FCM ForexClear NDF Contract – Non-EMTA Currency Pairs**

Instrument	Non-Deliverable FX Transaction – Non-EMTA Currency Pairs
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of:
	1. EUR – Euro,

	2. GBP – British Pound,
	3. AUD – Australian Dollar,
	4. CHF – Swiss Franc,
	5. JPY – Japanese Yen, 6. DKK – Danish Krone, 7. NOK – Norwegian Krone, 8. SEK – Swedish Krona, 9. CAD – Canadian Dollar, 10. SGD – Singapore Dollar, 11. ZAR – South African Rand, 12. MXN – Mexican Peso, 13. NZD – New Zealand Dollar, or 14. HKD – Hong Kong Dollar.
Valuation Date	A date with respect to the Non-EMTA Template Currency Pair to which the FCM ForexClear Transaction relates and is (i) a valid Business Day, (ii) no earlier than the Business Day (as defined in the FCM Regulations) immediately following the Submission Date and (iii) determined as set forth in the FCM Procedures and/or given Non-EMTA NDF Contract Template.
Settlement Date	A date with respect to the Non-EMTA Template Currency Pair to which the FCM ForexClear Transaction relates and is: A. no earlier than the date immediately following the Valuation Date; and B. no later than the date falling (1) for Euro, British Pound, Australian Dollar, Swiss Franc and Japanese Yen, five (5) calendar years and (2) for all other Non-EMTA Currencies, two (2) calendar years, in each case plus two Business Days immediately following the Submission Date, provided that in each case such date shall be: (i) a valid Business Day and (ii) determined as set out in the FCM Procedures and/or given Non-EMTA NDF Contract Template.

PART D
FCM FOREXCLEAR NDO CONTRACT TERMS; FCM FOREXCLEAR CONTRACTS
ARISING FROM FCM FOREXCLEAR NDO TRANSACTIONS

Where an FCM ForexClear NDO Contract arises between the Clearing House and an FCM ForexClear Clearing Member pursuant to the FCM Regulations and the terms of any agreement entered into between them, the terms of such registered FCM ForexClear NDO Contract shall include these FCM ForexClear NDO Contract Terms, which shall comprise:

- (1) Interpretation;
- (2) Economic Terms; and
- (3) Standard Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the FCM Regulations and the FCM Procedures, the Clearing House will use the FCM ForexClear NDO Contract Terms applicable to an FCM ForexClear NDO Contract to calculate the amounts due under the FCM ForexClear NDO Contract to, or from, the Clearing House in accordance with the FCM Procedures.

1. Interpretation ("Interpretation")

- 1.1 **"ISDA Definitions"** means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by ISDA, EMTA and FXC and, as applicable, are incorporated by reference herein.
- 1.2 **"FXC"** means the Foreign Exchange Committee or any successor entity.
- 1.3 **"ISDA"** means the International Swaps and Derivatives Association, Inc. or any successor entity.
- 1.4 Words and expressions used in these FCM ForexClear NDO Contract Terms that are not defined herein shall have the meaning given to them in the FCM Regulations or the FCM Procedures, unless expressly provided otherwise. Words and expressions used in these FCM ForexClear NDO Contract Terms that are not defined in the FCM Regulations and the FCM Procedures, but which are defined in the ISDA Definitions, EMTA Templates or LCH Non-EMTA NDO Contract Templates, shall have the meanings given to them in the ISDA Definitions, EMTA Templates or LCH Non-EMTA NDO Contract Templates, unless expressly provided otherwise.
- 1.5 In the event of an inconsistency or conflict, the FCM Regulations and FCM Procedures will prevail over the ISDA Definitions.
- 1.6 References in the ISDA Definitions to a "Currency Option Transaction" shall be deemed to be references to an "FCM ForexClear NDO Transaction" for the purposes of these FCM ForexClear NDO Contract Terms.
- 1.7 Except where expressly stated otherwise, all reference to "Sections" means Sections in the ISDA Definitions.

- 1.8 In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the FCM ForexClear Clearing Members, give directions as to whether such amendment shall apply to FCM ForexClear NDO Contracts and, if so, with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to FCM ForexClear NDO Contracts that have a Trade Date that falls on or after the effective date of such amendment).
- 1.9 Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to FCM ForexClear NDO Contracts going forward, these FCM ForexClear NDO Contracts shall continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with FCM ForexClear NDO Contracts registered in a FCM ForexClear Clearing Member's name prior to the time such amendment comes into effect.
- 1.10 The omission to give notice under this provision to, or the non-receipt of notice under paragraphs 1.8 or 1.9 above by, any FCM ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

