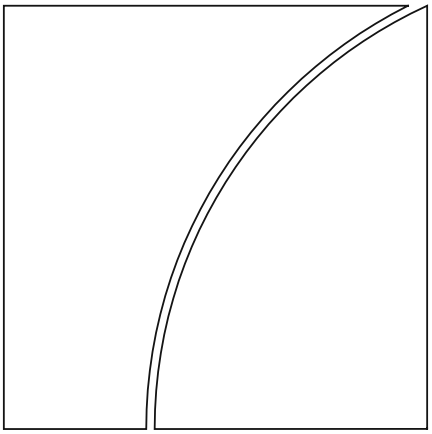
Basel Committee
on Banking Supervision



# Instructions for Joint QIS

CCP framework part

July 2013

BANK FOR INTERNATIONAL SETTLEMENTS

This publication is available on the BIS website (www.bis.org).



ISBN 92-9131-950-3 (print)

ISBN 92-9197-950-3 (online)

# Contents

# Instructions for Joint QIS – CCP framework part

## 1. Introduction

The Basel Committee on Banking Supervision (Committee)[1] is analysing the potential impact of its proposed non-internal model method[2] (hereafter, referred to as the "NIMM") for measuring counterparty credit risk and its proposed revisions to the capital requirements for bank exposures to central counterparties (CCPs)[3] (hereafter, the "CCP framework"). In this regard, the Committee will also give due consideration to an assessment being performed by the OTC Derivatives Assessment Team[4] (DAT) regarding the collective impact of a group of regulatory reforms affecting OTC derivatives that have been developed – or that are under development – by global standard setting bodies. The assessment will evaluate whether these regulatory reforms create appropriate incentives for market participants to centrally clear OTC derivatives (hereafter, the "incentives assessment"). For this purpose, the Committee designed a Joint Quantitative Impact Study (hereafter, the "Joint QIS"), which jointly addresses the three mentioned parts (the NIMM, the CCP framework, and the incentives assessment).

This document provides detailed instructions for the second part of the Joint QIS, the CCP framework. The CCP part of the QIS has the following objectives:

- Assess capital impact of the framework and calibrate various parameters;
- Assess the applicability of NIMM to CCP portfolios; and
- Obtain feedback from firms regarding operational burden and implementation issues associated with the framework.

The Committee will treat data collected in this exercise as strictly confidential. Except as noted in the following sentences, there will be no attribution to individual institutions. To facilitate the DAT's incentives assessment, it is necessary to aggregate data collected from certain participating banks and CCPs. To properly merge the two data sets, the QIS analysis team will need to match the identities of certain participating banks in the bank data collection with the clearing member banks in the CCP data collection. Banks and CCPs will be asked by their supervisors or overseers whether they are willing to allow a small group of bank regulators to aggregate the data in this manner (ie on a non-anonymised basis). The aggregated data would be used for internal purposes of the QIS analysis team and would not

[1] The Basel Committee on Banking Supervision is a committee of banking supervisory authorities which was established by the central bank Governors of the Group of Ten countries in 1975. It consists of senior representatives of bank supervisory authorities and central banks from Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. It usually meets at the Bank for International Settlements (BIS) in Basel, Switzerland, where its permanent Secretariat is located.

[2] For further details please see Basel Committee on Banking Supervision, *The non-internal model method for capitalising counterparty credit risk exposure*s, consultative document, June 2013 (www.bis.org/publ/bcbs254.htm).

[3] For further details please see Basel Committee on Banking Supervision, *Capital treatment of bank exposures to central counterparties*, consultative document, June 2013 (www.bis.org/publ/bcbs253.htm).

[4] The DAT was established by the OTC Derivatives Coordination Group. The Coordination Group is comprised of FSB Chairman Mark Carney and the chairs of four standard setting bodies: Stefan Ingves, Sveriges Riksbank Governor (BCBS); William Dudley, Federal Reserve Bank of New York President (CGFS); Paul Tucker, Bank of England Deputy Governor (CPSS); and Greg Medcraft, Australian Securities and Investments Commission (IOSCO). The DAT is comprised of staff from Bank of Canada, Bank of England, Federal Reserve Bank of New York, Japan Financial Services Agency and Sveriges Riksbank.

be disclosed to external parties. Banks and CCPs that agree to participate in this fashion are referred to as "incentives assessment banks" or "IA banks") and "incentive assessment CCPs" or "IA CCPs", respectively.

**Descriptions of data items in these instructions are included to facilitate the completion of the Joint QIS questionnaire and are not to be construed as an official interpretation of other documents published by the related standard setting bodies, including the Committee.**

**This version of the instructions refers to version 1.0 of the reporting templates.** The remainder of this document is organised as follows. Section 2 discusses general issues such as the scope of the exercise, the process and the overall structure of the quantitative questionnaire. Section 3 discusses the worksheet for collection of participant information. Section 4 discusses the "CCP clearing member information" worksheet and Section 5 discusses the "CCP own information" worksheet.

# 2. General

## 2.1 Scope of the CCP framework exercise

Participation in the Joint QIS exercise is voluntary. The Committee expects all central counterparties that clear products under the scope of the CCP framework to participate in the study, as all of them will likely be affected by some or all of the revisions to the various reforms being considered. These data collections should be completed on a best-efforts basis.

## 2.2 Filling in the data

The Joint QIS reporting templates provided on the Committee's website are for information purposes only. While the structure of the workbooks used for the Joint QIS exercise is the same in all participating countries, **it is important that CCPs use only the workbook obtained from their respective national supervisory agency to submit their returns**. National supervisory agencies may also provide additional instructions, if deemed necessary.

**Data should only be entered in the yellow shaded cells**. There are also some pink cells which will be completed by the relevant national supervisory agency. **It is important to note that any modification to the worksheets might render the workbook unusable both for the validation of the final results and the subsequent aggregation process**.

Cell colours used in the Joint QIS reporting template — Table 1

| Colour | Content |
|---|---|
| Yellow | Input cell. |
| Pink | To be completed by the supervisor. |
| White | Calculation result. Must not be changed. |

**Where information is not available, the corresponding cell should be left empty. No text such as "na" should be entered in these cells. However, leaving a cell empty could trigger exclusion from some or all of the analyses if the respective item is required**, ie participating institutions should aim to provide data for all **yellow** cells. The automated calculations in the workbook indicate whether or not a certain item can be calculated using the data provided.

