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Instructions for the

Central Bank Survey of Foreign Exchange and Derivatives Market Activity

Turnover Survey
April 2025

FR 3036
OMB No. 7100-0285

This report is authorized by law [12 U.S.C. §§ 225a and 263]. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate and timely. The Federal Reserve may not conduct or sponsor, and an organization is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Individual firm information collected on the FR 3036 is considered confidential to the extent it constitutes non-public commercial or financial information, which is both customarily and actually treated as private by the respondent. Therefore, this information may be kept confidential under exemption 4 of the Freedom of Information Act, which exempts "trade secrets and commercial or financial information obtained from a person and privileged or confidential." [5 U.S.C. §552(b)(4)]. If it should be determined that any information collected on this form must be released, other than in the aggregate in ways that will not reveal the amounts reported by any one institution, respondents will be notified.

Public reporting burden for this collection of information is estimated to be 66 hours per response for turnover-only respondents and 75 hours for turnover and settlement respondents, including time to gather and maintain data in the proper form, to review instructions and to complete the information collection. Send comments regarding this burden estimate to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project, (7100-0285), Washington, DC 20503.

Contents

Introduction

These instructions cover the *turnover* part of the survey. The *turnover* part of the survey will be conducted on a *sales desk location* basis. It aims to obtain comprehensive and consistent information on the size and structure of global foreign exchange and OTC derivatives markets. The results are intended to increase the transparency of OTC markets and to help central banks, other authorities and market participants monitor developments in global financial markets. They also help to inform discussions on reforms to OTC markets.

Turnover data should be collected over the entire month of April 2025. The data should reflect all transactions entered into during the month, regardless of whether delivery or settlement is made during that month.

In order to limit the reporting burden, the *turnover* part of the survey only covers spot transactions and turnover in OTC foreign exchange and interest rate derivatives. No data are collected on turnover of exchange-traded derivative instruments.

The Federal Reserve System treats information provided by each respondent as confidential. Aggregate totals will be published by the Federal Reserve Bank of New York and the Bank for International Settlements.

Reporting Deadline

The survey should be submitted to the Federal Reserve Bank of New York by June 15, 2025, using the Reporting Central application. Additional information on Reporting Central can be found here:

https://www.frbservices.org/central-bank/reporting-central/index.html

A reporting dealer should contact the Federal Reserve Bank of New York if it believes it may not be able to submit the survey electronically.

Reporters

Reporting dealers are financial institutions that actively participate in local and global foreign exchange and derivatives markets. These entities (1) participate in the interdealer market or (2) actively conduct business with large customers, such as large corporate firms, and other financial institutions. That is, reporting dealers are institutions that are actively buying and selling currency and entering into OTC derivatives for their own account or in meeting customer demand. Reporting dealers also include the U.S. branches and subsidiaries of foreign institutions that have trading desks or sales desks in the United States.

A. The Main Survey

1. Counterparties

Reporting dealers should provide for each instrument in the foreign exchange and interest rate derivatives categories a breakdown of contracts by counterparty as follows: reporting dealers, other financial institutions, and non-financial customers.

For these three basic counterparty categories, reporting dealers should also provide separate information on local and cross-border transactions. The determination of local and cross-border should be determined according to the location of the counterparty and not its nationality. Local transactions are transactions with counterparties resident in the U.S. Cross-border transactions are with counterparties outside of the U.S.

In addition, the counterparty category "other financial institutions" is further broken down into five subcategories in the counterparty breakdown. This additional breakdown is only used in the foreign exchange part of the survey (Tables A1 to A6; a simplified breakdown to distinguish between reporting dealers, other financial institutions and non-financial customers is used in the revised Table A7). It categorises counterparties by their primary business activity or their primary motives for trading in foreign exchange markets.

As some counterparties may potentially fall into more than one category, some judgement may be required on the part of reporting dealers to assign a specific counterparty to a category that best fits this entity. The primary business activity of the counterparty should serve as the criterion.

Transactions conducted under prime brokerage arrangements should be reported by the executing dealer with the prime broker as the counterparty (not the customer of the prime broker). The executing dealer should classify the prime broker as "reporting dealer" or "other financial institution" as appropriate. Similarly, the prime broker, if a reporting dealer, should report two trades, one for the executing dealer and a second trade for the customer.

Counterparty Categories, Subcategories and Definitions

- Reporting dealers[1]

These are mainly large commercial and investment banks and securities houses that (i) participate in the inter-dealer market and/or (ii) have an active business with large customers, such as large corporate firms, governments and non-reporting financial institutions; in other words, reporting dealers are institutions that are actively buying and selling currency and OTC derivatives both for their own account and/or in meeting customer demand.

In practice, reporting dealers are often those institutions that actively or regularly deal through electronic platforms, such as EBS or Refinitiv dealing facilities.

This category also includes the branches and subsidiaries of institutions operating in multiple locations that do not have a trading desk but do have a sales desk in those locations that conduct active business with large customers.

In order to allow the accurate elimination of double counting of inter-reporter transactions, reporting institutions should identify transactions with "reporting dealers" to the best of their ability.

A list of reporting dealers is available at

https://www.newyorkfed.org/fxc/volumesurvey/dealers.html

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[1] This definition differs from that used for the amounts outstanding part of the survey where "reporting dealers" refers only to institutions whose head office participates in the BIS's semiannual OTC derivatives statistics and is located in one of the reporting countries. For details, please refer to *the* *Reporting Guidelines for amounts outstanding for non-regular reporting institutions*.

- Other financial institutions

This category covers the financial institutions that are not classified as *reporting dealers*. These are typically regarded as end users in foreign exchange and interest rate derivatives markets. It covers all non-reporting depository institutions and other financial institutions and intermediaries whose primary business is to extend credit for business purposes or for financing personal expenditures*,* such as investment banks and securities firms, mutual funds, pension funds, hedge funds, currency funds, money market funds, thrifts, leasing companies, insurance companies, and financial subsidiaries of non-financial companies. It also includes central banks. For foreign exchange turnover only, Other financial institutions is further broken down into five reportable sub-categories:

  - *Of which non-reporting banks* Smaller or regional commercial banks, publicly owned banks, securities firms or investment banks that are not directly participating as reporting dealers.

  - *Of which institutional investors* Institutional investors such as mutual funds, pension funds, insurance and reinsurance companies and endowments. Their primary motives for market participation are to trade FX instruments e.g., for hedging, investing and risk management purposes. A common label for this counterparty category is "real money investors".

  - *Of which hedge funds and proprietary trading firms* (a) Investment funds and various types of money managers, including commodity trading advisers (CTAs) which share (a combination of) the following characteristics: they often follow a relatively broad range of investment strategies that are not subject to borrowing and leverage restrictions, with many of them using high levels of leverage; they often have a different regulatory mandate than "institutional investors" and typically cater to sophisticated investors such as high net worth individuals or institutions; and they often hold long and short positions in various markets, asset classes and instruments, with frequent use of derivatives for speculative purposes. (b) Proprietary trading firms that invest, hedge or speculate for their own account. This category may include, for example, specialised "high frequency trading" (HFT) firms that employ high-speed algorithmic trading strategies characterised by numerous frequent trades and very short holding periods. In addition, this category may include PTFs that employ their technology for the purpose of electronic market-making (see also Section 8.4).

  - *Of which official sector financial institutions* Central banks, sovereign wealth funds, international financial institutions of the public sector (BIS, IMF, etc.), development banks and agencies (e.g., national debt management agencies or national development funds/agencies).

  - *Of which other* All remaining financial institutions (e.g., retail-aggregators or central counterparties[2]) that cannot be classified as any of the sub-categories above.

  - *undistributed* captures the amount of "other financial institutions" turnover that fails to be allocated into one of the sub-categories above.

