

THB THBFIX Cessation

Consultation

October 2022

LCH The Markets'
Partner

Disclaimer – Consultation Document:

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Background and market context

LCH Ltd (LCH) has consistently supported its users as part of industry-wide efforts to transition from IBORs to alternative risk-free rates (RFRs). In particular, SwapClear carried out several conversion processes in late 2021 for outstanding contracts linked to EONIA and to CHF/ EUR/ GBP/ JPY LIBORs¹. While LCH's conversion processes in respect of any benchmark that is scheduled to be discontinued are a back-stop, and while LCH encourages market participants to transition actively ahead of them, we nonetheless need to design and deploy suitably robust arrangements to address outstanding positions.

As strong proponents of global benchmark reform initiatives, we continue to collaborate with our market partners, including with regards to developments in the THB market, which is affected by the cessation of USD LIBOR. In line with the cessation of USD LIBOR, about which LCH has recently consulted², all tenors of THB THBFX will be discontinued after 30 June 2023. ISDA has led industry work on benchmark fallbacks, and they published the IBOR Fallbacks Supplement and IBOR Fallbacks Protocol on 23 October 2020³, which became effective on 25 January 2021⁴. The Supplement incorporated the fallbacks into new covered IBOR derivatives referencing the 2006 ISDA Definitions, including with regards to contracts referring to THBFX. As announced via member circular on 19 January 2021⁵, these arrangements have been duly incorporated into LCH's Rulebook, and they apply to LCH-cleared contracts.

In preparation for the discontinuation of THBFX, Thai Overnight Repurchase Rate (THOR) was launched in April 2020⁶. LCH created clearing eligibility for THB THOR OIS in May 2022, and we have seen adoption accordingly. However, THBFX contracts do not immediately fallback to a THOR-based performance. As a first step, the discontinuation of THBFX triggers a fallback to Fallback Rate (THBFX). The Fallback Rate (THBFX) definition was developed by ISDA and its formulation is covered in more detail below. Importantly, the publication and usage of this Fallback Rate (THBFX) is meant only as an interim measure, and it will not be published beyond the end of 2025. As a second step under ISDA's fallback waterfall, the discontinuation of Fallback Rate (THBFX) triggers a fallback to the "BOT Recommended Rate" ("BOT-RR"), and this is the point at which a THOR-based performance commences. On 22nd Jun 2022, the Bank of Thailand announced⁷ that there would be no "BOT Recommended Rate". As a result, in line with ISDA's waterfall approach, "starting from 1 January 2026 onwards, any outstanding contracts amended in accordance with the ISDA approach will be referencing Thai Overnight Repurchase Rate (THOR) without spread adjustment."

Taking these arrangements and announcements together, absent further intervention from LCH the position for LCH-cleared THBFX contracts can be broken down into three time periods:

1. for each period of a THBFX contract that relies on a THBFX fixing up to and including 30 June 2023 ("Phase 1"), LCH would be able to rely on THBFX itself;
2. for each period of a THBFX contract that relies on a THBFX fixing after 30 Jun 2023 but which ends on or before 31 December 2025 ("Phase 2"), LCH would be required to use Fallback Rate (THBFX)⁸; and
3. For each period of a THBFX contract ending after 31 December 2025 ("Phase 3"), LCH would be required to use the "THOR without spread adjustment" (THORxSA).

¹ LCH converted a total of ~ 350,000 contracts, totaling a total notional converted of ~€13 trillion (EONIA to €STR conversion), ~\$6 trillion (CHF, EUR, and JPY LIBOR contract conversion into SARON, ESTR and TONA equivalents) and ~£11 trillion (GBP LIBOR to SONIA).