Data can be reported in the most convenient currency. The currency which has been used should be recorded in the "General Info" worksheet. Supervisors will provide the relevant exchange rate for converting the reporting currency to euros. If 1,000 or 1,000,000 currency units are used for

reporting, this should also be indicated in this worksheet. When choosing the reporting unit, it should be considered that the worksheet shows all amounts as integers. **The same currency and unit should be used for all amounts throughout the workbook, irrespective of the currency of the underlying exposures.**

Percentages should be reported as decimals and will be converted to percentages automatically. For example, 1% should be entered as 0.01.[5]

## 2.3 Process

The Basel Committee or its Secretariat will not collect any data directly from participating CCPs. Therefore, participating CCPs in participating countries should contact their supervisory agency to discuss how the completed workbooks should be submitted. National supervisors will forward the relevant data to the Secretariat of the Basel Committee where individual institution data will be treated strictly confidential and will not be attributed to individual institutions, with the exception of IA banks and IA CCPs as discussed more fully in Section 1 above.

Similarly, participating CCPs should direct all questions related to this study, the related rules, standards and consultative documents to their national supervisory agencies. Where necessary, the supervisory agencies will coordinate their responses through the Secretariat of the Basel Committee to provide responses that are consistent across countries. A document with responses to frequently asked questions will be maintained on the Basel Committee's website.[6]

Participating institutions should specify any instance where they had to deviate from the instructions provided in an additional document.

## 2.4 Reporting date

If possible, and unless the national supervisor has provided different guidance, all data should be reported as of **31 March 2013**. If data availability does not allow respondents to use this reporting date, suitable alternatives should be discussed with the relevant national supervisor.

## 2.5 Structure of the CCP framework workbook

The CCP framework workbook includes the following worksheets:

- The worksheet "General Info" is intended to capture general information regarding the participating CCPs.
- The "CCPs clearing member information" worksheet captures information on clearing members relevant to the CCP framework. This worksheet captures data on CCPs' exposures to individual clearing members and their clients calculated using the NIMM, the collateral collected from those clearing members, etc.
- The worksheet "CCP own information" reports a number of CCP-wide metrics defined in the consultative paper for the CCP framework.

[5] Depending on the regional options of the operating system used, it might be necessary to use a different decimal symbol. It might also be necessary to switch off the option "Enable automatic percent entry" in the Tools/Options/Edit dialog of Excel if percentages cannot be entered correctly.

[6] www.bis.org/bcbs/qis/.

CCPs should fill out a separate template (ie a separate Excel workbook) for each service with a segregated default fund. Each separate service should effectively be reported as a separate CCP, and the CCP should fill in all three worksheets for each service.

## 3. General information

The "General Info" worksheet gathers basic information that is needed to process and interpret the survey results, and should be completed by all participating CCPs. Table 2 below includes instructions for CCPs for completing the "General Info" worksheet in the CCP framework workbook.

General Info worksheet

Table 2

| Row | Column | Heading | Description |
|---|---|---|---|
| 5 | C | Country code | Leave blank |
| 6 | C | CCP number | Leave blank |
| 7 | C | CCP name | Leave blank. In the "Remarks" cell, CCPs are asked to indicate whether the service for which they are reporting clears products that are out of scope of the CCP framework, ie cash transactions. |
| 8 | C | Conversion rate (in euros/reporting currency) | Leave blank |
| 9 | C | Submission date (yyyy-mm-dd) | Leave blank |
| 10 | C | Reporting date (yyyy-mm-dd) | Date as of which all data are reported in worksheets. |
| 11 | C | Reporting currency (ISO code) | **Three-character** ISO code of the currency in which all data are reported (eg USD, EUR). |
| 12 | C | Unit (1, 1000, 1000000) | Units (single currency units, thousands, millions) in which results are reported. |

In the "Remarks" column, CCPs or their supervisors can note any additional information that may be relevant. In particular, next to "CCP name" in row 7, CCPs are asked to indicate whether they clear products that are out of scope of the CCP framework (ie cash transactions), and are encouraged to provide further details where possible.

## 4. The "CCP clearing member information" worksheet

On the "CCP clearing member information" worksheet, the CCP should report the positions it has with its clearing members and their clients as seen from the CCP's perspective. This ensures that the dataset reflects the CCP's exposure to its clearing members (and their clients). In case the CCP also bilaterally trades with the clearing members, it should only report the trades it clears for the clearing members (either on the clearing member's own account or trades on behalf of the clearing member's clients).

The worksheet provides data entries for up to 80 clearing members. If the CCP has more than 80 clearing members, the CCP should report data for the largest 80 clearing members (by initial margin) in their respective columns. For clearing members in excess of 80, the CCP should aggregate line items for each of the remaining clearing members in the "All other members" column.

If the CCP has multiple clearing members from the same bank holding company, their respective information is to be reported in separate columns in the worksheet. If the bank holding company is an IA bank, then the name of each of its related clearing members should be shown in row 11 of the "CCP clearing member information" worksheet, with one cell used for each clearing member. This information is required in order to map the default fund exposure of the related clearing members with the trade exposure of the bank dealers. Additionally, we ask CCPs to identify which of the remaining (non-IA bank) clearing members are banks (where the CCP has this information); the CCP should just enter "Bank" for the name of these clearing members. For CCPs with more than 80 members, the name field should be left blank for the final "All other members" column.

Panel A: Identifying information for IA bank clearing members — Table 3

| Row | Column | Heading | Description |
|---|---|---|---|
| 11 | E–CF | Name | The CCP should enter the name of each clearing member within the same bank holding company that is an IA bank. If the CCP has multiple clearing members from the same IA bank holding company, each clearing member is to be identified in a separate cell. For clearing members that are banks, but not IA banks, the CCP should enter "Bank" as the name for that clearing member. |
| 12 | E–CF | ID | Leave blank |

In filling out the "CCP clearing member information" worksheet, CCPs should report separately details for the house and client accounts of each clearing member where requested. If the house and client accounts are not separate, the CCP should discuss with its national supervisor how to complete the worksheet.

In cases where there are segregated client accounts, CCPs should aggregate their exposures to those clients with segregated accounts on a gross basis, ie no offsetting should be allowed between segregated client positions in the CCP's calculations. In case of doubt, participating CCPs should discuss with their national supervisor how to treat exposures to client accounts.

## 4.1 Panel B: Financial derivatives

### Panel B.1: Total gross notional (to compute CEM)

In panel B.1, the total gross notional values for all over the counter and exchange traded derivatives cleared by the CCP in relation to category and residual maturity band should be reported. The panel has four sub-panels containing identical information requests separately for house and client exposures:

- House total gross notional in short positions (panel B.1.a.i);
- House total gross notional in long positions (panel B.1a.ii);
- Client total gross notional in short positions (panel B.1b.i);
- Client total gross notional in long positions (panel B.1b.ii);

In each of these panels, CCPs should provide the data for the following categories of financial derivatives and their residual maturity bands:

- interest rates;
- currency rates and gold;
- equities;
- precious metals;
- investment grade credit default swaps;

- non-investment grade credit default swaps; and
- other commodities (including energy products).