- Non-financial customers

This category covers any counterparty other than those describe above, i.e., mainly non-financial *end-users,* such as corporate and non-financial government entities. This may also include private individuals who directly transact with reporting dealers for investment purposes, either on the online retail trading platforms operated by the reporting dealers or by other means (e.g. giving trading instructions by phone).

Quality control. To prepare for the possibility that some reporting dealers may be technically incapable of reporting in full the breakdowns under "other financial institutions", an entry called "undistributed" is available in the survey template. This entry captures the amount of "other financial institutions" turnover that fails to be allocated to one of the subcategories above (relief from reporting in full requires the agreement of the FRBNY).

[2] A portion of total turnover that relates to compression trades (as described in Section 8.3) is also captured in the sector breakdown under the respective instrument.

2. Definition of Turnover Data

To gauge the size of the foreign exchange and OTC derivatives markets, the survey collects turnover data for both proprietary and commissioned business of the reporting institution. Commissioned business refers to reporting institutions' transactions as a result of deals as an agent or trustee in their own name, but on behalf of third parties, such as customers or other entities.

Turnover is defined as the gross value of all new deals entered into during a given period and is measured in terms of the notional amount of the contracts. In addition to spot foreign exchange transactions, turnover data are requested for foreign exchange and interest rate derivatives.

No distinction should be made between sales and purchases (for example, a purchase of $5 million against sterling and a sale of $7 million against sterling would amount to a gross turnover of $12 million). Direct cross-currency transactions should be counted as single transactions; however, cross-currency transactions passing through a vehicle currency should be recorded as two separate deals against the vehicle currency (for example, if a bank sells Swiss francs $5 million against euro first and then uses the euro to purchase krona, the reported turnover should be $10 million). The gross amount of each transaction should be recorded once and netting arrangements and offsets should be ignored. In this context, reporting institutions are reminded that CLS pay-in data is on a net basis, and so should not be used as a source for completing the survey, which is on a gross basis.

For turnover of transactions with variable nominal or notional principal amounts, the basis for reporting should be the nominal or notional principal amounts on the transaction date.

Turnover data is collected over a one-month period in order to reduce the likelihood of very short-term variations in activity distorting the data. The data collected for the survey should reflect all transactions entered into during the calendar month of April 2025, regardless of whether delivery or settlement is made during that month.

2.1 Sales desk basis

For turnover data, the basis for reporting any trade should be the location of the *sales desk* of any transaction, even if the trade was booked in another location. Foreign branches in other jurisdictions should be excluded from the turnover part of the survey (and included in the amounts outstanding part of the survey). Transactions conducted by offices located in the United States should be reported to the Federal Reserve Bank of New York, even if these trades were booked at an office in another country. Where no sales desk is involved in a deal, in particular for trades executed via electronic platforms, the location of the platform's sales contact who services the client should be used. (Please see the list of illustrative examples of how to report trades by location of deals in Annex 1).

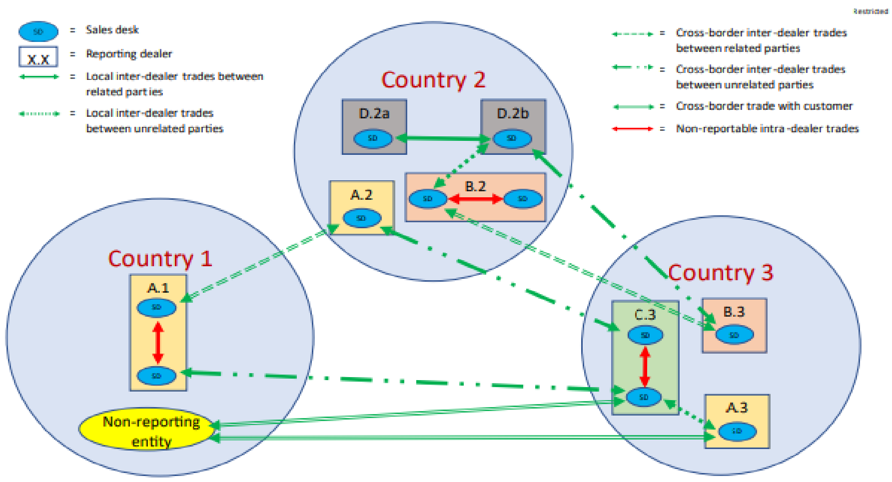
Large financial groups operating in a range of centers should ensure that the agreed definitions of the guidelines are followed, as consistently as possible, by all their reporting units. Even for reporting dealers with global networks, reports must be made to the FRBNY by the foreign office itself (e.g. a branch or subsidiary). The guiding principle should be that each trade is reported once.

Graph 1 below illustrates what should be included in and excluded from the survey. It shows three reporting jurisdictions, labelled as Countries 1, 2 and 3 (grey circles). Each jurisdiction hosts several "reporting dealers" (squares and rectangles), which are <u>separate entities</u> (e.g. separate legal entities or foreign branches located in the reporting jurisdiction).

Each reporting dealer may be part of a larger globally consolidated corporate group. The example in Graph 1 contains four globally consolidated dealer groups (A, B, C and D). Dealer groups A and B have offices (e.g. branches or subsidiaries) in more than one country, labelled "A.1", "B.2", etc. Each of these offices is a "reporting dealer" in the country where it is located. By contrast, dealer group D operates only in Country 2, but with two local subsidiaries, and dealer group C operates only in Country 3. There is one non-reporting entity located in Country 1 (yellow oval).

Each of the reporting dealers has one or more "sales desks" (blue ovals). Trades between sales desks within the same reporting dealer (or between a sales desk and a trading desk of the same dealer) are shown as two-headed red arrows.

Graph 1: Reportable turnover



All *green arrows* in Graph 1 represent "reportable turnover", while all *red arrows* represent intra-dealer operations, which are not to be reported.

The green trades should be reported as follows:

- Cross-border inter-dealer trades between unrelated parties (trades A.2–C3, A.1–C.3 and D.2b–B.3, shown as)
  - classified as *cross-border turnover between reporting dealers*
  - reported by Country 1, Country 2 and Country 3 to BIS

- Cross-border inter-dealer trades between related parties (trades A.1–A.2 and B.2–B.3, shown as)
  - classified as *cross-border turnover between reporting dealers*
  - also reported in "*of which: Related-party trades*"
  - reported by Country 1, Country 2 and Country 3 to BIS

- Cross-border trade with customer (trades C.3 and A.3 with non-reporting entity, shown as)
  - classified as *cross-border turnover with (eg) non-financial customers*
  - reported by Country 3 to BIS

- Local inter-dealer trades between unrelated parties (trades B.2–D.2b and C.3–A.3, shown as)
  - classified as *local turnover between reporting dealers*
  - reported by both reporting dealers B.2 and D.2b to Country 2 central bank, and by reporting dealers A.3 and C.3 to Country 3 central bank
  - reported by Country 2 and Country 3 to BIS

- Local inter-dealer trades between related parties (trade D.2a–D.2b, shown as):
  - classified as *local turnover between reporting dealers*
  - also classified as "*of which: Related-party trades*"
  - reported by both reporting dealers D.2a and D.2b to Country 2 central bank
  - reported by Country 2 to BIS.

All *red trades* (shown as) are intra-dealer trades between sales desks that are part of the same reporting dealer and should be excluded from reportable turnover.

2.2 Novation and Central Clearing

OTC derivatives transactions that are centrally cleared via central counterparties (CCPs) should be reported on a pre-novation basis in the turnover part of the survey (i.e., with the original execution counterpart as counterparty). Any post-trade transaction records that arise from central clearing via CCPs (e.g., through novation) should not be reported as additional transactions[3].

However, compression trades with CCPs that are done to reduce the size of the outstanding amounts with the CCP and that are not tied specifically to any one (or particular group of) novated trade(s) should be included in the reported turnover figures.