- 2.1 The Economic Terms of an FCM ForexClear NDO Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding FCM ForexClear NDO Transaction.
- 2.2 The particulars of an FCM ForexClear NDO Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms that are not predetermined in the relevant EMTA Template or LCH Non-EMTA NDO Contract Template, where applicable:
- (a) Trade Date (Section 1.25)
 - (b) Buyer (Section 3.1(a))
 - (c) Seller (Section 3.1(f))
 - (d) Call Currency (Section 3.1(b))
 - (e) Call Currency Amount (Section 3.1(c))
 - (f) Put Currency (Section 3.1(d))
 - (g) Put Currency Amount (Section 3.1(e))
 - (h) Strike Price (Section 3.1(g))
 - (i) Settlement Date (Section 1.24)
 - (j) Valuation Date (Section 1.16(f))
 - (k) Premium; Price (Section 3.4(a))
 - (l) Premium Payment Date (Section 3.4(b))

- 2.3 However, as set out more particularly in FCM Regulation 38, where the FCM ForexClear NDO Transaction specifies an FCM ForexClear Clearing Member as the Seller, with the other FCM ForexClear Member as the Buyer, the Clearing House, in respect of each FCM ForexClear NDO Contract to which it is party pursuant to the corresponding FCM ForexClear NDO Transaction, shall be (i) the Buyer; and (ii) the Seller under such FCM ForexClear NDO Contract, respectively.

3. **Standard Terms ("Standard Terms")**

The following terms are the Standard Terms of a registered FCM ForexClear NDO Contract:

3.1 *EMTA and Non-EMTA Currencies – Template Terms*

The EMTA Template or Non-EMTA NDO Contract Template that is appropriate to the particular Currency Pair is incorporated by reference into these ForexClear Contract Terms, as amended herein, and governs the terms of a ForexClear NDO Contract relating to a given Currency Pair together with, and subject to, the Economic Terms and the Standard Terms, as applicable. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA template terms for Non-Deliverable Cross-Currency FX Transactions published by EMTA.

3.13.2 *Non-Deliverable Transaction*

The FCM ForexClear NDO Transaction ~~evidenced~~, and the related FCM ForexClear NDO Contract evidenced by these FCM ForexClear NDO Contract Terms, shall be a Non-Deliverable Currency Option Transaction.

3.23.3 *Currency Option Style (Section 3.2)*

European

3.33.4 *Currency Option Type (Section 3.3)*

Put / Call

3.43.5 *Date of Annex A (Section 4.2)*

Annex A to the ISDA Definitions is incorporated, as amended as at the Trade Date.

3.53.6 *Calculation Agent (Section 1.3)*

The Clearing House is the Calculation Agent.

3.63.7 *Exercise (Section 3.6(a)) and Effectiveness of Notice of Exercise (Section 3.6(b))*

The FCM Procedures shall govern the method by which the parties to an FCM ForexClear NDO Contract shall be able to exercise the rights granted pursuant to the related FCM ForexClear NDO Transaction and the effectiveness of such exercise. Accordingly, Section 3.6(a) and Section 3.6(b) of the ISDA Definitions shall each be disappplied in their entirety.

3.73.8 *Automatic Exercise (Section 3.6(c))*

- (a) Subject to (b) below, Automatic Exercise shall be applicable to an FCM ForexClear NDO Transaction and the related FCM ForexClear NDO Contract.
- (b) The manner in which Automatic Exercise shall apply to an FCM ForexClear NDO Transaction and the related FCM ForexClear NDO Contract shall not be as set forth in Section 3.6(c) of the ISDA Definitions, but in accordance with, and subject to, the FCM Procedures.

3.83.9 **Terms Relating to Settlement (Section 3.7(b))**

The FCM Procedures shall govern the settlement of an FCM ForexClear NDO Transaction and the related FCM ForexClear NDO Contract and, accordingly, Section 3.7(b) of the ISDA Definitions shall be disappplied in its entirety (as applicable).

3.93.10 **Business Days**

For the purposes of determining the Settlement Date, Valuation Date and Expiration Date, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the Swaps Monitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the FCM Procedures) from time to time, will apply to an FCM ForexClear NDO Contract, except where the Clearing House notifies FCM ForexClear Clearing Members otherwise in accordance with section 2.2.8(p) (Reference Data) of the FCM ~~the~~ Procedures.

3.103.11 **Withholding Tax Provisions**

- (a) All payments due under an FCM ForexClear NDO Contract shall be made by the FCM ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the FCM ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.
- (b) All payments due under an FCM ForexClear NDO Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the FCM ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

3.113.12 **Payment of Stamp Tax**

Each FCM ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any FCM ForexClear NDO Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat,

or in which a branch or office through which it is acting is located ("**Stamp Tax Jurisdiction**") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any FCM ForexClear NDO Contract registered by the Clearing House and to which that FCM ForexClear Clearing Member is a party.

3.123.13 **Payments under an FCM ForexClear NDO Contract**

Payments under, and in respect of, an FCM ForexClear NDO Contract shall be calculated by the Clearing House and shall be made by, or to, the FCM ForexClear Clearing Member in accordance with the provisions of the FCM Procedures.