*Panel B.1.a: House exposures*

The gross notional should be reported as specified in the Current Exposure Method. The positions should be reported for the CCP's exposure to the clearing member's own (house) positions. Options should be reported using delta-based notional amounts.

Panel B.1.a: Total gross notional for house exposures — Table 4

| Row | Column | Heading | Description |
|---|---|---|---|
| **B.1.a.i Total gross notional for House exposures, short positions** | | | |
| 21 | E–CG | Interest rates, residual maturity ≤ 1 year | Total gross notional values for all over the counter and exchange traded interest rate derivatives cleared by the CCP in relation to the residual maturity band of equal to 1 year or less. |
| 22 | E–CG | Interest rates, residual maturity > 1 year and ≤ 5 years | Total gross notional values for all over the counter and exchange traded interest rate derivatives cleared by the CCP in relation to the residual maturity band of over 1 year and not exceeding 5 years. |
| 23 | E–CG | Interest rates, residual maturity > 5 years | Total gross notional values for all over the counter and exchange traded interest rate derivatives cleared by the CCP in relation to the residual maturity band of over 5 years. |
| 24–26 | E–CG | Currency rates and gold | Same as above (rows 21 to 23) but with asset class currency rates and gold derivatives. |
| 27–29 | E–CG | Equities | Same as above (rows 21 to 23) but with asset class equities. |
| 30–32 | E–CG | Precious metals | Same as above (rows 21 to 23) but with asset class precious metals. |
| 33–35 | E–CG | Investment grade credit default swaps | Same as above (rows 21 to 23) but with asset class investment grade credit default swaps. |
| 36–38 | E–CG | Non-investment grade credit default swaps | Same as above (rows 21 to 23) but with asset class non-investment grade credit default swaps. |
| 39–41 | E–CG | Other commodities (including energy products) | Same as above (rows 21 to 23) but with asset class other commodities (including energy products). |
| **B.1.a.ii Total gross notional for House exposures, long positions** | | | |
| 46–66 | E–CG | Same as above panel B.1.a.i | Same as above (rows 21 to 41) but for long positions. |

*Panel B.1.b: Client exposures*

The gross notional should be reported as specified in the Current Exposure Method. The CCP's positions should be reported for the trades that the clearing member clears on behalf of its clients. Options should be reported using delta-based notional amounts.

Panel B.1.b: Total gross notional for client exposures

Table 5

| Row | Column | Heading | Description |
|---|---|---|---|
| **B.1.b.i Total gross notional for client exposures, short positions** | | | |
| 71–91 | E–CG | Same as above panel B.1.a.i | Same as above (rows 21 to 41) but for client exposures, short positions. |
| **B.1.b.ii Total gross notional for client exposures, long positions** | | | |
| 96–116 | E–CG | Same as above panel B.1.a.i | Same as above (rows 21 to 41) but for client exposures, long positions. |

## NIMM-based calculations for effective notionals and add-ons

Panels B.2 ask respondents to fill in members' effective notionals for interest rate and foreign currency derivatives for both house and client exposures. Panel B.3 ask respondents to fill in members' effective notionals and add-ons for credit, equity and commodity derivatives for both house and client exposures. The NIMM consultative document includes examples of the calculations of these effective notionals and add-ons. Table 6 provides the supervisory factors that are to be used for calculating the add-ons for credit and equity derivatives.

If at least some of the CCP client accounts are individually segregated at the reporting date, client exposures arising from these accounts should be reported gross. Where a clearing member's client account includes individually segregated client sub-accounts, effective notionals and add-ons should be calculated at the segregated client sub-account level. Absolute values of effective notionals and add-ons for each sub-account should then be aggregated, to give the overall gross effective notionals and add-ons for the CCP's exposures to clients for each clearing member.

Supervisory factors to be used in computing the add-ons

In per cent

Table 6

| Product class | | Supervisory factor ($SF_i$) |
|---|---|---|
| **Credit, single name** | AAA | 0.06 |
| | AA | 0.06 |
| | A | 0.06 |
| | BBB | 0.08 |
| | BB | 0.16 |
| | B | 0.24 |
| | CCC | 0.90 |
| **Credit, index** | IG | 0.05 |
| | SG | 0.15 |
| **Equity, single name** | | 9.60 |
| **Equity, index** | | 6.00 |

## Panel B.2: Effective notional (for NIMM)

In this panel, CCPs should report the effective notional values per hedging set, as defined in the consultative paper on the NIMM, for all over the counter and exchange traded interest rate and foreign exchange derivatives cleared by the CCP. Hedging sets are defined in relation to the currency type and residual maturity band for interest rate products, and currency pairs for foreign exchange products. The

panel has two sub-panels asking for identical information, first for house exposures and second for client exposures.

### *Interest rate products*

CCPs should report their exposures on interest rate derivatives in the form of effective notionals. With reference to the consultative paper, for each currency *j* ($Ccy_j$), and maturity bucket *k* ($MB_k$), the effective notional is defined as:

$$D_{jk}^{(IR)} = \sum_{i \in \{Ccy_j, MB_k\}} \delta_i \cdot d_i^{(IR)}$$

A CCP should report its exposures to a clearing member separately for each of the following currencies (with respective ISO code):

- United States dollar USD
- Euro EUR
- Japanese yen JPY
- Pound sterling GBP
- Australian dollar AUD
- Swiss franc CHF
- Canadian dollar CAD
- Hong Kong dollar HKD
- Swedish krona SEK
- New Zealand dollar NZD
- Korean won KRW
- Singapore dollar SGD
- Mexican peso MXN
- Norwegian krone NOK
- South African rand ZAR
- Danish krone DKK
- Israeli new shekel ILS
- Other currencies Others

Within each currency, exposures should also be split by residual maturity bucket as detailed in Table 7.

### *Foreign exchange products*

For foreign exchange products, each currency pair forms a hedging set, eg all foreign exchange derivatives between two counterparties on the USD/EUR currency pair belong to the same hedging set. CCPs should report their exposures to foreign exchange derivatives in terms of the effective notional for each hedging set. Irrespective of the currency of the exposures, CCPs should always report the exposures in the reporting currency specified on the "General Info" worksheet.