2.3 Cancelled Contracts[4]

The actual turnover of all new contracts initiated during the period of review, which are not cancelled during this period, should be reported. In case of cancellation during the period of review, for example if the original deal is incorrect, the transaction should be excluded from reporting unless it is rebooked during the period of review. In this case, the specifications of the new transaction should be used for reporting.

However, cancelling positions is not included here. For example, the fact that one of the counterparties to a contract is entering an offsetting contract for terminating the original position does not impact the reporting of the original contract – both the original contract and the new mirror contract should be reported.[10] Also, if the counterparties to a contract agree in the settlement process to roll the proceeds to a future date (by entering into a new contract), both the original contract and the new contract should be reported.

3. Risk Categories

The survey collects data on foreign exchange transactions and OTC derivative products according to the following broad market classification:

- foreign exchange contracts (Tables A1 to A6)
- single-currency interest rate derivatives (Tables B1 and B2)

Foreign exchange contracts. Foreign exchange contracts cover spot, outright forwards, foreign exchange swaps, currency swaps, currency options and other foreign exchange instrument transactions with exposure to more than one currency. (See Section 5.1). Turnover in cryptocurrencies without a corresponding liability (like Bitcoin) is not to be included in the survey.[5]

Single-currency interest rate derivatives. Interest rate contracts are contracts related to an interest-bearing financial instrument whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury bill) (see Section 5.2).

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[3] For example, if a reporting dealer executed a non-deliverable forward (NDF) contract with a hedge fund and the contract was post-trade transferred to a CCP for central clearing, the reporting dealer should report only the turnover associated with that NDF contract with the hedge fund as counterparty. The post-novation contract with the CCP should not be reported as additional turnover. Please note that the treatment of centrally cleared OTC derivatives transactions in the turnover part of the survey is different from that in the amount outstanding part.

[4] The fact that one of the counterparties to a contract is entering an offsetting contract for terminating the original position does not impact the reporting of the original contract. Both the original contract and the new mirror contract should be reported (sometimes called rollback contracts). Similarly, the fact that the counterparties to a contract agree in the settlement process to roll the proceeds to a future date (entering a new contract) does not impact the reporting of the original contract. Both the original contract and the new contract should be reported.

[5] The Joint Financial and Payments Systems Task Team (FITT) advises the IMF Committee on Balance of Payments Statistics in the process of updating the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6). The FITT Guidance Note F.18 The Recording of Crypto Assets in Macroeconomic Statistics shows there is consensus that crypto assets with a corresponding liability (i.e. central bank digital currency) should be recorded as financial assets. However, discussion is still ongoing regarding the recording of crypto assets without a corresponding liability that are designed to act as a general medium of exchange (i.e. Bitcoin) and those designed to act as medium of exchange within a platform only.

Interest rate contracts include forward rate agreements, single-currency interest rate swaps and interest rate options, including caps, floors, collars, and corridors.

This category includes only those deals where all the legs are exposed to only one currency's interest rate. Thus, it excludes contracts involving the exchange of currencies (e.g., cross-currency swaps and currency options) and other contracts whose predominant risk characteristic is foreign exchange risk, which are to be reported as foreign exchange contracts.

3.1 Categorization of derivatives involving more than one risk category

Individual derivatives transactions are to be categorised into two risk classes: *foreign exchange* and *single-currency interest rate*. In practice, however, individual derivatives transactions may straddle risk categories. In such cases, transactions that are simple combinations of exposures should be reported separately in terms of their individual components, as explained in Section 5 below. Transactions that cannot be readily broken down into separable risk components should be reported in only one risk category, the category of the predominant risk. The allocation of such products with multiple exposures should be determined by the underlying risk component that is most significant. However, if, for practical reasons, reporting institutions are in doubt about the correct classification of multi-exposure derivatives, they should allocate the deals according to the following order of precedence:

- *Foreign exchange.* This category will include all derivatives transactions with exposure to more than one currency, be it in interest or exchange rates.
- *Single-currency interest rate contracts.* This category will include derivatives transactions in which there is exposure to only one currency's interest rate. This category should include all fixed and/or floating single-currency interest rate contracts, including forwards, swaps and options.

4. Overview of Breakdowns

4.1 Foreign Exchange

The part of the survey on foreign exchange turnover covers a number of breakdowns:

- *By instrument*. Five basic types – spot, outright forwards, foreign exchange swaps, currency swaps and OTC options – plus other products (see Section 5.1 for detailed definitions). Furthermore, reporting dealers are requested to identify how much of their "outright forwards" turnover for selected currency pairs is attributed to non-deliverable forwards (NDFs).

- *By counterparty*. Three basic categories: reporting dealers, other financial institutions and non-financial customers. In addition, the category "other financial institutions" is further broken down into five subcategories (see Section 1).

- *By currency and currency pair*. There are explicit columns in the form for 40 currencies and 47 currency pairs. Turnover in currency pairs that are not explicitly listed is recorded in aggregate in the "Other" and "Residual" columns (see Section 6 for details).

- *By maturity*. There are six maturity categories for outright forwards and foreign exchange swaps: one day, over one day and up to seven days, over seven days and up to one month, over one month and up to three months, over three months and up to six months, over six months. The category "one day" includes overnight (see Section 7).

- *Specific trading relationships*. Reporting dealers are requested to:

    - Identify for selected *instruments* and *currencies* how much of their *Grand total foreign exchange turnover* is attributed to related-party trades (see Section 8.1).

    - Identify for each *instrument* and selected *currencies* how much of the total turnover is attributed to (i) back-to-back trades (see Section 8.2) and to (ii) compression trades (see Section 8.3);

    - Identify for each *instrument and currency pair* how much of the total turnover is attributed to (i) transactions conducted in a foreign exchange prime brokerage relationship (with the reporting dealer in the role of FX prime broker – see Section 8.4); and (ii) transactions that are directly or indirectly generated by retail investors (see Section 8.5).

- *By FX settlement.* Table A7 captures deliverable two-way trades settled globally by Reporting Dealers during the month of April. All trades settled during this reporting period are included, regardless of the jurisdiction in which the trades were executed, including intragroup trades in which both counterparties are from the same banking group. Data is reported only the pay (deliver) leg of the transaction (see Section 9 for details). Not all FR 3036 reporters will file FX settlement. The FRBNY will reach out to mandatory filers directly.

- *By execution method.* There are four basic categories: voice-direct, voice-indirect, electronic-direct and electronic-indirect. The two "electronic" categories are further broken down into specific types of electronic trading platforms similar to those already in existence at the time of the previous surveys (see Section 10 for details).

4.2 Single Currency Interest Rate Derivatives

The single-currency interest rate derivatives turnover part has the following breakdowns:

- *By instrument*. Three basic types – forward rate agreements, swaps and OTC options – plus other products (see Section 6.2 for detailed definitions).
- *By counterparty*. Three basic categories: reporting dealers, other financial institutions and non-financial customers. The more detailed new breakdowns for "other financial institutions" are not used here.
- *By currency*. There are explicit columns for instruments in 40 currencies. Turnover for instruments in currencies that are not explicitly listed is recorded in aggregate in the "Other" column.
- *Specific trading relationships*. Reporting dealers are requested to identify how much of their *grand total* single-currency interest rate derivatives turnover is attributed to (i) related-party trades (see Section 8.1), (ii) back-to-back trades (see Section 8.2) and (iii) compression trades (see Section 8.3).

5. Instrument Definitions and Categorization

5.1 Foreign Exchange Transactions

The instruments covered in the foreign exchange turnover part of the survey are defined and categorised as follows:

Spot transactions. Spot transactions are single outright transactions involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) within two business days. The spot legs of swaps should not be reported even when they are due for settlement within two days (i.e., spot transactions should exclude overnight swaps and "tomorrow/next day" transactions). Cash/same day transactions[6] should be reported under spot.

