

**Via CFTC Portal**

17 July 2023

**Mr. Christopher J. Kirkpatrick**  
**Office of the Secretariat**  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

**Re:** Proposed LCH SA Initiative – Extension of Eligible Collateral to Caisse d'Amortissement de la Dette Sociale (CADES), Spain Inflation (SPGBEI) and European Union T-Bills (EUB)

Dear Mr. Kirkpatrick,

Pursuant to CFTC regulation §40.6(a), LCH SA, a derivatives clearing organization (“**DCO**”) registered with the Commodity Futures Trading Commission (the “**CFTC**”), is submitting for self-certification the proposed amendment to the Non-Cash collateral that a Clearing Member may post with LCH SA to meet the clearing member’s initial and additional margin requirements (the “**Proposed Rule Change**”).

The intended date of implementation of this the Proposed Rule Change is on August 1<sup>st</sup>, , 2023, subject to any relevant regulatory review or approval process duly completed and in no event will the proposed changes be implemented earlier than ten (10) business days after the formal filing with the CFTC.

The text of the Proposed Rule Change is attached hereto as Appendix.

**Part I: Explanation and Analysis**

In response to clearing member requests and in order to harmonize its offer with LCH Limited, LCH SA is proposing to expand the eligible collateral to be posted by a clearing member to satisfy the margin requirements.

LCH SA is proposing to add the following debt instruments to the current list of eligible collateral<sup>1</sup>:

- Spain Inflation (SPGBEI)
- Caisse d'Amortissement de la Dette Sociale (CADES)
- European Union T-Bills (EUB)

This will improve the collateral optimization and the consistency with our clearing offer as those three debts are already eligible for clearing on LCH SA RepoClear service.

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<https://www.lch.com/sites/default/files/media/files/Acceptable%20Collateral%20Haircuts%20LCH%20SA.pdf>

The proposed change will also preserve the CCP's liquidity equilibrium as these debt instruments are EUR-denominated only and eligible to 3G Pool with no impact to our liquidity coverage ratio (LCR).

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

LCH SA is already accepting as collateral margin Inflation Bonds for the following EU government debts: France, Germany, and Italy. The proposed Rule Change is simply adding Spain to the current list of eligible collateral.

European Union debt is already eligible as collateral margin at LCH SA, the Proposed Rule Change is expanding the ticker list with EUB.

Further, LCH SA is also proposing to add CADES to the Agency bonds (KFW and RENTEN) already eligible as collateral margin.

There is no change to any LCH SA risk methodology including the Liquidity Risk Modelling Framework or to the CDS Clearing Rules as a result of this extension.

### **Part III: Core Principles Compliance**

LCH SA has reviewed the Proposed Rule Changes against the requirements of Commission' regulations and DCO Core Principles, and finds that these changes will continue to comply with all the requirements and standards therein and in particular with the following principles and Commission's regulations including, but not limited to § 39.13, 39.15, and 39.27.

**DCO Core Principle D – Risk management.** CFTC Regulation 39.13 requires a DCO to ensure that it possesses the ability to manage the risks associated with discharging the responsibilities of the derivatives clearing organization through the use of appropriate tools and procedures. The additional Eligible Collateral that LCH SA is proposing to permit clearing members to post with LCH SA to satisfy the clearing member's margin requirements is limited to sovereign and supranational/agency debt that is issued by jurisdictions that have a high credit score and subject to conservative haircuts in line with LCH SA's collateral eligibility criteria and risk management framework. The addition of those debts will not impact the CCP's LCR as well as any risk methodology.

### **Part IV: Public Information**

LCH SA has posted a notice of pending certifications with the CFTC and a copy of the submission on LCH's website at: <https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes>

### **Part V: Opposing Views**

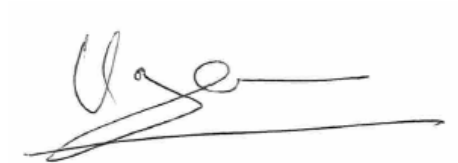
There were no opposing views expressed to LCH SA by governing board or committee members, members of LCH SA that were not incorporated into the rules.