With reference to the NIMM consultative document, for currency pair *j*, CCPs should report:

$$EffectiveNotional_j = \sum_{i \in HS_j} \delta_i \cdot d_i^{(FX)}$$

CCPs should provide the data for the following pairs of currencies:

- USD/EUR;
- USD/JPY;
- USD/GBP;
- USD/AUD;
- USD/CHF;
- USD/CAD;
- USD/HKD;
- USD/SEK;
- USD/NZD;
- USD/KRW;
- USD/SGD;
- USD/MXN;
- USD/NOK;
- USD/ZAR;
- USD/DKK;
- USD/ILS;
- EUR/JPY;
- EUR/GBP;
- EUR/AUD;
- EUR/CHF;
- EUR/CAD;
- EUR/HKD;
- EUR/SEK;
- EUR/NZD;
- EUR/KRW;
- EUR/SGD;
- EUR/MXN;
- EUR/NOK;
- EUR/ZAR;
- EUR/DKK;
- EUR/ILS;
- Others (other pairs of currencies that are not included above).

In the case of "other" currency pairs, trade effective notionals should still only be summed within single currency pair hedging sets; the absolute values of the effective notionals for each pair should then be summed for the purposes of reporting total effective notional in the template.

Panel B.2: Effective notional (for NIMM) Table 7

| Row | Column | Heading | Description |
|---|---|---|---|
| **B.2.a House exposures** | | | |
| 125 | E–CG | USD, residual maturity < 1 year | Effective notional values for all interest rate derivatives traded in USD cleared by the CCP in relation to the residual maturity band of less than 1 year. |
| 126 | E–CG | USD, residual maturity ≥ 1 year and < 2 years | Effective notional values for all interest rate derivatives traded in USD cleared by the CCP in relation to the residual maturity band of equal to or over 1 year and less than 2 years. |
| 127 | E–CG | USD, residual maturity ≥ 2 years and < 5 years | Effective notional values for all interest rate derivatives traded in USD cleared by the CCP in relation to the residual maturity band of equal to or over 2 year and less than 5 years. |
| 128 | E–CG | USD, residual maturity ≥ 5 years and < 10 years | Effective notional values for all interest rate derivatives traded in USD cleared by the CCP in relation to the residual maturity band of equal to or over 5 year and less than 10 years. |
| 129 | E–CG | USD, residual maturity ≥ 10 years and < 20 years | Effective notional values for all interest rate derivatives traded in USD cleared by the CCP in relation to the residual maturity band of equal to or over 10 year and less than 20 years. |
| 130 | E–CG | USD, residual maturity ≥ 20 years | Effective notional values for all interest rate derivatives traded in USD cleared by the CCP in relation to the residual maturity band of equal to or over 20 years. |
| 131–232 | E–CG | Same as above (rows 125–130) but with currencies in the order stated above | Same as above (rows 125 to 130) but for each additional currency in the order stated in the text above. For example, for rows 137 to 142, CCPs should enter effective notional values for all interest rate derivatives traded in JPY for the residual maturity buckets listed above. |
| 233 | E–CG | FX, USD/EUR | Effective notional values for all foreign exchange derivatives traded in cross-currency pair USD/EUR cleared by the CCP. |
| 234–263 | E–CG | Same as above (row 233) but with cross-currency pairs in the order stated above | Same as above (row 233) but with cross-currency pairs in the order stated in the text above. For example, for row 235, CCPs should enter effective notional values for all foreign exchange derivatives traded in the cross-currency pair USD/GBP. |
| 264 | E–CG | FX, Others | CCPs should report aggregated effective notional values for each additional currency pair not named above. Trades in different currency pairs should not be allowed to offset (ie each currency pair is a single hedging set, and no offsetting is allowed between hedging sets). |
| **B.2.b) Client exposures** | | | |
| 270–377 | E–CG | Same as above (rows 125–232) | CCPs should fill in the same information as in rows 125 to 232 for interest rate derivatives for each clearing member's client account. If the CCP/clearing member had any segregated client accounts on the reporting date, effective notionals should be calculated at the segregated client level. Absolute values for all client accounts should then be summed and reported here. |
| 378–409 | E–CG | Same as above (rows 233–264) | CCPs should fill in the same information as in rows 233 to 264 for cross currency pairs for each clearing member's client account. If the CCP/clearing member had any segregated client accounts on the reporting date, effective notionals should be calculated at the segregated client level. Absolute values for all client accounts should then be summed and reported here. |

## Panel B.3: Add-ons and effective notionals (for NIMM)

In panel B.3, CCPs should provide data on the add-ons and effective notionals as defined in the consultative paper on the NIMM for all over the counter and exchange traded credit derivatives, equity derivatives and commodity derivatives cleared by the CCP in relation to their respective categories. The panel has two sub-panels (B.3.a and B.3.b) containing identical information requests, first for house exposures and second for client exposures.

### *Credit derivatives*

For credit derivatives a breakdown into geographical regions is requested. A position should be assigned to a broad region category based on the CCP's own regional categorisation of the primary underlying reference name, if available. Otherwise it should be based on the location of the parent entity of this primary underlying reference name. For this purpose, Australia and New Zealand are treated as part of Asia.

For each region, there is a further breakdown of trades into those that reference a single entity, and those that reference an index.

CCPs should report their credit derivatives exposures in the form of NIMM add-ons. The add-on for each reference entity *k* is defined in the NIMM consultative document as

$$AddOn(Entity_k) = SF_k^{(Credit)} \cdot EffectiveNotional_k$$

The supervisory factor $SF_k^{(Credit)}$ is determined by the reference name's credit rating, and defined in Table 6.

Once the CCP has calculated entity-level add-ons for each reference entity in its portfolio of exposures to a given clearing member, it must also calculate the square of the add-on for each entity. For each subcategory (ie for each region, split into single name and index reference entities), the CCP should then calculate two further items:

- The sum of all entity-level add-ons; and
- The sum of the squares of all entity-level add-ons.

### *Equity derivatives*

For equity derivatives a breakdown into geographical regions and into single entity and index is requested in this QIS. This breakdown is analogous to the breakdown requested for credit derivatives.

Consistent with the approach taken for credit derivatives, CCPs should report their equity derivatives exposures in the form of NIMM add-ons. The add-on for each reference entity *k* is defined in the NIMM consultative document as

$$AddOn(Entity_k) = SF_k^{(Equity)} \cdot EffectiveNotional_k$$

### *Commodity derivatives*

For commodity derivatives, CCPs should provide data for the following categories:

- Metals;
- Agricultural;
- Other; and
- Energy.

These categories comprise the four hedging sets for commodities in the NIMM framework. Within each hedging set, commodities are further split into "types". The NIMM consultative document sets out how these types should be defined in general terms; characteristics such as location and quality will generally be ignored in defining type. Energy derivative types, for example, could be crude oil, natural gas, coal, electricity and so forth.

For metals, each distinct metal is a "type": for example, Silver and Gold are distinct "types" within the "Metals" hedging set. Agricultural products and other commodities should be treated in a similar way (eg "coffee" and "wheat" are separate types). In cases of uncertainty, CCPs should ask national supervisors to clarify whether two products belong in the same type.