Outright Forwards. Transactions involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) at some time in the future (more than two business days later). This category also includes forward foreign exchange agreement transactions (FXAs), NDFs and other forward contracts for differences. Forward contracts are generally not traded on organised exchanges and their contractual terms are not standardised. Transactions where only the difference between the contracted forward outright rate and the prevailing spot rate is settled at maturity, such as non-deliverable forwards (i.e., forwards which do not require physical delivery of a non-convertible currency) and other contracts for differences, should be reported. In addition, reporting dealers should report non-deliverable forwards (NDF[7]) under *Of which non-deliverable forwards*, to show volumes for six emerging market currency pairs with significant NDF volumes: USD/BRL, USD/CNY, USD/INR,

[6] Spot transactions with same day and next day settlements (T+0 and T + 1 settlements).

[7] NDFs differ from deliverable forwards in that there is no physical delivery of the two underlying currencies at maturity. An NDF contract is settled in cash (very often in US dollars, or any other pre-agreed currency). The settlement amount is calculated based on the difference between the contracted NDF rate and the prevailing spot exchange rate at maturity (the fixing date), and the pre-agreed notional amount.

USD/KRW, USD/RUB and USD/TWD. The NDF turnover of other less well-traded pairs will also be captured but in aggregate only.

Foreign Exchange Swaps: Transactions involving the actual exchange of two currencies (principal amount only) on a specific date at a rate agreed at the time of the conclusion of the contract (the short leg), and a reverse exchange of the same two currencies at a date further in the future at a rate. FX swaps include "spot/forward swaps" and "forward/forward swaps" but also short-term swaps such as "overnight swaps", "spot next swaps" and other "tomorrow/next day" transactions.

In the turnover part of the survey, any FX swaps should be reported only once. The basis for reporting should be the forward leg of the swap. The spot leg should not be reported, either as spot or as foreign exchange swap transactions.

In/out swaps between CLS members should be excluded[8].

Currency Swaps: Contracts which commit two counterparties to exchange streams of interest payments in different currencies for an agreed period of time and/or to exchange principal amounts in different currencies at a pre agreed exchange rate at maturity.

OTC options. Option contracts that confer the right to buy or sell a currency against another currency at a specified exchange rate during a specified period. This category also includes exotic foreign exchange options such as average rate options and barrier options. OTC options include currency swaptions, OTC option to enter into a currency swap contract, and currency warrants, long-dated (over one year) OTC currency options. Each portion of an option strategy should be reported separately (e.g. a straddle, a strangle or a butterfly).

Other products. Other derivative products are instruments where decomposition into individual plain vanilla instruments such as forwards, swaps or options is impractical. Examples of "other" products are swaps with underlying notional principal in one currency and fixed or floating interest rate payments based on interest rates in currencies other than the notional (differential swaps or diff swaps).

Foreign exchange OTC derivatives are in principle to be broken down into three types of plain vanilla instrument (forwards, swaps and options). Plain vanilla instruments are instruments traded in generally liquid markets according to more or less standardised contracts and market conventions. If a transaction comprises several plain vanilla components, each part should in principle be reported separately.

Non-plain vanilla products should in principle be separated into their plain vanilla components. If this is not feasible, then the OTC options section takes precedence in the instrument classification, so that any foreign exchange derivative product with an embedded option is reported as an OTC option. All other OTC foreign exchange derivative products are reported in the forwards or swaps section.

5.2 Single-currency interest rate derivatives

The instruments covered in the single-currency interest rate derivatives part of the survey are defined and categorised as follows:

Forward rate agreements (FRAs): Interest rate forward contracts in which the rate to be paid or received on a specific obligation for a set period of time, beginning at some time in the future, is determined at contract initiation.

Overnight indexed swaps (OIS): Contracts to exchange periodic payments related to interest rates on a single currency, fixed for floating where the periodic floating payment is based on a designated overnight rate or overnight index rate.

Other swaps: Contracts to exchange periodic payments related to interest rates on a single currency; can be fixed for floating, or floating for floating based on different indices. This group excludes OIS. It includes

8 So-called in/out swaps are used exclusively between CLS members in order to reduce pay-ins when settling FX transactions via the CLS system. As they are carried out only for liquidity management purposes in order to amend the settlement mechanism, their inclusion in the survey would artificially boost the reported data and make any comparison with previous surveys difficult. These swaps should therefore be excluded from the reporting.

those swaps whose notional principal is amortised according to a fixed schedule independent of interest rates.

OTC Options:

Option contracts that confer the right to pay or receive a specific interest rate on a predetermined principal for a set period of time.

OTC options include:

- Interest rate cap: OTC option that pays the difference between a floating interest rate and the cap rate.
- Interest rate floor: OTC option that pays the difference between the floor rate and a floating interest rate.
- Interest rate collar: combination of cap and floor.
- Interest rate corridor: (i) A combination of two caps, one purchased by a borrower at a set strike and the other sold by the borrower at a higher strike to, in effect, offset part of the premium of the first cap. (ii) A collar on a swap created with two swaptions – the structure and participation interval is determined by the strikes and types of the swaptions. (iii) A digital knockout option with two barriers bracketing the current level of a long-term interest rate.
- Interest rate swaption: OTC option to enter into an interest rate swap contract, purchasing the right to pay or receive a certain fixed rate.
- Interest rate warrant: OTC option; long-dated (over one year) interest rate option.
- Each portion of an option strategy should be reported separately.

Other products: “Other” derivative products are instruments where decomposition into individual plain vanilla instruments such as FRAs, swaps or options is impractical or impossible.

Examples of “other” products are instruments with leveraged payoffs and/or those whose notional principal varies as a function of interest rates, such as swaps based on Libor squared or index-amortising rate swaps. These include bond forwards.

Single-currency interest rate derivatives are in principle to be broken down into three types of plain vanilla instrument (FRA, swaps and options). Plain vanilla instruments are instruments traded in generally liquid markets according to more or less standardised contracts and market conventions. If a transaction comprises several plain vanilla components, each part should in principle be reported separately.

Non-plain vanilla products should in principle be separated into their plain vanilla components. If this is not feasible, then the OTC options section takes precedence in the instrument classification, so that any interest rate derivative product with an embedded option is reported as an OTC option. All other OTC interest rate derivative products are reported in the FRA or swaps section.

6. Currency Breakdowns

In order to obtain consistent data on *turnover* in principal currency segments of the foreign exchange market, reporting institutions are asked to report turnover data on foreign exchange contracts by currency pairs. Data should be provided separately for trading in the US dollar against the following individual currencies:

EUR: Euro
JPY: Japanese yen
GBP: Pound sterling
CHF: Swiss franc
CAD: Canadian dollar
AUD: Australian dollar
SEK: Swedish krona
BRL: Brazilian real
CNY: Chinese Yuan renminbi
HKD: Hong Kong dollar
INR: Indian rupee

KRW: Korean won
MXN: Mexican peso
NOK: Norwegian krone
NZD: New Zealand dollar
PLN: Polish Zloty
RUB: Russian ruble
SGD: Singapore dollar
TRY: Turkish lira
TWD: Taiwan dollar
ZAR: South African rand
Other currencies

Data should be provided separately for trading in the Euro against the following individual currencies:

JPY: Japanese yen
GBP: Pound sterling
CHF: Swiss franc
CAD: Canadian dollar
AUD: Australian dollar
SEK: Swedish krona
CNY: Chinese Yuan Renminbi
DKK: Danish Krone
HUF: Hungarian Forint
NOK: Norwegian Kroner
PLN: Polish Zloty
TRY: Turkish Lira
Other currencies

Data should be provided separately for trading in the Japanese yen against the following individual currencies:

AUD: Australian dollar
NZD: New Zealand dollar
BRL: Brazilian Real
CAD: Canadian Dollar
TRY: Turkish Lira
ZAR: South African Rand
Other currencies.