² LCH's Consultation on Conversion of Outstanding USD LIBOR® SwapClear Contracts | LCH Group

³ ISDA Launches IBOR Fallbacks Supplement and Protocol – International Swaps and Derivatives Association

⁴ New IBOR Fallbacks Take Effect for Derivatives – International Swaps and Derivatives Association (isda.org)

⁵ https://www.lch.com/membership/ltd-membership/ltd-member-updates/update-lch-limiteds-position-libor-cessation-and-transition_milestones.pdf (bot.or.th)

⁷ [แบบที่ 3 : หนังสือภายนอก \(ภาษาไทย\) \(bot.or.th\)](#)

⁸ As per THBFX Fallback Rates Factsheet, available at: [THBFX Fallback Rates Factsheet.pdf](#) (bot.or.th).

In order to have an executable conversion process, LCH will need to solve the challenges associated with each of these three phases, and we set out proposals in each case below.

THBFIX contracts and the challenges stemming from the application of Fallback Rate (THBFIX)

The original THBFIX formulation can be summarised as generating an implied forward-looking rate for THB deposits from a combination of a forward-looking USD reference rate (USD LIBOR) and a forward-looking FX rate relationship over the same horizon:

$$THBFIX = \left[\frac{F}{S} \cdot \left(1 + \frac{USDLIBOR \cdot days}{360} \right) - 1 \right] \cdot \frac{365}{days}$$

where F is the forward FX rate and S is the spot FX rate.

Fallback Rate (THBFIX) involves adapting the THBFIX methodology to account for the absence of an upfront USD LIBOR fixing but it continues to use a forward-looking FX rate relationship. In particular, as per the below formulation, it replaces the forward-looking USD LIBOR rate with a backward-looking SOFR-based rate, such that Fallback Rate (THBFIX) is only known in arrears:

$$Fallback Rate (THBFIX) = \left[\frac{F}{S} \cdot \left(1 + \frac{USDfbSOFR \cdot days}{360} \right) - 1 \right] \cdot \frac{365}{days}$$

This key difference has important **risk management consequences**, although these do not apply in respect of contract periods while they remain wholly projected as is the case now. The consequences specifically relate to an “in-accrual” period that relies on Fallback Rate (THBFIX), namely:

- The continued use of a forward-looking FX rate serves to fix the THB Notional at the start of each accrual period on which a yet-to-be-finalised SOFR interest rate is to be accrued;
- Since SOFR is an interest rate that applies to USD-denominated deposits, this out-of-context use gives rise to non-linear risks which were not present in the original THBFIX contract and require complex financial models to evaluate accurately. In particular, Fallback Rate (THBFIX) will not be known until the end of the period, and will be dependent on the correlation between USD interest rates and the THB/USD FX rate.
- Such valuation models are not in use at LCH, and the arrangements may in our view impair our current risk management and default management capabilities.

Since these novel risks are specific to “in-accrual” coupon periods, **they do not adversely affect LCH’s current ability to accurately and reliably risk manage THBFIX risk** (since all affected interest periods remain well in the future and can be projected using prevailing techniques and technologies). In addition, there are **operational & technological considerations** to take into account.

We do not believe that the non-deliverability of THB currency materially alters or adds to these considerations. Nonetheless, based on these observations, support for THBFIX products once Fallback Rate (THBFIX) is in active use lies outside the current scope of LCH risk and default management framework. In the absence of action from LCH, Fallback Rate (THBFIX) would be in active use in Phase 2. Since LCH reserves the right to consider whether any Definition would be viable on operational, technological, legal or risk management grounds⁹, we need to find a solution that avoids their active use.

⁹ [LCH’s position in respect of ISDA’s recommended Benchmark Fallback Approaches \ LCH Group](#)

Prevailing Fallback Arrangements for LCH-cleared THBFX contracts

As noted above, LCH has used ISDA's fallback arrangements as a reference point for the conversion processes it has performed to date. We wish to continue to do so, not least to retain alignment between the outcome of THBFX transition for cleared and non-cleared swaps. The fallback from THBFX to Fallback Rate (THBFX), and then from Fallback Rate (THBFX) to THORxSA creates a useful and important degree of certainty.