**Certification**

LCH SA hereby certifies to the CFTC, pursuant to the procedures set forth in the Commission regulation §40.6, that this change submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated there under.

If you require any additional information or have any questions regarding this submission, please contact the undersigned.

Best regards,

A handwritten signature in black ink, appearing to read 'Carole Uzan', with a long horizontal line extending to the right.

**Carole Uzan**  
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**APPENDIX**

Text of the Proposed Rule Change



Acceptable  
Collateral Haircuts L

## LCH SA - Risk Notice - Margin Eligible Securities Collateral and Haircut Schedule

Haircuts as of 01/08/2023

Eligible Government Securities		Buckets	Haircuts (Conventional Bonds)	Haircuts (Inflation Linked Bonds)
Australia	Debt Securities issued by the Australian State: Australian Treasury Bill (ACTB) Australian Government Bond (ACGB)	11 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.75%	N/A
		> 1 and <= 3 years	1.25%	N/A
		> 3 and <= 5 years	2.25%	N/A
		> 5 and <= 7 years	2.75%	N/A
		> 7 and <= 10 years	4.00%	N/A
		> 10 and <= 15 years	6.50%	N/A
		> 15 and <= 30 years	14.00%	N/A
		> 30 and <= 50 years	N/A	N/A
Austria	Debt Securities issued by the Austrian State: Austrian Treasury Bill (RATB) Austrian Government Bond (RAGB)	4 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.75%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.50%	N/A
		> 5 and <= 7 years	3.00%	N/A
		> 7 and <= 10 years	3.75%	N/A
		> 10 and <= 15 years	5.50%	N/A
		> 15 and <= 30 years	12.25%	N/A
		> 30 and <= 50 years	16.50%	N/A
Belgium	Debt Securities issued by the Belgian state: Belgian Treasury Bill (BGTB) Belgian Government Bond (BGB)	4 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	1.00%	N/A
		> 1 and <= 3 years	2.00%	N/A
		> 3 and <= 5 years	2.75%	N/A
		> 5 and <= 7 years	4.25%	N/A
		> 7 and <= 10 years	5.25%	N/A
		> 10 and <= 15 years	7.50%	N/A
		> 15 and <= 30 years	14.00%	N/A
		> 30 and <= 50 years	18.75%	N/A
Canada	Debt Securities issued by the Canadian State: Canadian Treasury Bill (CTB) Canadian Government Bond (CAN)	10 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	1.00%	N/A
		> 3 and <= 5 years	1.75%	N/A
		> 5 and <= 7 years	2.25%	N/A
		> 7 and <= 10 years	3.00%	N/A
		> 10 and <= 15 years	4.25%	N/A
		> 15 and <= 30 years	8.25%	N/A
		> 30 and <= 50 years	11.00%	N/A
Denmark	Debt Securities issued by the Danish State: Danish Treasury Bill (DGTB) Danish Government Bond (DGB)	6 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	1.25%	N/A