For emerging market currencies, reporters should provide supplementary information on total turnover for the following currencies, which also have to be included in the above columns for "other" currencies in the breakdown by currency pairs:

ARS: Argentine peso
CLP: Chilean peso
CZK: Czech koruna
DKK: Danish krone
HUF: Hungarian forint
IDR: Indonesian rupiah
ILS: Israeli new shekel
MXN: Mexican Peso
MYR: Malaysian ringgit
NOK: Norwegian krone
NZD: New Zealand dollar
PHP: Philippine peso
PLN: Polish Zloty
RUB: Russian ruble
SAR: Saudi riyal
SGD: Singapore dollar
THB: Thai baht

TRY: Turkish lira
TWD: new Taiwan dollar
Reporters should also report total turnover data in the additional blank columns provided on Tables A3 and A6 for other emerging market currencies included in the above columns for "other" and "residual" currencies but not individually listed on Tables A3 or A6, for which they have total monthly turnover of at least $10 million. Respondents should enter the appropriate 3-letter currency code in the space provided at the top of the column. Currencies to include are:

BHD: Bahraini dinar
BGN: Bulgarian lev
LTL: Lithuanian litas
LVL: Latvian lats
PEN: Peruvian nuevo sol
RON: Romanian new leu

For *turnover* of single-currency interest rate contracts, include:

USD, EUR, JPY, GBP, CHF, CAD, AUD, CNY, DKK, HKD, MXN, NOK, NZD, SEK, SGD, THB, and ZAR.

7. Maturities

In the turnover part of the survey, transactions in outright forwards and foreign exchange swaps should be reported according to the following (original) maturity categories:

- One day
- Over one day and up to seven days
- over seven calendar days and up to one month
- over one month and up to three months
- over three months and up to six months
- over six months.

For *outright forward contracts*, the maturity band for the transaction is determined by the difference between the delivery date and the spot date[9].

For both *spot/forward* and *forward/forward foreign exchange swaps*, the maturity band for the contract is determined by the difference between the due date of the long leg of the swap and the due date of the short leg. A forward/forward swap should only be reported once as one single deal.

Maturities should be measured in calendar terms, i.e. seven day maturity means a calendar week and not seven business days.

The only exception to this is for the maturity category "one day", which includes transactions like FX swaps for which the maturity determined as the difference between the due date of the short leg and the due date of the long leg is one business day: overnight (O/N), tomorrow next (T/N) and spot next (S/N) trades, even if their maturity measured in calendar days is longer than one day. All components that fit into this item should be reported as one aggregate.

The table below shows how transactions with standard maturities are assigned to their respective categories.

Market convention	Maturity category in the Survey

[9] Typically two business days after the date of the initiation of the contract. In some national markets, contracts with a delivery date between three and seven days are still classified as spot. In this survey, any such contract should be reported as FX forwards and not as spot.

O/N – overnight	One day
T/N – tomorrow next	One day
S/N – spot next	One day
S/W – spot week	Over one day and up to seven days
1W – 1 week	Over one day and up to seven days
2W – 2 weeks	Over seven days and up to one month
1M – 1 month	Over seven days and up to one month
3M – 3 months	Over one month and up to three months
6M – 6 months	Over three months and up to six months
9M – 9 months	Over six months
1Y – 1 year	Over six months

The following examples illustrate how certain trades should be classified by maturities:

- Example 1: A reporting dealer on 7 April 2022 (Thursday) executes a tomorrow next (T/N) foreign exchange swap. The due date (settlement) of the short leg is one business day later, i.e., 8 April 2022 (Friday). The due date (settlement) of the long leg is on the next business day, i.e., 11 April 2022 (Monday). The maturity of this transaction, i.e., the difference between the due date of the long leg and the due date of the short leg, is one business day, and it should be reported in the "one day" category. This example assumes that neither 8 nor 11 April 2022 are holidays in the jurisdiction(s) where the dealer and counterparty are located.
- Example 2: A reporting dealer on 19 April 2022 (Tuesday) executes a spot week (S/W) foreign exchange swap. The due date (settlement) of the short leg is 2 business days later, i.e., 21 April 2022 (Thursday). The due date (settlement) of the long leg is one week (7 calendar days) later, i.e., 28 April 2022 (Thursday). The maturity of this transaction, i.e., the difference between the due date of the long leg and the due date of the short leg, is 7 calendar days, and it should be reported in the "over one day and up to seven days" category. This example assumes that neither 20, 21, nor 28 April 2022 are holidays in the jurisdiction(s) where the dealer and counterparty are located.
- Example 3: A reporting dealer on 1 April 2022 (Friday) executes a one month (1M) outright forward. The relevant spot date is two business days later, i.e., 5 April 2022 (Tuesday). The delivery date (settlement) of the transaction is one month later, i.e., 5 May 2022 (Thursday). The maturity of this transaction, i.e., the difference between the delivery date and the spot date, is one month, and it should be reported in the "over seven days and up to one month" category. This example assumes that neither 4 April, 5 April, nor 5 May 2022 are holidays in the jurisdiction(s) where the dealer and counterparty are located.

8. Specific Trading Relationships

8.1 Related Party Trades

Related-party trades are defined as turnover with other entities in the same globally consolidated dealer group (see Graph 1, trades A.1–A.2, B.2–B.3 and D.2a–D.2b, in Section 2.1). In general, they are not "market facing" and include:

- Trades with other reporting dealers from the same group.
- Trades with entities from the group that are located in a jurisdiction that does not participate in the Triennial Survey.

- Trades with entities from the group located in a participating jurisdiction that are not selected as "reporting dealers" in that jurisdiction.

Related-party trades are to be included in total turnover and reported separately as an "of which" item. Intra-dealer turnover (i.e. trades between sales desks in the same reporting dealer) should be excluded (see Graph 1, trades shown in red).

To better separate "market facing" turnover with customers across various breakdowns, the 2025 survey introduces a limited currency and instrument breakdown for related-party trades.

Breakdowns of related-party trades[1]

	All currencies	US dollar	Euro	Yen
Related-party trades (all instruments and counterparties)				
o/w forwards (all counterparties)				
o/w swaps (all counterparties)				

[1] Shaded cells are new. For FX derivatives, items will be added to template Tables A1, A2 and A3 (rows "Total FX contracts", "Outright forwards", "FX swaps" crossed with columns "domestic currency-USD", "domestic currency-EUR", "domestic currency-JPY" in Table A1; column "total USD" in Table A2; and columns "total EUR", "total JPY" in Table A3). For interest rate derivatives, items will be added to template Table B (rows "Total IR contracts", "forward rate agreements", "overnight indexed swaps", "other swaps" crossed with columns "USD", EUR", "JPY").

8.2 Back-to-back trades

Back-to-back trades are linked trades created to transfer the risk of the original trade or set of trades. Both the original trade and back-to-back trade were entered into in April.

A back-to-back trade may be (i) linked to a single original trade for the purpose of transferring risk, or (ii) linked to a set of trades that transfer risk in bulk at regularly scheduled intervals (e.g. automatic risk transfers would qualify here as long as they are not intra-dealer operations).

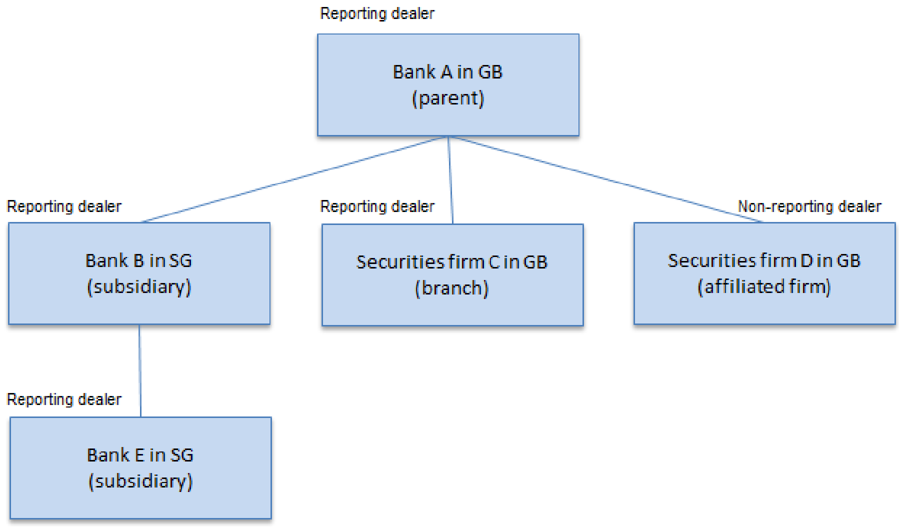
Only turnover related to a first-time transfer of risk of the original trade or set of trades should be included in back-to-back trades reported in the survey, as illustrated in the examples below. Any subsequent turnover related to renewal of a first-time risk transfer should be excluded from turnover. In addition, any intra-dealer back-to-back trades (i.e. back-to-back trades between desks of the same reporting dealer) should be excluded.

