



BIS OTC derivatives statistics: explanatory notes

Reporting basis

The BIS OTC derivatives statistics capture the outstanding positions of banks and other major derivatives dealers at end-June and end-December of each year. They are reported on a consolidated basis: data from branches and (majority-owned) subsidiaries worldwide of a given dealer are aggregated and reported by the parent institution to the authority in the country where the parent institution is headquartered, and intragroup positions (ie between affiliates of the same institution) are excluded. The [reporting guidelines](#) provide more information about how the OTC derivatives statistics are compiled.

The OTC derivatives statistics combine two sources: data reported every six months by derivatives dealers in 12 jurisdictions, and data reported every three years by dealers in more than 30 additional jurisdictions. The BIS uses the triennial data to supplement the semiannual data in arriving at a more accurate estimate of the global size of OTC derivatives markets. The combined results indicate that the semiannual data captured about 94% of global OTC derivatives positions at end-June 2016. The market share of dealers that report semiannually is highest in the credit, equity and interest rate segments (99%, 98% and 96%, respectively, at end-June 2016) and lowest in the commodity and foreign exchange segments (79% and 86%).

Reporting countries

The OTC derivatives statistics are reported to the BIS at an aggregate (country) level rather than individual institution level. A central bank or another national authority collects data from banks and other major derivatives dealers in its jurisdiction, compiles national aggregates and then sends them to the BIS to calculate global aggregates.

About 70 dealers in the following 12 countries report semiannual data on outstanding positions in OTC derivatives markets.

Country	Reporting authority	Country	Reporting authority
Australia	Reserve Bank of Australia	Spain	Bank of Spain
Canada	Bank of Canada	Sweden	Sveriges Riksbank
France	Bank of France		Statistics Sweden
Germany	Deutsche Bundesbank	Switzerland	Swiss National Bank
Italy	Bank of Italy	United Kingdom	Bank of England
Japan	Bank of Japan	United States	Board of Governors of the Federal Reserve System
Netherlands	Netherlands Bank		

Authorities in Australia and Spain started to submit semiannual data from end-2011, and Belgium submitted semiannual data from end-June 1998 to end-December 2016.

More than 330 dealers from an additional 33 jurisdictions participated in the outstanding positions part of the latest [Triennial Central Bank Survey](#) of foreign exchange and OTC derivatives markets, in 2016. The next Triennial Survey of outstanding positions will be conducted in June 2019.

Valuation effects of changes in exchange rates

Data are reported to the BIS in US dollars, with positions in other currencies being converted into US dollars at the exchange rate prevailing at the end of the reference period. Comparisons of amounts outstanding between periods can be significantly affected by movements in exchange rates.

Estimated clearing rate

Comprehensive data on CCPs are available only from end-June 2016. They are reported as an "of which" item within the counterparty sector "other financial institutions"; therefore, the latest data for other financial institutions are comparable with historical data. Prior to end-June 2016, CCPs were identified separately only for CDS.

The proportion of outstanding positions against CCPs is typically larger than the proportion of trades cleared through CCPs – known as the clearing rate – because the former counts trades between dealers twice. When a derivatives trade is cleared by a CCP, the initial contract between counterparties A and B is replaced, in an operation called novation, by two new contracts: one between counterparty A and the CCP, and a second between the CCP and counterparty B. In the BIS OTC derivatives statistics, dealers report all outstanding contracts and separately identify contracts between reporting dealers. The BIS then adjusts such inter-dealer positions to eliminate double-counting. However, inter-dealer trades that are subsequently novated to a CCP are not adjusted; each dealer's position with the CCP is included in the global aggregates published by the BIS.

Under the extreme assumption that all positions with CCPs were initially inter-dealer contracts, positions with CCPs could be adjusted by dividing by two (see Graph A8). The actual clearing rate is likely to be higher than this estimate because some positions with CCPs may initially be reporting dealers' trades with non-dealers such as institutional investors and other financial customers, which in the OTC derivatives statistics are not double-counted when novated to CCPs.