CCPs should report their commodity derivatives exposures in the form of NIMM effective notionals, defined in the NIMM consultative document as

$$EffectiveNotional_k = \sum_{i \in Type_k^j} \delta_i d_i^{(Commodity)}$$

where $i \in Type_k^j$ refers to trades of commodity type *k* in hedging set *j*.

For each hedging set (except for energy), the CCP should report three items:

- The number of transactions for the respective commodity hedging set;
- The sum of the effective notionals for all types within the hedging set; and
- The sum of the squares of effective notionals for all types within the hedging set.

Table 8 describes how these items should be reported in the template.

For the commodity hedging set for energy, the QIS requires a breakdown between electricity trades versus trades in the remaining energy types (crude oil, natural gas, coal, etc). The above information is requested for energy excluding electricity; in addition, the effective notional for electricity is asked for separately.

Panel B.3: Add-ons and effective notionals (for NIMM) Table 8

| Row | Column | Heading | Description |
|---|---|---|---|
| **B.3.a House exposures** | | | |
| i) Credit derivatives | | | |
| 417 | E–CG | Number of transactions | Number of transactions based in the respective region in the netting set. |
| 418 | E–CG | Sum of add-ons of single-name entities | The sum of add-ons of single-name entities in the respective region, ie $\sum_{k \in \textbf{Single Name Region}} AddOn(Entity_k)$ |
| 419 | E–CG | Sum of add-ons of index entities | The sum of add-ons of index entities in the respective region, ie $\sum_{k \in \textbf{Index Region}} AddOn(Entity_k)$ |
| 420 | E–CG | Sum of squares of add-ons of single-name entities | The sum of squares of add-ons of single-name entities in the respective region, ie $\sum_{k \in \textbf{Single Name Region}} \left(AddOn(Entity_k)\right)^2$ |
| 421 | E–CG | Sum of squares of add-ons of index entities | The sum of squares add-ons of index entities, ie $\sum_{k \in \textbf{Index Region}} \left(AddOn(Entity_k)\right)^2$ |
| 422–446 | E–CG | Same as above | Same as above for each region. |

| | | | |
|---|---|---|---|
| ii) Equity derivatives | | | |
| 451 | E–CG | Number of transactions | Number of transactions based in the respective region in the netting set. |
| 452 | E–CG | Sum of add-ons of single-name entities | The sum of add-ons of single-name entities in the respective region, ie $\sum_{k \in \textbf{Single Name Region}} AddOn(Entity_k)$ |
| 453 | E–CG | Sum of add-ons of index entities | The sum of add-ons of index entities in the respective region, ie $\sum_{k \in \text{Index Region}} AddOn(Entity_k)$ |
| 454 | E–CG | Sum of squares of add-ons of single-name entities | The sum of squares of add-ons of single-name entities in the respective region, ie $\sum_{k \in \textbf{Single Name Region}} \left(AddOn(Entity_k)\right)^2$ |
| 455 | E–CG | Sum of squares of add-ons of index entities | The sum of squares add-ons of index entities, ie $\sum_{k \in \text{Index Region}} \left(AddOn(Entity_k)\right)^2$ |
| 456–480 | E–CG | Same as above | Same as above for each region. |
| iii) Commodity derivatives | | | |
| 485 | E–CG | Number of transactions | Number of transactions in the respective commodity hedging set |
| 486 | E–CG | Sum of effective notionals | The sum of effective notionals of trades in the respective commodity hedging set, ie $\sum_{k \in HS_j} \sum_{i \in Type_k^j} \delta_i d_i^{(\text{Commodity})}$ |
| 487 | E–CG | Sum of squares of effective notionals | The sum of squares of effective notionals of trades in the respective commodity hedging set, ie $\sum_{k \in HS_j} \left( \sum_{i \in Type_k^j} \delta_i d_i^{(\text{Commodity})} \right)^2$ |
| 488–493 | E–CG | Same as above | Same as above for agriculture and other commodities. |
| 494 | E–CG | Number of transactions | Number of transactions in the energy hedging set |
| 495 | E–CG | Sum of effective notionals of trades in energy, excluding Electricity | The sum of effective notionals of trades in energy, excluding electricity, ie $\sum_{\substack{k \in NOT \\ Electricity}} \sum_{i \in Type_k^j} \delta_i d_i^{(\text{Commodity})}$ |
| 496 | E–CG | Sum of squares of effective notionals of trades in energy, excluding electricity | The sum of squares of effective notionals of trades in energy, excluding electricity, ie $\sum_{\substack{k \in NOT \\ Electricity}} \left( \sum_{i \in Type_k^j} \delta_i d_i^{(\text{Commodity})} \right)^2$ |
| 497 | E–CG | Sum of effective notionals for transactions in electricity | The sum of effective notionals of trades in electricity, ie $\sum_{i \in Type_{Electricity}^{Energy}} \delta_i d_i^{(Commodity)}$ |
| **B.3.b Client exposures** | | | |
| 506–585 | E–CG | Same as above | Same as above for the client exposures. If the CCP/clearing member had any segregated client accounts on the reporting date, add-ons and effective notionals should be calculated at the segregated client level. Absolute values for all client accounts should then be summed and reported here. |

## Panel B.4: Total gross and net exposures

In panel B.4, CCPs should report the total gross mark-to-market value of trades and the net mark-to-market value of trades. The panel has two sub-panels containing analogous information requests, first for house exposures and second for client exposures.

Panel B.4: Total gross and net exposures — Table 9

| Row | Column | Heading | Description |
|---|---|---|---|
| **B.4.a House exposures** | | | |
| 593 | E–CG | Total gross mark-to-market value of trades | Total gross mark-to-market value of all derivative trades cleared by the CCP for the house.<br>Sum of max (0, positive mark-to-market values (this should not be offset with negative mark-to-market values), without offset by collateralisation) for all OTC and exchanges-traded derivatives positions held for each reported clearing member. This should not include variation margin that has been called but not received. |
| 594 | E–CG | Net mark-to-market value of trades | Net mark-to-market value of all derivative trades cleared by the CCP for the house.<br>Max (0, net sum of the positive and negative mark-to-market values, without offset by collateralisation), for all OTC and exchanges-traded derivatives positions held for each reported clearing member. This should not include variation margin that has been called but not received. |
| 595 | E–CG | Replacement cost | The CCP should report its replacement cost for each clearing member's account. This should be equal to the change in portfolio mark-to-market value (at the end of the reporting day) since the last collection of variation margin. |
| **B.4.b Client exposures** | | | |
| 598 | E–CG | Total gross mark-to-market value of trades | Total gross mark-to-market value of all derivative trades cleared by the CCP on behalf of clients<br>Sum of max (0, positive mark-to-market values (this should not be offset with negative mark-to-market values), without offset by collateralisation) for all OTC and exchanges-traded derivatives positions held for each reported clearing member. This should not include variation margin that has been called but not received. |
| 599 | E–CG | Net mark-to-market value of trades | Net mark-to-market value of all derivative trades cleared by the CCP on behalf of clients.<br>Max (0, net sum of the positive and negative mark-to-market values, without offset by collateralisation), for all OTC and exchanges-traded derivatives positions held for each reported clearing member. This should not include variation margin that has been called but not received. |
| 600 | E–CG | Replacement cost | The CCP should report its replacement cost on the client account. This should be equal to the change in portfolio mark-to-market value (at the end of the reporting day) since the last collection of variation margin. |