Back-to-back deals are normally conducted between affiliates of the same consolidated group to facilitate either internal risk management or internal bookkeeping (and, as such, also included in related-party trades). Back-to-back trades that involve other entities outside of the group should also be reported here, but not in related-party trades.[10]

The original transaction with the sales desk should always be reported in the usual way by instrument, currency and counterparty sector. The second transaction between the sales desk and affiliates that are part of the same consolidated group should only be reported if conducted to transfer risk from one affiliate to another (in the usual way and as a back-to-back trade). The second transaction should not be reported if there is no transfer of risk from the reporting dealer: for example, deals conducted within the reporting dealer (between desks of the same dealer) or deals conducted by the sales desk on behalf of another affiliate so that the risk is never recorded in the books of the reporting dealer.

This is illustrated through the below example of a consolidated group comprising five entities:

[10] Note that the original contract that leads to back-to-back trades should *not* be included in back-to-back trades.



In this example, back-to-back deals should be reported in the following way:

Original deal	Back-to-back deal	Transactions to be reported
Bank B sells an option to a customer, where the sales desk at Bank B is conducting the transaction on behalf of Bank A.	Deal is recorded in the books of Bank A, e.g., because Bank B does not maintain an options book.	Original transaction by Bank B. Second transaction is not reported because there is no transfer of risk from one affiliate to another (no transaction is recorded in the books of Bank B).
Bank B sells an option to a customer.	Original deal is recorded in the books of Bank B. A second deal between Bank A and Bank B is conducted to transfer the risk from Bank B to Bank A.	Original transaction by Bank B. Second deal by both Bank A and Bank B.
Bank B sells an option to a customer.	Original deal is recorded in the books of Bank B. Second deal between the FX trading desk of Bank B and another trading desk of Bank B.	Original transaction by Bank B. Second transaction is not reported because there is no transfer of risk from Bank B.
Bank E sells an option to a customer.	Original transaction is recorded in the books of Bank E. Transaction between Bank E and Securities Firm D conducted to transfer the risk from Bank E to Firm D.	Original transaction by Bank E. Second transaction by only Bank E. Securities Firm D is not a reporting dealer.

New items “o/w back-to-back trades” have been added under the TOTAL for each instrument in reporting Tables A2, A5, B1 and B2. For each instrument, values should be reported only in the column Grand Total. This will show the contribution of back-to-back trades to turnover in each FX and IRD instrument, but not for each counterparty sector or currency.

To be consistent with the proposed breakdown of related-party trades above, the 2025 survey introduces *a limited currency breakdown of back-to-back trades*, eg separate amounts for Total, USD, EUR and JPY by instrument should be reported.

Breakdowns of back-to-back trades[1]

By instrument

	All currencies	US dollar	Euro	Yen
Back-to-back trades				

[1] Shaded cells are new. For FX derivatives, items will be added to template Tables A1, A2 and A3 (each instrument crossed with columns "domestic currency-USD", "domestic currency-EUR", "domestic currency-JPY" in Table A1; column "total USD" in Table A2; and columns "total EUR", "total JPY" in Table A3). For interest rate derivatives, items will be added to template Table B (each instrument crossed with columns "USD", "EUR", "JPY").

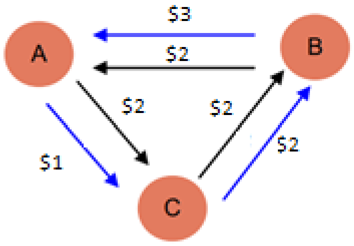
8.3 Compression trades

Compression is a process of replacing multiple offsetting derivatives contracts with fewer deals of the same net risk to reduce the notional value of the portfolio. It can be carried out between two or more counterparties (bilateral and multilateral compression respectively).[11] Trades resulting from this process are called compression trades in the Guidelines.

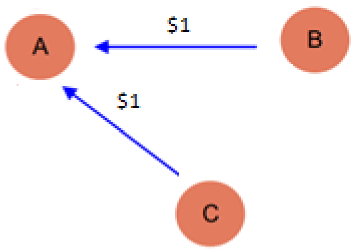
Trades are to be reported on a pre-novation basis. Compression-related trades (conducted bilaterally or multilaterally) that take place in April with any counterparty, including with central counterparties, should be reported in the main part of the survey in the usual way (e.g., by instrument, counterparty and currency, like any other trade) and additionally in the new item "o/w compression trades".

This is illustrated through the example below. On the left hand side, the first set of trades (black arrows: three trades) was conducted before April, and the second set (blue arrows: three trades) at the beginning of April.

Before compression



After compression



During April, there were two additional trades arising from compression of the all outstanding deals (right hand side: two trades). The total turnover that needs to be captured in April is ($1+$2+$3)+($1+$1)=$8 million with $2 million also reported in the new item "o/w compression trades".

The new item "o/w compression trades" has been added under the TOTAL <u>for each derivatives instrument</u> in reporting Tables A2, A5, B1 and B2. For each instrument, values should be reported only in the column Grand Total. This will show the contribution of compression trades to turnover in each FX and IRD instrument, but not for each counterparty sector or currency.

[11] These services are provided by e.g. TriOptima and LCH SwapClear services.

8.4 FX Prime Brokerage

Prime brokers are defined as institutions (usually large and highly-rated banks) facilitating trades for their clients (often institutional funds, hedge funds and other proprietary trading firms). Prime brokers enable their clients to conduct trades, subject to credit limits, with a group of predetermined third-party banks in the prime broker's name. This may also involve granting the client access to electronic platforms that are traditionally available only to large dealers.[12]

In an FX prime brokerage relationship, the client trade is normally "given up" to the prime broker, which is interposed between the third-party bank and the client and therefore becomes the counterparty to both legs of the trade.

Reporting dealers that *have acted as FX prime brokers* are requested to report the transactions that *they have brokered* in two ways:

- in the usual manner, treating the two legs as two separate deals, allocating them by instrument, currency pair and counterparty; and
- under "o/w prime brokered to *non-bank electronic market-makers*" and "o/w prime brokered to other customers", respectively, for each instrument and currency pair (both legs should be included here). The first item includes disclosed market making by principal trading firms (PTF), while the latter also includes deals prime brokered for anonymous PTF trading (see Section 8.4.1).

Those transactions that are *not prime-brokered* by reporting dealers only need to be reported once in the usual manner. This also means that reporting dealers that have not acted as FX prime brokers only need to allocate their trades in the usual manner, and never in the "of which" item.

8.4.1 Disclosed market-making by PTFs

Disclosed market-making by PTFs is defined as a subset of PTF activity devoted to disclosed e-trading with customers, whereby the PTF is identified by name or by a tag to the price taker (e.g., via API or other electronic-direct methods, fully disclosed price streams on electronic communication networks (ECNs), or trading on venues allowing partitioning of liquidity via anonymous tags such as Currenex or Euronext FX) and assumes principle risk on at least part of their client trades. Examples of firms engaged, at least in part, in disclosed e-trading with customers include Citadel Securities, Jump Trading, XTX Markets and Global Trading Systems. Note that this excludes PTF turnover executed on an anonymous basis (e.g., trading on central limit order book (CLOB) and pure high-frequency trading focused on latency arbitrage).