		> 3 and <= 5 years	1.75%	N/A
		> 5 and <= 7 years	2.50%	N/A
		> 7 and <= 10 years	3.50%	N/A
		> 10 and <= 15 years	5.25%	N/A
		> 15 and <= 30 years	12.50%	N/A
		> 30 and <= 50 years	N/A	N/A
Finland	Debt Securities issued by the Finnish State: Finnish Treasury Bill (RFTB) Finnish Government Bonds (RFGB)	4 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	1.25%	N/A
		> 3 and <= 5 years	2.00%	N/A
		> 5 and <= 7 years	2.75%	N/A
		> 7 and <= 10 years	3.75%	N/A
		> 10 and <= 15 years	5.50%	N/A
		> 15 and <= 30 years	11.25%	N/A
		> 30 and <= 50 years	15.00%	N/A
France	Debt Securities issued by the French state: Bons du Trésor à Taux Fixe et Intérêt Précompté (BTF) Bons du Trésor à Taux Fixe et Intérêt Annuel (BTNS) Bons du Trésor à Taux Fixe et Intérêt Annuel I/L (BTNS) Obligations Assimilables du Trésor (FRTR) Obligations Assimilables du Trésor I/L (FRTR)	4 business days and <= 0,5 year	0.50%	0.75%
		> 0.5 and <= 1 year	0.50%	1.25%
		> 1 and <= 3 years	1.25%	2.00%
		> 3 and <= 5 years	2.00%	3.00%
		> 5 and <= 7 years	2.75%	4.00%
		> 7 and <= 10 years	3.75%	5.00%
		> 10 and <= 15 years	5.50%	6.25%
		> 15 and <= 30 years	11.50%	14.00%
		> 30 and <= 50 years	15.50%	18.75%
Germany	Debt Securities issued by the German Federal State: German Treasury Bill (BUBILL) Bundesschatzanweisungen (BKO) Bundessobligationen (OBL) Bundessobligationen I/L (OBLI) Deutsche Bundesrepublik (DBR) Deutschland I/L (DBRI)	3 business days and <= 0,5 year	0.50%	0.50%
		> 0.5 and <= 1 year	0.50%	1.00%
		> 1 and <= 3 years	1.25%	1.75%
		> 3 and <= 5 years	2.00%	2.75%
		> 5 and <= 7 years	2.50%	3.25%
		> 7 and <= 10 years	3.50%	4.25%
		> 10 and <= 15 years	5.00%	6.50%
		> 15 and <= 30 years	11.25%	11.25%
		> 30 and <= 50 years	15.00%	15.00%
Italy	Debt Securities issued by the Italian State: Buoni Ordinari del Tesoro (BOTS) Buoni del Tesoro Poliennali (BTPS) Buoni del Tesoro Poliennali I/L (BTPS) Certificati di Credito del Tesoro (CCTS)	3 business days and <= 0,5 year	6.00%	6.00%
		> 0.5 and <= 1 year	6.00%	6.00%
		> 1 and <= 3 years	7.00%	7.00%
		> 3 and <= 5 years	9.00%	10.00%
		> 5 and <= 7 years	10.50%	12.00%
		> 7 and <= 10 years	11.50%	14.25%
		> 10 and <= 15 years	13.00%	15.75%
		> 15 and <= 30 years	21.75%	21.75%
		> 30 and <= 50 years	26.50%	26.50%
Japan	Debt Securities issued by the Japanese State: Japanese Treasury Bill (JGTB) Japanese Treasury Discount Bill (JTDB) Japanese Government Bond (JGB)	6 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	0.50%	N/A
		> 3 and <= 5 years	1.00%	N/A
		> 5 and <= 7 years	1.50%	N/A
		> 7 and <= 10 years	2.00%	N/A