Nonetheless, even now that the market has certainty over the fallback to THORxSA, it only comes into effect upon the discontinuation of Fallback Rate (THBFX) beyond 31 December 2025.

Implications on THBFX contracts cleared at SwapClear

With all this in mind, LCH is consulting with its users on the arrangements it needs to make to deal with the Phase 2 period in which Fallback Rate (THBFX) would absent action be required to be in active use from July 2023 to December 2025.

As stated above, LCH is not able for operational and risk management reasons to implement Fallback Rate (THBFX) as an operative rate in relation to the current coupon period of a THBFX contract. The first date on which LCH would be exposed to this risk would be for periods that rely on fixings subsequent to 30 June 2023. Therefore, by this date, LCH must have eliminated this risk from all of its cleared contracts. To do so, there are essentially two solutions available:

- (1) termination of all THBFX contracts; or
- (2) amendment of all THBFX contracts such that they are no longer reliant on THBFX and instead carry an alternative floating rate option as their contractual reference.

Under solution (1), LCH would terminate all THBFX contracts outstanding as of a given date at their prevailing market value. Following settlement of a final cycle of variation margin exchanges facilitated by LCH, all THBFX contracts would be terminated, with the return of any initial margin associated with them. Parties may be free to re-establish their positions bilaterally, but LCH would not have jurisdiction over such a process. From this date forward, THBFX contracts would no longer be eligible for clearing at LCH.

Under solution (2), LCH would convert every THBFX contract outstanding as of a given date into a THOR contract, under specified terms proposed here. As in previous processes, LCH would seek to determine the specifications of such a conversion on a predictable, transparent and standardised basis which would be published as far in advance of conversion as is possible. SwapClear believes there is a leading candidate among potential methodologies for conversion, which we set out below.

Potential Conversion Methodology

As noted above, the fallback to Fallback Rate (THBFX) has been confirmed as THORxSA. LCH believes that this is the right baseline to use for valuing Phase 3 of THBFX contracts ahead of a conversion, noting that this is based on THOR. LCH has recent experience of performing large-scale contractual conversions, for example the conversion of non-USD LIBOR contracts into their RFR equivalents in late 2021. Critically in these processes, based on a binding economic relationship between the prevailing (outgoing) benchmark and the incoming benchmark into which the contracts were converted, it was possible for LCH to perform the conversion with a mechanism to preserve NPV-neutrality from LCH's perspective. This NPV-neutrality allowed for a divergence,

within small tolerances, between the projected cashflows on the original contract *under fallbacks* (“Input Contract”) and those on the amended contract (“Output Contract”). This divergence was compensated with the incorporation of an associated upfront cash amount at a trade level. The proposed relationship between the Input Contracts and Output Contracts, and therefore the source of the cash compensation, is detailed in Appendix 1.

We believe that an equivalent method could be developed and implemented successfully to deal with Phase 1 and Phase 3 of THBFX swap contracts. For Phase 1, we would propose the use of overlays bookings as deployed in prior conversion events. For Phase 3, the fact that THORxSA is now confirmed as providing a clear economic relationship to THOR allows the full specification of a deliverable conversion methodology.¹⁰

Now that a binding economic relationship has been established for Phase 3 via fallback arrangements into THORxSA, we propose to use the Phase 3 coupon structure of the Output Contracts (per Appendix 1) also in Phase 2. Therefore, the main open question in respect of Phase 2 is this: what market data and methodology should be used to value the Input Contract during Phase 2? To this end, we propose to source a robust THBFX curve to determine a value of the Input Contracts. For more specific details of the proposed Input Contract Valuation Methodology, please see Appendix 2.

The creation of this Input Contract Valuation Methodology provides a bridge between contractual periods for which a representative THBFX is available (Phase 1), and those for which a THOR-based fallback is available (Phase 3). LCH performs valuations of all its THOR and THBFX contracts no less than daily, and believes that this proposed methodology can be designed, developed and deployed in the available time.