## Panel B.5: Collateral composition

This panel includes the composition of the collateral held by the CCP for each clearing member. It has two sub-panels containing analogous information requests, first for house exposures and second for client exposures. Each sub-panel includes three parts, which contain different information related to the

category of the collateral, the first for debt instruments, the second for cash and the third for other types of collateral.

Panel B.5: Collateral composition — Table 10

| Row | Column | Heading | Description |
|---|---|---|---|
| **B.5.a House exposures** | | | |
| 606–612 | E–CG | Sovereign debt | Total gross mark-to-market value for all Sovereign debt grouped by credit quality (AAA to AA-/A-1, A+ to BBB-/A-2/A-3/P-3, BB+ to BB-) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years), posted on the house account. |
| 613–618 | E–CG | Other issuers' debt | Total gross mark-to-market value for all other issuers' debt grouped by credit quality (AAA to AA-/A-1 and A+ to BBB-/A-2/A-3/P-3 and senior debt of unrated bank listed on recognised exchanges) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years), posted on the house account. |
| 622 | E–CG | Cash same currency as exposure | Total gross cash in the same currency as exposure, posted on the house account. |
| 623 | E–CG | Cash in currencies different from exposure | Total gross cash in currencies different from exposure, posted on the house account. Where CCPs have exposures in multiple currencies and collect cash in multiple currencies, if it is not possible to identify the amounts of cash posted in the same/different currency as an exposure, CCPs should notify national supervisors and fill in only row 622. |
| 627 | E–CG | Main index equities (including convertible bonds) and gold | Total gross mark-to-market value for all main index equities provided by clearing member. |
| 628 | E–CG | Other equities (including convertible bonds) listed on a recognised exchange | Total gross mark-to-market value for all other equities provided by clearing member. |
| 629 | E–CG | UCITS/mutual funds | Total gross mark-to-market value for all UCITS/mutual funds provided by clearing member. |
| 630 | E–CG | Non-cash collateral denominated in currencies different from that for exposure [%] | Percentage of non-cash collateral denominated in currencies different from that for the exposure. |
| 631 | E–CG | Other collateral | Other collateral types that are not in the above categories, posted on the house account. |
| **B.5.b Client exposures** | | | |
| 635–660 | E–CG | Same as above | Same as above (rows 606 to 631) but for collateral posted on the client account. |

## 4.2 Panel C: Repo/reverse repos

In panel C, the repo and reverse repo transactions cleared by the CCPs should be reported. The panel has two sub-panels collecting analogous information related to the exposure and the collateral composition, the first section for repo and reverse repo exposures, and the second section for details on the composition of the collateral held by the CCP related to those exposures. Repo/reverse repo exposures are the cash/collateral posted to clearing members; collateral composition refers to the

cash/collateral posted to the CCP by clearing members as part of the repo/reverse repo transaction. Only cash/collateral exchanged as part of the repo/reverse repo transactions themselves should be reported in this panel; margin collateral should not be included.

For repo and reverse repo transactions, CCPs should report their aggregate exposure to clearing members, including any client exposures, in the panel; house and client accounts should not be split for this section.

Panel C: Repo/reverse repos — Table 11

| Row | Column | Heading | Description |
|---|---|---|---|
| **C.1 Repo and reverse repo exposures** | | | |
| 667–673 | E–CG | Sovereign debt | Total gross mark-to-market value for all Sovereign debt grouped by credit quality (AAA to AA-/A-1, A+ to BBB-/A-2/A-3/P-3, BB+ to BB-) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 674–679 | E–CG | Other issuers' debt | Total gross mark-to-market value for all other issuers' debt grouped by credit quality (AAA to AA-/A-1 and A+ to BBB-/A-2/A-3/P-3 and senior debt of unrated bank listed on recognised exchanges) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 684 | E–CG | Cash | Total gross cash. |
| 688 | E–CG | Main index equities (including convertible bonds) and gold | Total gross mark-to-market value for all main index equities (including convertible bonds) and gold provided by clearing member. |
| 689 | E–CG | Other equities (including convertible bonds) listed on a recognised exchange | Total gross mark-to-market value for all other equities (including convertible bonds) listed on a recognised exchange provided by clearing member. |
| 690 | E–CG | UCITS/mutual funds | Total gross mark-to-market value for all UCITS/mutual funds provided by clearing member. |
| **C.2 Repo and reverse repo collateral composition** | | | |
| 696–702 | E–CG | Sovereign debt | Total gross mark-to-market value for all Sovereign debt grouped by credit quality (AAA to AA-/A-1, A+ to BBB-/A-2/A-3/P-3, BB+ to BB-) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 703–708 | E–CG | Other issuers' debt | Total gross mark-to-market value for all other issuers' debt grouped by credit quality (AAA to AA-/A-1 and A+ to BBB-/A-2/A-3/P-3 and senior debt of unrated bank listed on recognised exchanges) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 713 | E–CG | Cash same currency as exposure | Total gross cash in the same currency as exposure. |
| 714 | E–CG | Cash in currencies different from exposure | Total gross cash in currencies different from exposure. |
| 718 | E–CG | Main index equities (including convertible bonds) and gold | Total gross mark-to-market value for all main index equities provided by clearing member. |
| 719 | E–CG | Other equities (including convertible bonds) listed on a recognised exchange | Total gross mark-to-market value for all other equities provided by clearing member. |
| 720 | E–CG | UCITS/mutual funds | Total gross mark-to-market value for all UCITS/mutual funds provided by clearing member. |

| | | | |
|---|---|---|---|
| 721 | E–CG | Non-cash collateral denominated in currencies different from that for exposure [%] | Percentage of non-cash collateral denominated in currencies different from that for the exposure. |
| 722 | E–CG | Other collateral | Other collateral types that are not in the above categories |

## 4.3 Panel D: Securities lending/borrowing

In panel D, securities lending/borrowing transactions cleared by the CCPs should be reported. The panel has two sub-panels containing almost identical information related to the exposure and the collateral composition, the first section for securities lending/borrowing exposures, and the second section for details on the composition of the collateral held by the CCP related to those exposures. Only cash/collateral exchanged as part of the securities lending/borrowing transactions themselves should be reported in this panel; margin collateral should not be included.