		> 10 and <= 15 years	3.00%	N/A
		> 15 and <= 30 years	8.25%	N/A
		> 30 and <= 50 years	11.00%	N/A
Netherlands	Debt Securities issued by the Dutch State: Dutch Treasury Certificate (DTB) Dutch Government Bond (NETHER)	10 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	1.25%	N/A
		> 3 and <= 5 years	2.00%	N/A
		> 5 and <= 7 years	2.25%	N/A
		> 7 and <= 10 years	3.50%	N/A
		> 10 and <= 15 years	5.00%	N/A
		> 15 and <= 30 years	11.00%	N/A
		> 30 and <= 50 years	14.75%	N/A
Norway	Debt Securities issued by the Norwegian State: Norwegian Treasury Bill (NGTB) Norwegian Government Bond (NGB)	9 business days and <= 0,5 year	0.75%	N/A
		> 0.5 and <= 1 year	1.00%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.25%	N/A
		> 5 and <= 7 years	3.00%	N/A
		> 7 and <= 10 years	4.00%	N/A
		> 10 and <= 15 years	6.25%	N/A
		> 15 and <= 30 years	N/A	N/A
		> 30 and <= 50 years	N/A	N/A
Portugal	Debt securities issued by the Portuguese State Portuguese Treasury Bill (PORTB) Portuguese Government bond (PGB)	3 business days and <= 0,5 year	8.25%	N/A
		> 0.5 and <= 1 year	11.50%	N/A
		> 1 and <= 3 years	21.25%	N/A
		> 3 and <= 5 years	27.25%	N/A
		> 5 and <= 7 years	32.25%	N/A
		> 7 and <= 10 years	32.25%	N/A
		> 10 and <= 15 years	32.25%	N/A
		> 15 and <= 30 years	47.00%	N/A
		> 30 and <= 50 years	54.00%	N/A
Spain	Debt Securities issued by the Spanish State: Spanish Letras del Tesoro (SGLT) Spanish Government Bond (SPGB) Spanish Government Inflation Bond (SPGBEI)	3 business days and <= 0,5 year	2.25%	2.25%
		> 0.5 and <= 1 year	3.00%	3.00%
		> 1 and <= 3 years	6.50%	6.50%
		> 3 and <= 5 years	9.25%	9.25%
		> 5 and <= 7 years	10.50%	10.50%
		> 7 and <= 10 years	12.25%	12.25%
		> 10 and <= 15 years	15.25%	15.25%
		> 15 and <= 30 years	25.50%	25.50%
		> 30 and <= 50 years	31.50%	31.50%
Sweden	Debt Securities issued by the Swedish State: Swedish Treasury Bill (SWTB) Swedish Government Bond (SGB)	4 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	1.00%	N/A
		> 3 and <= 5 years	1.75%	N/A
		> 5 and <= 7 years	2.25%	N/A
		> 7 and <= 10 years	3.50%	N/A
		> 10 and <= 15 years	5.50%	N/A
		> 15 and <= 30 years	11.75%	N/A
		> 30 and <= 50 years	N/A	N/A
Switzerland	Debt Securities issued by the Swiss State: Swiss Treasury Bill (SWISTB) Swiss Government Bond (SWISS)	3 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.50%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	1.75%	N/A
		> 5 and <= 7 years	2.25%	N/A
		> 7 and <= 10 years	3.50%	N/A
		> 10 and <= 15 years	5.25%	N/A
		> 15 and <= 30 years	13.50%	N/A
		> 30 and <= 50 years	18.00%	N/A
UK	Debt Securities issued by the United Kingdom State: United Kingdom Treasury Bill (UKTB) United Kingdom Gilt (UKT)	9 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.70%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.50%	N/A
		> 5 and <= 7 years	3.25%	N/A
		> 7 and <= 10 years	5.00%	N/A
		> 10 and <= 15 years	8.25%	N/A
		> 15 and <= 30 years	14.25%	N/A
		> 30 and <= 50 years	19.00%	N/A
USA	Debt Securities issued by the United States of America: US Treasury Bills (B)	3 business days and <= 0,5 year	0.50%	N/A
		> 0.5 and <= 1 year	0.70%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.50%	N/A
		> 5 and <= 7 years	3.50%	N/A
		> 7 and <= 10 years	5.00%	N/A
		> 10 and <= 15 years	7.50%	N/A
		> 15 and <= 30 years	16.25%	N/A
		> 30 and <= 50 years	22.00%	N/A