The approach to valuing the Input Contracts outlined in Appendix 2 provides a number of benefits:

1. it provides consistency with other completed conversion processes, such as those used for GBP/EUR/CHF/JPY LIBOR conversions, as well as with the process now finalised for USD LIBOR conversion, should market participants favour conversion over termination;
2. it maximises consistency in the run-up to conversion / termination with ongoing daily processes in respect of outstanding THBFX contracts, such as variation margining against the prevailing THBFX curve;
3. it accounts for potential declines in THBFX swap market liquidity, and corresponding concerns about market representativeness, by adding additional governance steps relating to price submissions but without requiring THBFX trade execution.

Request for Feedback

The process put forward in this consultation aims to provide a robust, transparent and standardised outcome for LCH-cleared THB THBFX contracts that remain outstanding at or shortly before 30 June 2023. LCH must apply it consistently to all relevant THB THBFX contracts and cannot provide for any optionality at trade or account level. Customers needing or wanting a tailored approach, either at account level or for individual contracts, should make their own arrangements. In line with other LIBOR conversion events, LCH encourages pro-active transition of customers’ THBFX trade populations ahead of LCH’s conversion process and believes that providing

¹⁰ As communicated via a *member circular* issued on 18 March 2021, LCH’s approach of converting CHF, EUR, GBP and JPY LIBOR contracts into corresponding RFR-based contracts entailed the following key features: i) all cleared LIBOR trades that were outstanding shortly before their confirmed cessation date(s) were converted into contracts with market-standard OIS legs; ii) the LIBOR floating rate was replaced by the relevant compounded RFR plus a non-compounded spread adjustment; iii) LCH cash compensated for any valuation difference between the original LIBOR trade and the new RFR contract; iv) the economics of the original trade were replicated as closely as possible; and v) LIBOR coupons associated with representative LIBOR fixings were preserved.

clarity and certainty over these back-stop arrangements will assist SwapClear participants with their prioritisation and planning.

As with LCH's LIBOR conversion processes, there is likely to be a charge for any trades subject to it. These pricing structures will be part of a separate communication in due course.

We strongly encourage SwapClear participants to respond to this consultation and to express their opinion in order that LCH has the widest set of feedback on which to determine how to proceed. LCH will support this consultation with briefings and with additional materials as required. Please contact your LCH Sales & Relationship manager should you require further information about these.

To participate in this consultation, please reply to THBFIXConversion@lseg.com and we will send you a link to complete the on-line survey by Friday 18 November 2022. Individual responses received by this date will be kept confidential and will be considered by LCH in determining which approach should be adopted. Any responses received after this date may not be considered. Implementation of any proposal is subject to ongoing legal review, regulatory approval and risk governance and may be subject to further change.