Example: A hedge fund trades USD 100 million with a reporting dealer and the trade is "given up" to a prime broker that is also a reporting dealer. For the first leg, where both the prime broker and the counterparty dealer are reporting dealers, the USD 100 million transaction should be reported by both the prime broker and the counterparty dealer as a deal "with reporting dealers". For the second leg, where the counterparty is not a reporting dealer, the prime broker should report the USD 100 million transaction as a deal "with other financial institutions". In addition, the prime broker should report the two transactions or USD 200 million in the item "of which prime brokered".

8.5 Retail-Driven Transactions

In recent years, retail investors have increased their participation in the FX market, facilitated by internet-based trading platforms. Retail-driven transactions are those initiated by retail investors, where "retail investors" refers to private individuals executing, on their own behalf (i.e., not for any institution), speculative, leveraged and cash-settled foreign exchange transactions. Reporting dealers are requested to provide data on retail-driven transactions, for each instrument and currency pair.

From a reporting dealer's point of view, electronically executed retail-driven transactions can be of two types:

[12] This way the client gains access to the tight bid-ask spreads and the deep liquidity of electronic trading platforms in the FX inter-dealer market (e.g. EBS or Refinitiv). The prime broker earns fees from this service to the client. Moreover, prime brokerage provides customers with anonymity.

- *Direct* transactions with private individuals (“non-wholesale” investors) executed online or initiated by other means (e.g., phone or email).[13] When private investors trade via electronic margin brokerage platforms operated by the reporting dealer, the direct counterparty of the reporting dealer is a natural person. Trades of this type are to be categorised as “with non-financial customers”, and the turnover due to such trades should be reported in the “of which retail-driven” item.
- *Indirect* transactions via third-party platforms that cater to retail investors, such as electronic retail trading platforms and retail margin brokerage firms (wholesale financial counterparties). When retail investors trade FX instruments for speculative purposes via electronic platforms (e.g., Oanda, FXCM, Saxo, Gaitame.com or Gain Capital operating as “retail aggregators”[14]), the direct counterparty for the reporting dealer would typically be a wholesale financial institution. Trades of this type are to be categorised as “with other financial customers / other”, and the amount should be specified in the “of which retail-driven” item.

The table below illustrates how to report direct and indirect electronically executed retail-driven transactions in the reporting template for the turnover part of the survey.

	Direct transactions	Indirect transactions
Total	X	X
with reporting dealers		X (if retail broker/aggregator is reporting dealer)
with other financial institutions non-reporting banks institutional investors hedge funds and proprietary trading firms official sector financial institutions others		X (if retail broker/aggregator is not reporting dealer) + in the relevant subcategory (typically “others”)
with non-financial customers	X	
o/w retail-driven	X	X

9. Settlement of Foreign Exchange Transactions

The Guidelines for the 2025 Survey differ from that of 2022 in two key ways:

- The reporting population for the survey consists of large commercial and investment banks as well as securities dealers (referred to as “Reporting Dealer”). The FX settlement data should be reported on a *global group* basis and include the value of all deliverable two-way trades settled by the legal entities pertaining to the Reporting Dealer that conduct active business with large customers. This should include majority-owned subsidiaries and branches at home and abroad. This global group basis in the FX Settlement data differs from the turnover data collection, which is collected on a sales desk basis.

[13] The “non-wholesale” transactions exclude branch retail spot transactions (“today” delivery date), transfers of funds denominated in different currencies across any two accounts, and electronic transactions using ATM, credit card, and stored value transactions that are executed in a foreign currency. They would also exclude transactions conducted by retail clients as part of a commercial transaction even if denominated in a foreign currency. These transactions are excluded for ease of reporting and because they are normally not associated with FX trading for investment/speculation purposes.

[14] Retail aggregators are wholesale financial firms that act as intermediaries, aggregating quotes from dealers and facilitating trades by retail investors by offering them trading through margin accounts.

- Data on expected future settlements of April trades that were not settled in April should *not* be included in the Survey. Previous surveys included such data on a best-efforts basis.

The Reporting Dealer is expected to report all of the data requested in the template. Should any Reporting Dealer experience technical difficulties that may prevent it from reporting these data, the Federal Reserve Bank of New York will decide whether or not to grant relief from reporting some items on grounds of technical capacity.

9.1 Counterparty Breakdown

Reporting Dealers are requested to provide a breakdown of contracts by counterparty as follows: Reporting Dealers, other financial institutions and non-financial customers (see below for definitions).

Counterparty categories and definitions

Reporting Dealers	Financial institutions that participate in the FX Settlement Survey as Reporting Dealers. These are mainly large commercial and investment banks and securities houses that (i) participate in the inter-dealer market and/or (ii) have an active business with large customers, such as large corporate firms, governments, and non-reporting financial institutions; in other words, Reporting Dealers are institutions that are actively buying and selling currency both for their own account and/or in meeting customer demand.
Other financial institutions	Financial institutions that are not classified as 'Reporting Dealers' in the FX Settlement Survey. These are typically regarded as end users in the FX market. They mainly cover all other financial institutions, such as non-reporting commercial banks, investment banks and securities houses, and, in addition, mutual funds, pension funds, hedge funds, currency funds, money market funds, building societies, leasing companies, insurance companies, financial subsidiaries of corporate firms, other asset managers and central banks.
Non-financial customers	Any counterparty other than those described under 'Reporting Dealers' and 'other financial institutions', ie, mainly non-financial end users, such as corporations and non-financial government entities. This may also include private individuals who directly transact with Reporting Dealers for investment purposes.
Table 1	

9.2 Reporting Dealers

The FX Settlement data should be reported on a *global group* basis and include the value of all deliverable two-way trades settled by the legal entities that are part of the Reporting Dealer that conduct active business with large customers (see Section 2.1).

The reporting population for the survey consists of large commercial and investment banks as well as securities dealers (collectively referred to as the Reporting Dealers). Each national authority defines the list of Reporting Dealers that will provide the data. The purpose of the list is to allow for the correct classification of the counterparties so that double-counting (resulting from double-reporting) of FX Settlement can be adjusted in the global aggregates.

The list of Reporting Dealers covers the global groups headquartered in the reporting country. The list will contain both (1) the headquarters and (2) their related parties. Related parties for this survey are defined as majority-owned subsidiaries and branches at home and abroad that are relevant for FX Settlement.

9.3 Definition of FX Settlement Data

The survey measures the value of deliverable two-way trades where the value date (settlement) was within the reporting period (April 2025). This is not a measure of FX turnover (e.g. the gross value of new deals entered during the reporting period).

Data will be collected over a one-month period to reduce the likelihood of short-term variations in settlement activity. The data collected should reflect all transactions settled during the calendar month of April 2025.

9.4 Reporting Basis

The FX Settlement data should be reported on a global group basis and include the value of all deliverable two-way trades settled by the legal entities that are part of the Reporting Dealer and that conduct active business with large customers. This should include majority-owned subsidiaries and branches.

All trades settled globally by the Reporting Dealer should be captured, regardless of the jurisdiction in which the trade was executed, including settlement of intragroup trades when both of the counterparties are from the same Banking Group (e.g., reported on an unconsolidated basis). The legal entities captured do not need to be direct or indirect members of a Payment-versus-Payment (PvP) system.

Examples of transactions during the reporting period:

- Example 1: In the month prior to the reporting period (April 2025) a Reporting Dealer executes a $15mn FX spot transaction with an entity that is part of the same Banking Group. The value date (settlement) is two business days later (T+2) which falls within the reporting period. This trade would be reported in the survey (e.g., total of $15mn value settled) as settlement falls within the reporting period.