Eligible Securities ( Supra & Agencies)		Buckets	Haircuts	Haircuts (Inflation Linked Bonds)
Caisse d'Amortissement de la Dette Sociale	Debt securities issued by the Caisse d'Amortissement de la Dette Sociale (CADES): CADES Bond (CADES) CADES Floater (CADES)	3 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.25%	N/A
		> 1 and <= 3 years	1.75%	N/A
		> 3 and <= 5 years	3.00%	N/A
		> 5 and <= 7 years	4.00%	N/A
		> 7 and <= 10 years	5.00%	N/A
		> 10 and <= 15 years	8.00%	N/A
		> 15 and <= 30 years	15.75%	N/A
		> 30 and <= 50 years	N/A	N/A

European Financial Stability Facility	Debt securities issued by the European Financial Stability Facility: European Financial Stability Facility bond (EFSF)	4 business days and <= 0,5 year	1.50%	N/A
		> 0.5 and <= 1 year	1.50%	N/A
		> 1 and <= 3 years	2.50%	N/A
		> 3 and <= 5 years	3.00%	N/A
		> 5 and <= 7 years	3.75%	N/A
		> 7 and <= 10 years	8.00%	N/A
		> 10 and <= 15 years	8.25%	N/A
		> 15 and <= 30 years	16.50%	N/A
European Investment Bank	Debt securities issued by the European Investment Bank: European Investment Bank bonds (EIB) European Investment Bank Floater (EIB)	9 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.00%	N/A
		> 1 and <= 3 years	2.50%	N/A
		> 3 and <= 5 years	3.50%	N/A
		> 5 and <= 7 years	4.50%	N/A
		> 7 and <= 10 years	8.00%	N/A
		> 10 and <= 15 years	11.50%	N/A
		> 15 and <= 30 years	16.25%	N/A
European Union	Debt securities issued by the European Union (EU): European Union bonds (EU) European Union bonds T-Bills (EUB)	12 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.00%	N/A
		> 1 and <= 3 years	1.75%	N/A
		> 3 and <= 5 years	2.75%	N/A
		> 5 and <= 7 years	4.50%	N/A
		> 7 and <= 10 years	8.00%	N/A
		> 10 and <= 15 years	8.00%	N/A
		> 15 and <= 30 years	15.25%	N/A
International Bank for Reconstruction and Development	Debt securities issued by the International Bank for Reconstruction and Development : International Bank for Reconstruction and Development Bond (IBRD)	12 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.00%	N/A
		> 1 and <= 3 years	1.75%	N/A
		> 3 and <= 5 years	2.75%	N/A
		> 5 and <= 7 years	4.50%	N/A
		> 7 and <= 10 years	8.00%	N/A
		> 10 and <= 15 years	8.00%	N/A
		> 15 and <= 30 years	15.25%	N/A
European Stability Mechanism	Debt securities issued by the European Stability Mechanism: European Stability Mechanism Bond (ESM) European Stability Mechanism T-bill (ESMTB)	4 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.00%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.75%	N/A
		> 5 and <= 7 years	3.50%	N/A
		> 7 and <= 10 years	4.50%	N/A
		> 10 and <= 15 years	8.00%	N/A
		> 15 and <= 30 years	16.50%	N/A
Landwirtschaftliche Rentenbank	Debt securities issued by the Landwirtschaftliche Rentenbank: Landwirtschaftliche Rentenbank Bond (RENTEN). Landwirtschaftliche Rentenbank Floater (RENTEN)	2 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.25%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.75%	N/A
		> 5 and <= 7 years	3.50%	N/A
		> 7 and <= 10 years	4.50%	N/A
		> 10 and <= 15 years	8.00%	N/A
		> 15 and <= 30 years	14.00%	N/A
Kreditanstalt für Wiederaufbau	Debt securities issued by the Kreditanstalt für Wiederaufbau: Kreditanstalt für Wiederaufbau Bond (KFW) Kreditanstalt für Wiederaufbau Floater (KFW)	3 business days and <= 0,5 year	1.00%	N/A
		> 0.5 and <= 1 year	1.25%	N/A
		> 1 and <= 3 years	1.50%	N/A
		> 3 and <= 5 years	2.75%	N/A
		> 5 and <= 7 years	3.50%	N/A
		> 7 and <= 10 years	4.50%	N/A
		> 10 and <= 15 years	8.00%	N/A
		> 15 and <= 30 years	14.00%	N/A