Consultation Questions

1. Given LCH's inability to manage the risks associated with allowing Fallback Rate (THBFX) to be in active use, would you prefer that:
 - a. LCH terminate all LCH-cleared THBFX contracts outstanding as of a THBFX Termination Date to be determined but no later than 30 June 2023 at their prevailing market value as determined by LCH; or
 - b. LCH convert all LCH-cleared THBFX contracts outstanding as of a THBFX Conversion Date to be determined but no later than 30 June 2023 into THOR contracts using a transparent and predictable relationship between each original input THBFX contract and its corresponding output THOR contract, together with cash compensation determined by LCH?
2. In the event that the outcome of this consultation is that LCH adopts option (b) above, and noting that THORxSA is now understood as the BOT-RR fallback, do you agree with LCH's proposal to use it as the economic basis for conversion against which the contribution to total cash compensation would be calculated and exchanged by LCH in relation to all contractual periods during Phase 3?
3. In the event that the outcome of this consultation is that LCH adopts option (b) above, and assuming that market participants **can** rely on the availability of Fallback Rate (THBFX) up to and including 31 December 2025, do you agree with LCH's proposal to use the Input Contract Valuation Methodology as set out in Appendix 2 to determine the contribution to total cash compensation applicable in relation to all contractual periods during Phase 2? If not, please provide an alternative solution and your reasons for preferring it.
4. In the event that the outcome of this consultation is that LCH adopts option (a) above, and assuming that market participants **can** rely on the availability of Fallback Rate (THBFX) up to and including 31 December 2025, do you agree with LCH's proposal to use the Input Contract Valuation Methodology as set out in Appendix 2 to determine the termination amount applicable in final settlement of all THBFX Contracts terminated in the process? If not, please provide an alternative solution and your reasons for preferring it.
5. In the event that the outcome of this consultation is that LCH adopts option (b) above, and noting that THORxSA is now understood as the BOT-RR fallback, do you agree with LCH's proposal to use its central specifications as the basis for the Market-Standard THOR OIS to be created as Output Contracts of the conversion process?
6. In the event that the outcome of this consultation is that LCH adopts option (b) above, and assuming that market participants **can** rely on the availability of Fallback Rate (THBFX) up to and including 31 December 2025, do you agree with LCH's proposal to determine a Phase 2 THBFX Market Data Set determined at its discretion on a fair, reasonable and transparent basis to be representative of prevailing market prices for Phase 2 curve construction as set out in Appendix 2? If not, please provide an alternative solution and your reasons for preferring it.
7. In the event that the outcome of this consultation is that LCH adopts option (a) above, LCH believes that a THBFX Termination Date of Friday 9th June 2023 would be suitable. Do you agree with the use of this date? If not, what are your objections?
8. In the event that the outcome of this consultation is that LCH adopts option (b) above, LCH believes that a THBFX Conversion over the weekend following Friday 9th June 2023 would be suitable. Do you agree with the use of this date? If not, what are your objections?

Appendix 1

Trade attribute, FLT leg	Typical THBFIX IRS, inc. ISDA fallbacks (Input Contract)	THOR OIS, generic market trading	Market-Standard THOR OIS (Output Contract)	Rationale for Output Contract attribute
Floating Rate Option (FRO)	THB-THBFIX	THBTHOR-OIS Compound	THB-THOR-OIS Compound	Cessation of THB-THBFIX
Floating Rate Spread	None vs THBFIX, but implicit to THOR via fallbacks	None	Adjustment Spread (as set within THORxSA)	Ongoing cashflow & NPV alignment vs Input Contract
Interest Period Frequency	6M	Annual	Inherited from the Input Contract	Respects Input Contract frequency
Payment Frequency	Aligned with Interest Period Frequency*	Annual	Inherited from the Input Contract	Respects Input Contract frequency
Payment lag	Zero	2 THBA business days	2 THBA business days	Preserves Input Contract accrual period
Offset Lag ¹¹	2 THBA business days ¹²	n/a (zero)	n/a (zero)	Respects Input Contract Interest Periods
Effective Date	Deal specific	Deal specific	Inherited from the Input Contract	Respects Input Contract terms
Termination Date	Deal specific	Deal specific	Inherited from the Input Contract	Respects Input Contract terms

*Contracts with regular periodic compounding will have a Payment Frequency that differs from the Interest Period Frequency. We propose to handle this scenario as set out more fully below.

¹¹ Offset Lag is a term in the IBOR Fallback Rate Adjustments Rulebook. It defines a complicating offset between each accrual period in an original IBOR contract and the corresponding observation period for RFR compounding when operating under fallbacks. LCH interprets the Bank of Thailand guidance in conjunction with ISDA's THB-THOR-COMPOUND definition (Supplement 65) as not to introduce an Offset Lag. A zero Offset Lag creates THOR trades which would be fungible with contracts that are traded with THOR as their original FRO.