For securities lending/borrowing transactions, CCPs should report their aggregate exposure to clearing members, including any client exposures, in the panel; house and client accounts should not be split for this section.

Panel D: Securities lending/borrowing — Table 12

| Row | Column | Heading | Description |
|---|---|---|---|
| **D.1 Securities lending/borrowing exposures** | | | |
| 728–734 | E–CG | Sovereign debt | Total gross mark-to-market value for all Sovereign debt grouped by credit quality (AAA to AA-/A-1, A+ to BBB-/A-2/A-3/P-3, BB+ to BB-) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 735–740 | E–CG | Other issuers' debt | Total gross mark-to-market value for all other issuers' debt grouped by credit quality (AAA to AA-/A-1 and A+ to BBB-/A-2/A-3/P-3 and senior debt of unrated bank listed on recognised exchanges) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 745 | E–CG | Cash | Total gross cash. |
| 749 | E–CG | Main index equities (including convertible bonds) and gold | Total gross mark-to-market value for all main index equities provided by clearing member. |
| 750 | E–CG | Other equities (including convertible bonds) listed on a recognised exchange | Total gross mark-to-market value for all other equities provided by clearing member. |
| 751 | E–CG | UCITS/mutual funds | Total gross mark-to-market value for all UCITS/mutual funds provided by clearing member. |
| **D.2 Securities lending/borrowing collateral composition** | | | |
| 757–763 | E–CG | Sovereign debt | Total gross mark-to-market value for all Sovereign debt grouped by credit quality (AAA to AA-/A-1, A+ to BBB-/A-2/A-3/P-3, BB+ to BB-) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |
| 764–769 | E–CG | Other issuers' debt | Total gross mark-to-market value for all other issuers' debt grouped by credit quality (AAA to AA-/A-1 and A+ to BBB-/A-2/A-3/P-3 and senior debt of unrated bank listed on recognised exchanges) and residual maturity band (equal to 1 year or less, over 1 year and not exceeding 5 years and over 5 years). |

| Row | Column | Heading | Description |
|---|---|---|---|
| 774 | E–CG | Cash same currency as exposure | Total gross cash in the same currency as exposure. |
| 775 | E–CG | Cash in currencies different from exposure | Total gross cash in currencies different from exposure. |
| 779 | E–CG | Main index equities (including convertible bonds) and gold | Total gross mark-to-market value for all main index equities provided by clearing member. |
| 780 | E–CG | Other equities (including convertible bonds) listed on a recognised exchange | Total gross mark-to-market value for all other equities provided by clearing member. |
| 781 | E–CG | UCITS/mutual funds | Total gross mark-to-market value for all UCITS/mutual funds provided by clearing member. |
| 782 | E–CG | Non-cash collateral denominated in currencies different from that for the exposure [%] | Percentage of non-cash collateral denominated in currencies different from that for the exposure. |
| 783 | E–CG | Other collateral | Other collateral types that are not in the above categories. |

## 4.4 Panel E: Member margin and default fund contributions

In panel E, the CCP should report the margin and default fund contributions from members for house and client accounts. These should be reported separately where the CCP calculates initial and variation margin separately for members' house and client accounts. If the CCP collects initial and variation margin from members on both house and client exposures on a commingled basis, all margin should be reported under house exposures and the CCP should note this to its supervisor as well as in the qualitative remarks accompanying the CCP's data submission.

For repos and securities lending/borrowing transactions, all margin and default fund contributions should be reported under house exposures.

Panel E.1.a should be used to report current initial and variation margin, together with certain margining attributes, for clearing members' own (house) accounts. In cases where the CCP participates in cross-margining of member portfolios with another CCP, the CCP should discuss with its national supervisor how margin should be reported.

Panel E.2.a should be used to report the same information for clearing members' client accounts.

Panel E.1.b should be used to report the members' default fund contributions. If the service for which the CCP is reporting clears multiple product types (for example commodity and equity derivatives and cash products), the CCP should allocate the shared default fund to each product type by the proportion of exposures to each product types. The exposure should be measured using the CCP's own internal method (eg initial margin) where possible.

If the CCP calculates part of the clearing member's default fund contribution explicitly based on the CCP's exposure to a clearing member's clients, the same information on default fund contributions as in panel E.1.b should be reported in panel E.2.b. Otherwise, this panel should be left blank.

Finally, panel E.1.c should be used to report the total collateral that the CCP holds for each clearing member in its house account. This should include all cash and collateral posted to the CCP by

the member on its clearing member house account; cash/collateral exchanged as part of CCPs' treasury operations should not be included here. In particular, this should include not only members' initial margin and default fund contributions, but also any excess collateral posted at the CCP above the member's margin and default fund requirements.

Panel E.2.c should be used to report the same information for the client account, if collateral is posted to this account separately from the house account.

Panel E: Member margin and default fund contributions — Table 13

| Row | Column | Heading | Description |
|---|---|---|---|
| **E.1 House exposures** | | | |
| **E.1.a Initial margin and variation margin** | | | |
| 789 | E | Is variation margin separate from initial margin? | Is variation margin separate from initial margin? Select Yes or No from the drop-down menu. If the answer is yes, fill in rows 793 to 794; if No, fill in rows 798 to 803. |
| 793 | E–CG | Segregated initial margin | Segregated amount of initial margin. |
| 794 | E–CG | Segregated variation margin | Segregated amount of variation margin. |
| 798 | E–CG | Non-segregated variation margin | Non-segregated variation margin. |
| 799 | E–CG | Total initial and variation margin | Sum of initial and variation margin. |
| 800 | E–CG | Total variation margin called but not received | Total variation margin called but not received. |
| 801 | E–CG | Confidence level for coverage of current initial margin | Confidence level for coverage of initial margin (eg 99%). |
| 802 | E–CG | Margin period for coverage of current initial margin | The margin period in days for the confidence level stated above (eg five days). |
| 803 | E–CF | Initial margin if it is to provide coverage for 99% and 5 days | If possible, CCPs should report the total initial margin they would require at a 99% confidence level and 5-day margin period of risk. |
| **E.1.b Member default fund contributions** | | | |
| 811 | E–CG | Pre-funded default fund contributions | Total mark-to-market value of member's pre-funded default fund contributions. |
| 812 | E–CG | Committed but unfunded default fund contributions | Total value of member's committed but unfunded default fund contributions. |
| 813 | E–CG | Are the default fund contributions split across products within the service? | Select Yes or No from the drop-down menu. If the answer is Yes, then fill in the following rows (815 to 822). |
| 815-822 | E–CG | Pre-funded default fund contributions by product type | Total mark-to-market value of member's pre-funded default fund contributions by product type according to the order specified in the worksheet. "Products outside of scope" refers to products that are not included in the scope of the CCP framework, ie cash transactions. |