Other stipulations			
Equities	<ul style="list-style-type: none"> <li>Stocks incorporated European index EURO STOXX 50 (Excluding Banking &amp; Insurance stocks) within the limits set out by LCH SA;</li> <li>An haircut of 35 % is applied on shares accepted as collateral;</li> <li>Equity Securities not accepted for CDS/ Clear Margins.</li> </ul>		
Haircut allocation rule	<ul style="list-style-type: none"> <li>For non-cash collateral lodged bilaterally, the duration is used to determine the haircut;</li> <li>For non-cash collateral lodged using triparty solution, the time to maturity is used to determine the haircut.</li> </ul>		
Additional Haircuts	Certain collateral can from time to time be subject to additional haircuts above those stated.		
Excluded bonds instruments	LCH SA deems non eligible the following securities : <ul style="list-style-type: none"> <li>Zero coupon bonds (excluding T-Bills), stripped bonds and perpetual bonds</li> <li>Bonds close to maturity</li> <li>Optionable bonds (Sinkable, Callable, Puttable)</li> <li>Bonds not issued in the local country currency (e.g. France issuing USD debt)</li> </ul>		
Concentration Limits	LCH SA reserves the right to manage specific concentrations in margin collateral in all circumstances. Where positions are considered to be excessively concentrated, members will be contacted directly with a view to re-alignment of their portfolio.		
	<ul style="list-style-type: none"> <li>For payment in non EURO, LCH SA applies a haircut on the equivalent in EURO calculated from the currency exchange rate the below incremental FX Haircut apply.</li> </ul>		
	Currency	FX HC	Minimum nominal Value in ccy
	AUD	6.90%	100,000
	CAD	4.50%	100,000
	CHF	6.20%	100,000

Currency Haircut	DKK	0.20%	1,000,000
	EUR	0.00%	100,000
	GBP	5.40%	100,000
	JPY	7.50%	10,000,000
	NOK	4.90%	1,000,000
	SEK	3.50%	1,000,000
	USD	4.80%	100,000
Outstanding Amount	• To be eligible, securities need to have an Outstanding Amount above the following limits.		
	Currency	Minimum outstanding amount in ccy (Million)	
	AUD	750	
	CAD	750	
	CHF	500	
	DKK	5,000	
	EUR	500	
	GBP	500	
	JPY	70,000	
	NOK	5,000	
SEK	5,000		
USD	500		
Tri Party	• For non-cash collateral lodged using triparty solution, same haircuts apply		
	• For non-cash collateral lodged using triparty solution, the minimum Nominal value is defined in the Triparty contract		
Maturities	Debt	Min Maturity (in business days)	Max Maturity*
	Australia	11	30Y
	Austria	4	50Y
	Belgium	4	50Y
	Canada	10	50Y
	Denmark	6	30Y
	Finland	4	50Y
	France	4	50Y
	Germany	3	50Y
	Italy	3	50Y
	Japan	6	50Y
	Netherland	10	50Y
	Norway	9	11Y
	Portugal	3	50Y
	Spain	3	50Y
	Sweden	4	30Y
	Switzerland	3	50Y
	UK	9	50Y
	USA	3	50Y
	EFSF	4	30Y
	EIB	9	30Y
	EU	12	30Y
	IBRD	12	30Y
ESM	4	30Y	
Rentenbank	2	30Y	
KFW	3	30Y	
	*The maximum maturity is here referring to the associated benchmark of the mentioned tenors.		
Haircut Application	The application of the haircuts is performed according to the below formula: $Price \times (1 - HC) \times (1 - Fx \times HC)$		