¹² As per THBFIX Fallback Rate Adjustments Rule Book, available at: [Fallback THBFIX Rulebook.pdf \(bot.or.th\)](#)

Appendix 2

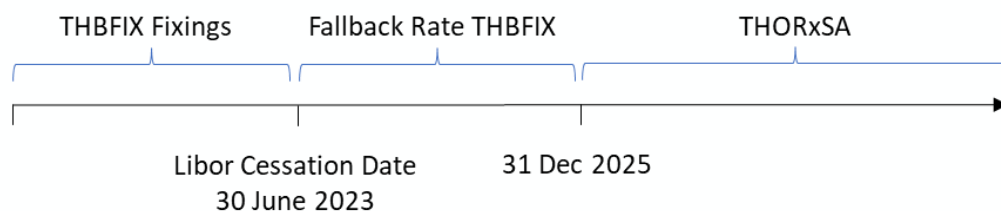
Input Contract Valuation Methodology and Cash Compensation

This methodology involves determining a transparent and predictable *ex ante* approach to valuation of THBFX-based Input Contracts, and allows the determination of trade-level cash compensation between this valuation and the Phase 2 coupon structure of the Output Contracts.

LCH is intending to leverage the same approach to valuation/cash compensation for THB THBFX contracts as that used for the GBP/EUR/JPY/CHF LIBOR conversion process that occurred at the end of 2021, and that *will be* used for conversion of USD contracts proposed to occur in Q2 2023. Under this approach, cash compensation amounts are calculated as the change in NPV between the pre-conversion THB THBFX trade and its post-conversion THB THOR replacement, both computed as of EOD on the Friday immediately preceding to the conversion weekend.

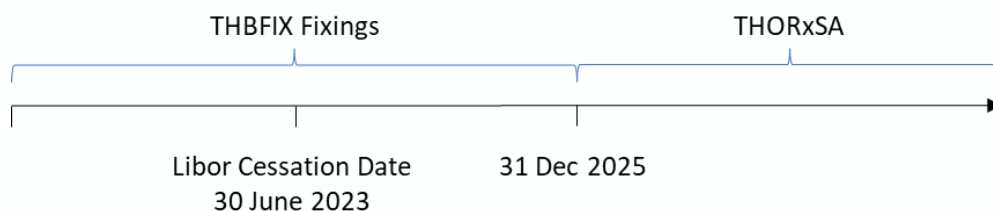
For the December 2021 LIBOR conversions, this approach resulted in small compensation amounts for vanilla swaps, as the LIBOR projections (based on the fallback curve) were in line with the RFR equivalent output trade cashflows received out of the conversion process, other than for minor differences (e.g. observation/payment date variances).

For THB THBFX this may not be the case. Where the LIBOR projections used in the prior conversion process were a blend of 2 curves (LIBOR curve used up to the cessation date and the fallback curve methodology post cessation), THB THBFX cashflow projections is made up of 3 parts as follows:



LCH is proposing to use THBFX curve cashflow projections for Phase 1 and Phase 2 (up to 31 Dec 2025) of the curve. Note that the use of overlays for Phase 1 THBFX fixings neutralises any NPV difference from their projection. For Phase 2, whilst there are other ways to recreate ISDA's fallback curve projection methodology, LCH believes it to be a better approach given the complexities of Fallback Rate (THBFX) and the fact that THBFX contracts, and therefore THBFX curve inputs, embed the relevant market information relating to Fallback Rate (THBFX) for periods from THBFX's cessation date up to and including 31 December 2025¹³.

Using this approach, the proposed curve would be made up of 2 parts as follows:



¹³ As per THBFX Fallback Rates Factsheet, available at: [THBFX Fallback Rates Factsheet.pdf \(bot.or.th\)](#).

The curve construction will require 2 curves to be sourced, and similar to the conversions performed last year, will result in a split curve underpinning the generation of the correct forward rates. Explicitly this means:

Phases 1 & 2: for these phases, LCH propose to use the legacy THBFIX curve sourced as outlined below;

Phase 3: for this phase, LCH propose to use the THOR curve built from the Phase 3 Market Data Set as defined below to generate the forward THORxSA Rates which would drive payments at that stage of the contract.