| Row | Column | Heading | Description |
|---|---|---|---|
| **E.1.c Total member collateral** | | | |
| 826 | E–CG | Total member collateral held against the house account | The total collateral posted by the clearing member at the CCP. This should include any excess collateral posted above the collateral required from the member by the CCP. |
| **E.2 Client exposures** | | | |
| **E.2.a Initial margin and variation margin** | | | |
| 830 | E | Is variation margin separate from initial margin? | Is variation margin separate from initial margin? Select Yes or No from the drop-down menu. If the answer is yes, fill in rows 834 to 835; if No, fill in rows 839 to 844. |
| 834 | E–CG | Segregated initial margin | Segregated amount of initial margin. |
| 835 | E–CG | Segregated variation margin | Segregated amount of variation margin. |
| 839 | E–CG | Non-segregated variation margin | Non-segregated variation margin. |
| 840 | E–CG | Total initial and variation margin | Sum of initial and variation margin. |
| 841 | E–CG | Total variation margin called but not received | Total variation margin called but not received. |
| 842 | E–CG | Confidence level for coverage of current initial margin | Confidence level for coverage of initial margin (eg 99%). |
| 843 | E–CG | Margin period for coverage of current initial margin | The margin period in days for the confidence level stated above (eg five days). |
| 844 | E–CF | Initial margin if it is to provide coverage for 99% and 5 days | If possible, CCPs should report the total initial margin they would require at a 99% confidence level and 5-day margin period of risk. |
| 848 | E–CF | Are there any individually segregated client accounts within the main client account? | CCPs should indicate whether the client account of the clearing member in question includes any individually segregated client accounts (margined on a gross basis) by selecting Yes or No from the drop-down menu. |
| **E.2.b Member default fund contributions** | | | |
| 854 | E–CG | Pre-funded default fund contributions | Total mark-to-market value of member's pre-funded default fund contributions against client exposures (if applicable). |
| 855 | E–CG | Committed but unfunded default fund contributions | Total value of member's committed but unfunded default fund contributions against client exposures (if applicable). |
| 856 | E–CG | Are the default fund contributions split across products within the service? | Select Yes or No from the drop-down menu. If the answer is Yes, then fill in the following rows (858-865). “Products outside of scope” refers to products that are not included in the scope of the CCP framework, ie cash transactions. |
| 858–865 | E–CG | Pre-funded default fund contributions by product type | Total mark-to-market value of member's pre-funded default fund contributions against client exposures (if applicable) by product type according to the order specified in the worksheet. |

| Row | Column | Heading | Description |
|---|---|---|---|
| **E.2.c Total member and client collateral** | | | |
| 869 | E–CG | Total member and client collateral held against the client account | The total collateral posted by the clearing member and clients at the CCP against the client account (if separate). This should include any excess collateral posted above the collateral required by the CCP on the client account. |

# 5. The "CCP own information" worksheet

## 5.1 Panel F: Default fund

This panel should be completed for total default fund contributions across all products reported in the template for all members.

Panel F: Default fund — Table 14

| Row | Column | Heading | Description |
|---|---|---|---|
| **F.1 CCP default fund contributions** | | | |
| 5 | E | Pre-funded CCP contribution to the default fund utilised before any member contributions | The mark-to-market value of the contributions to the default fund by the CCP that will be consumed *before* any surviving member's contribution to the default fund. |
| 6 | E | Pre-funded CCP contribution to the default fund utilised alongside member contributions | The mark-to-market value of the contributions to the default fund by the CCP that will be consumed *together*, pro rata, with members' contributions to the default fund. |
| 7 | E | Pre-funded CCP contribution to the default fund utilised after member contributions | The mark-to-market value of the contribution to the default fund by the CCP that will be consumed *after* the use of members' contributions to the default fund. |
| 8 | E | Are there circumstances under which the default fund contributions for one product may be used for defaults arising in other product classes? | Answer Yes or No. |
| **F.2 Total default fund contributions** | | | |
| 12 | E | Total pre-funded default fund contributions | Total mark-to-market value of default fund held by the CCP (including both member and CCP pre-funded contributions). |

## 5.2 Panel G: Default fund Cover 1 / Cover 2 calculations

Panel G is used to report the minimum pre-funded member default amount required such that the CCP's total pre-funded default resources meet the CPSS-IOSCO minimum standard Cover 1 or Cover 2 requirement (determined in line with Principle 4 of the CPSS-IOSCO *Principles for financial market infrastructures* (PFMIs)). Under the PFMIs, a CCP must maintain default resources of Cover 2 or Cover 1. Cover 2 is defined as resources sufficient to cover the loss (after application of defaulters' collateral) that would result from the default of the two participants that, when viewed together with their respective affiliates, would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. Cover 1 is defined similarly but for the default of a single participant.

The CCP should identify what coverage ratio it is (or expects to be) subject to in its jurisdiction, Cover 1 or Cover 2. If in doubt, a CCP should discuss with its national supervisor how to complete this section of the template.

For each segregated default waterfall, the CCP should report the default fund size that would be consistent with **both** a Cover 1 and a Cover 2 default fund requirement.

In addition, the CCP should give a brief description of the methodology that it uses to determine the Cover 1 or Cover 2 default fund requirement in its calculations.

Panel G: Default fund Cover 1 / Cover 2 calculations — Table 15

| Row | Column | Heading | Description |
|---|---|---|---|
| 16 | E | What default fund coverage ratio are you subject to? | Answer 1 for Cover 1, and 2 for Cover 2. If you expect to be subject to a different requirement, please note this in cell E20. |
| 17 | E | Aggregate default Cover 1 (for all members) | The amount sufficient to cover the loss (after application of defaulters' collateral) that would result from the default of the one participant as defined by Principle 4 of the PFMIs. |
| 18 | E | Aggregate default Cover 2 (for all members) | The amount sufficient to cover the loss (after application of defaulters' collateral) that would result from the default of the two participants as defined by Principle 4 of the PFMIs. |
| 19 | E | Methodology for default Cover 1 / default Cover 2 | Select either "stress testing scenario", "higher confidence level" or "other stress testing methodologies". |
| 20 | E | Description of the methodology | A brief description of the methodology that the CCP uses to determine the Cover 1 or Cover 2 default fund requirement. |