3.133.14 **Regulations**

An FCM ForexClear NDO Contract shall be subject to the FCM Regulations and the FCM Procedures, which shall form a part of its terms. In the event of any inconsistency between these FCM ForexClear NDO Contract Terms and the FCM Regulations or the FCM Procedures, the FCM Regulations and the FCM Procedures will prevail.

3.143.15 **Governing Law**

Each FCM ForexClear NDO Contract, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of the State of New York in the United States of America without regard to principles of conflicts of laws and the parties hereby irrevocably agree for the benefit of the Clearing House that (i) the courts of the State of New York, Borough of Manhattan in the United States of Americas, (ii) the United States District Court for the Southern District of New York, or (iii) the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise herefrom. The FCM ForexClear Clearing Member party hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the exclusive jurisdiction of the courts of the State of New York, Borough of Manhattan in the United States of Americas, the United states District Court for the Southern District of New York or the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

3.153.16 **Third Party Rights**

A person who is not a party to an FCM ForexClear NDO Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of an FCM ForexClear NDO Contract are expressly excluded.

3.17 **Non-EMTA Currencies**

The following terms are designated as Standard Terms of a registered FCM ForexClear NDO Contract only where EUR, GBP, AUD, CHF or JPY is the Reference Currency.

~~(a)~~ Valuation Postponement for Price Source Disruption

“**Valuation Postponement**” means, for purposes of obtaining a Settlement Rate, that the Settlement Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date, that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Settlement Rate will be determined on the next Business Day after the Maximum Days of Postponement as being the applicable Fallback Reference Price.

“**Fallback Reference Price**” means the Clearing House calculated end of day spot price for the applicable Currency Pair from the previous end of day margin run.

~~(c)~~ WM/Reuters Closing Spot Rate

~~(a)(b) The following shall only apply to an FCM ForexClear NDO Contract where EUR, GBP, AUD, CHF or JPY is the Reference Currency:~~

“**WM/Reuters Closing Spot Rate**” means, for the relevant Currency Pair, the exchange rate at the relevant time at which such rate is to determined for foreign exchange transactions for value on the relevant Settlement Date, as calculated and published by the WM Company and Thomson Reuters, which appears on the respective Thomson Reuters screen, as follows:

- ~~(ia)~~ Reference Currency: AUD; Settlement Currency: USD; Thomson Reuters Screen: USDAUDFIXM=WM;
- ~~(iib)~~ Reference Currency: GBP; Settlement Currency: USD; Thomson Reuters Screen: USDGBPFIXM=WM;
- ~~(iiie)~~ Reference Currency: EUR; Settlement Currency: USD; Thomson Reuters Screen: USDEURFIXM=WM;
- ~~(ivd)~~ Reference Currency: CHF; Settlement Currency: USD; Thomson Reuters Screen: USDCHFFIXM=WM; or
- ~~(ve)~~ Reference Currency: JPY; Settlement Currency: USD; Thomson Reuters USDJPYFIXM=WM.

4. If the terms of an EMTA Template or LCH Non-EMTA NDO Contract Template conflict with these FCM ForexClear NDO Contract Terms, these FCM ForexClear NDO Contract Terms shall prevail. If the terms of an EMTA Template conflict with the ISDA Definitions, the terms of the EMTA Template shall prevail.

PART E
REGISTRATION OF AN FCM FOREXCLEAR NDO CONTRACT - PRODUCT ELIGIBILITY CRITERIA

1. Registration of an FCM ForexClear NDO Contract

Without prejudice to the FCM Regulations and the FCM Procedures, the Clearing House will only register an FCM ForexClear NDO Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the FCM Product Eligibility Criteria set out in paragraph 2-~~or 3~~ below, ~~as applicable,~~ for an FCM ForexClear NDO Transaction; and
- ~~(b) —~~ each party to the transaction is a ForexClear Dealer (as defined in the UK Regulations), a ForexClear Clearing Member, an FCM ForexClear Clearing Member, a ForexClear Clearing Client (as defined in the UK Regulations), an FCM Client or, in respect of Risk Neutralisation, the Clearing House—~~an Executing Party;~~ and
- ~~(e)(b) the FCM ForexClear Clearing Member in whose name the FCM ForexClear NDO Contract is to be registered has not been declared a defaulter by the Clearing House.~~

and the requirements of paragraphs 1(a) and, (b) ~~and (e)~~ above continue to be satisfied at the Registration Time.

5.2. **Product Eligibility Criteria for an FCM ForexClear NDO Contract**

Instrument	Non-Deliverable Currency Option Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Currency Pair	One of
	USD/BRL,
	USD/KRW,
	USD/INR,
	USD/TWD,
	AUD/USD,
	EUR/USD,
	GBP/USD,
	CHF/USD, or