The fixed side of any trade is unaffected by conversion, as in prior processes.

Required Market Data Sets

LCH is intending to source all required market data at 9.30am London time on Friday 9th June 2023. LCH intends to support submitting parties by providing reference market data as guidance, such as prior EOD THBFIX/THOR basis pricing and potentially certain related statistics such as short-run averages of such pricing. The requirement will be for submitting parties to provide price submissions as follows:

Phase 1 & Phase 2 THBFIX Market Data Set

The THBFIX component of the valuation curve (required for projections relating to fixing dates on Input Contracts up to and including 31 December 2025) will be built using bid/offer THBFIX /THOR basis swap quotes submitted directly to LCH at 09.30am London time on the Friday immediately preceding the conversion date. These quotes will then be used to generate mid prices and will form the official SwapClear close of business curves for the day as published on REP00099. They will be used to determine all cash compensation amounts (or termination amounts, as applicable) for members and clients. The submissions received will be used to calculate the Mid Prices as follows:

Mid Price Determination Process

This process is used to generate robust prices from which to derive the cash compensation amounts. To ensure the quality of this information, the submissions will go through a cleaning process, described below.

Major THB swap market participants will be required to submit non-executable two-way bid/offer THBFIX/THOR basis swap quotes for all Required Products and Required Tenors in representative market sizes (please see Required Products and Required Tenors table further below). A maximum bid/offer spread of 5 basis points will be permitted in all tenors. LCH will determine and publish qualification criteria for such market participants in consultation with the industry in the coming months. Quotes should be submitted as if such Required Products were to be cleared by LCH and were to be held outstanding until their contractual maturity date.

For each Required Tenor of each Required Product, LCH will rank the bids of all submitting parties from the highest to the lowest and will rank the offers of all submitting parties from the lowest to the highest. Having done so, LCH will exclude both sides of any crossing price submissions. The highest of the individual participant bids (and this same participant's offer) will be matched against the lowest of any individual participant offers that are lower than it, and the two-way prices of both participants will be excluded. This process is repeated with the remaining price submissions until such time as there are no crossing price submissions.

The Mid Price for each Required Tenor of each Required Product will then be the average of the highest quarter of bids and lowest quarter of offers from the quotes remaining. The number of bids in this calculation will be rounded up to the nearest whole number, e.g. if there are five bids left after removing the crossing bids, the average of the best two will be used for the auction mid calculation. In the event that there are less than 4 price

submissions remaining, LCH will repeat the process at hourly intervals until noon London time, at which point LCH will declare that the conversion process will not happen than weekend and that the contingency weekend of 23rd/ 24th June 2023 will be used to for conversion.

Given the importance of this set of Mid Prices and to further ensure the quality of the curve, LCH may be required to disclose the submissions to relevant official sector bodies.

Required Products and Required Tenors to be submitted are:

Product type	Basis Swap
Floating Leg 1 FRO	THB-THOR-OIS Compound
Floating Leg 1 Payment Frequency	6M
Floating Leg 2 FRO	THB THBFIX, 6M
Floating Leg 2 Payment Frequency	6M
DayCount Fraction	ACT/365, both legs
Price Quotation	Leg 1 Spread
Required Tenors	1Y, 2Y, 3Y, 4Y, 5Y

Phase 3 THOR Market Data Set

The THORxSA Rate (required 1 Jan 2026 onwards) will be calculated as determined by the methodology set out by the Bank of Thailand ¹⁴. The THOR component of the THORxSA will be captured at 09.30am London time on Friday 9th June 2023 in line with existing LCH procedures and shown on REP0099. We note that, as with prior conversion processes, we propose to use common THOR projections to project both (i) THORxSA applicable to the original contract and (ii) the Market-Standard THOR OIS generated as an Output Contract.

¹⁴ [Fallback THBFIX Rulebook.pdf \(bot.or.th\)](#)