- Example 2: During the reporting period a Reporting Dealer enters a one month (1M) outright forward with an entity that is not part of the same Banking Group. The relevant spot date is two business days later which is also in the reporting period. The delivery date (settlement) of the transaction is in the month after the reporting period. This would not be reported since settlement will take place outside of the reporting period.

- Example 3: During the reporting period a Reporting Dealer executes a 3M FX swap transaction with an entity that is not part of the same Banking Group. The due date (settlement) for the short leg is also in the reporting period. The long leg delivery date (settlement) is three months after the reporting period. Only the first leg where settlement was within the reporting period would be reported.

- Example 4: During the reporting period a Reporting Dealer executes a $5mn Tomorrow-Next FX swap with an entity that is part of the same Banking Group. The due date (settlement) of the short leg is one business day later and the due date (settlement) of the long leg is the subsequent business day. Both legs of the transaction fall within the reporting period and thus both legs would be reported (e.g., total of $10mn value settled).

- Example 5: During the reporting period a Reporting Dealer executes a $10mn overnight FX swap with an entity that is not part of the same Banking Group. The short leg settles same day outside of an applicable PvP system. The long leg settles via an applicable PvP system on the subsequent working day which also falls within the reporting period. Both legs of the transaction would therefore be reported separately in their respective sections of the Reporting Template (i.e. $10mn value settled in each section).

9.5 Failed Trades

The actual settlements of trades that are settled in April should be reported. However, trades that had an original settlement date in April 2025 but failed to settle should be reported separately (see reporting template Table 2). Only amounts that remained outstanding at the end of the reporting period should be included here.

9.6 Instruments

Any payments or instruments that are a single payment transaction should not be reported (e.g., NDFs and option premiums). Only report trades that involve two-way payments (e.g., FX spot, FX swaps, FX forward and cross- currency swaps, or FX options that are not cash-settled). There is no requirement to breakdown settlement by instrument within the survey.

FX bullion transactions (e.g., gold or silver) should be excluded from reporting.

9.7 Reporting Leg and Currency

Only the pay (deliver) leg of the transaction should be reported.

Amounts should be reported in millions of US dollar (USD) equivalents. Transactions which involve the direct exchange of USD should use the USD amount. Transactions which involve the direct exchange of two currencies other than USD should be calculated and recorded in USD using the pay (deliver) leg of the transaction. Non-USD amounts should be converted into USD using the exchange rates on the settlement date. However, if this is impractical or not possible, data may be reported using average or end-of-period exchange rates.

For the purpose of conversion in deals that involve currencies other than the US dollar, and when exchange rates other than those of the day of the transaction are used, the order of precedence of currencies' USD exchange rates should be the following: EUR, JPY, GBP, CHF, CAD, AUD, SEK, AED, ARS, BGN, BHD, BRL, CLP, CNY, COP, CZK, DKK, HKD, HUF, IDR, ILS, INR, KRW, MXN, MYR, NOK, NZD, PEN, PHP, PLN, RON, RUB, SAR, SGD, THB, TRY, TWD and ZAR.

Where the deal involves none of these currencies, please convert to USD using whichever currency is most convenient, maintaining consistency across all trades involving said currencies. Below are some examples of such transactions during the reporting period:

- Example 6: A Reporting Dealer settles a USD/EUR [Buy/Sell] spot transaction in the reporting period (April 2025). The Reporting Dealer is buying (receiving) USD and paying (delivering) EUR. The Reporting Dealer should report the EUR payment (delivery), using the USD equivalent amount from the transaction.

- Example 7: A Reporting Dealer settles a GBP/EUR [Buy/Sell] spot transaction in the reporting period. The Reporting Dealer is buying (receiving) GBP and paying (delivering) EUR. The Reporting Dealer should report the EUR payment (delivery) by converting and using the EUR/USD exchange rate.

9.8 Currency Breakdown

The Reporting Template provides a breakdown of amounts settled that are of-which (o/w) CLS eligible currency pairs. The total for all currencies is also requested (see table on next page).

All currencies	All trades settled in April, regardless of their currency pair.
o/w CLS eligible pair	To be an "o/w CLS eligible pair" both legs of the trade must be in a CLSSettlement eligible currency. For example, a USD/EUR trade would be included in the "o/w CLS eligible pair" column, whereas a USD/CNY trade would not. CLSSettlement eligible currencies are: Australian dollar (AUD), Canadian dollar (CAD), Danish krone (DKK), Euro (EUR), Hong Kong dollar (HKD), Hungarian forint (HUF), Israeli new shekel (ILS), Japanese yen (JPY), Mexican peso (MXN), New Zealand dollar (NZD), Norwegian krone (NOK), Singapore dollar (SGD), South African rand (ZAR), South Korean won (KRW), Swedish krona (SEK), Swiss franc (CHF), Pound sterling (GBP), United States dollar (USD)
Table 2	

9.9 Specific Trading Relationships

Back-to-Back Trades
Back-to-back trades are linked trades where the liabilities, obligations, and rights of the second trade are exactly the same as those of the original trade or set of trades. A back-to-back trade may be: (i) linked to a single original trade for the purpose of transferring risk, or (ii) linked to a set of trades that transfer risk in bulk at regularly scheduled intervals (e.g., automatic risk transfers (ART)).

Back-to-back deals should not be included unless they are subject to a physical cash settlement / bilateral exchange of cash.

- Example 8: Group Entity A executed a back-to-back trade with Group Entity B, for Entity B to manage the risk. On the value date there was an exchange of cash settled internally between Entity A and Entity B. If settlement took place during the reporting period, this trade would be reported in Section D of the Reporting Template.

The original trade or set of trades that led to the back-to-back trade(s) should be included.

Compression Trades
Portfolio compression is a post-trade risk management tool that enables counterparties to reduce the size of their outstanding portfolios without fundamentally changing their market positions. Compression replaces multiple offsetting trades with fewer trades.

Only trades remaining post-compression should be reported – i.e., only report trades that actually settled during the reporting period, and not the trades that were cancelled (or compressed) prior to settlement taking place.

Novated Trades
Portfolio compression is a post-trade risk management tool that enables counterparties to reduce the size of their outstanding portfolios without fundamentally changing their market positions. Compression replaces multiple offsetting trades with fewer trades.

Only trades remaining post-compression should be reported – i.e., only report trades that actually settled during the reporting period, and not the trades that were cancelled (or compressed) prior to settlement taking place.

FX Prime Brokerage

In a FX prime brokerage relationship, the client trade is normally "given up" to the prime broker, which is interposed between the third-party bank and the client and therefore becomes the counterparty to both legs of the trade.

Reporting Dealers that have acted as a prime broker should report the pay leg of the prime brokerage transaction to the extent that FX settlement has taken place.

Settlements of CLS in/out Swaps

A CLS in/out swap is a swap transaction used exclusively between CLS members to reduce pay-ins when settling FX transactions via CLS. These transactions are carried out only for liquidity management purposes. The swap transaction involves two legs settling on the same value day. The first leg settles inside CLS Settlement, and the second leg settles outside CLS Settlement.

Recording a CLS in/out swap in the survey:

- The 'In leg' of the swap is recorded under Section B - (2) – 'Settlement via applicable PvP Systems'

- The 'Out-leg' of the swap is recorded:

    - If the dealer participates in CLSNow and settles the 'out-leg' there, report under Section B – (2) – 'Settlement via applicable PvP systems'.

    - If settled via bilateral netting, report under Section C - (3) – 'Settlement subject to netting'.

    - If settled gross bilateral, report under Section E - 5 (b) and 5(b)ii – 'non-PvP gross settlement: o/w trade type is not eligible for applicable PvP systems'.

Trades Subject to External Settlement Methods

Section C of the template covers the pre-netting settlement value (in gross terms) for all transactions settled bilaterally and subject to bilateral netting. This should be recorded on a gross basis before the netting has taken place.

The 'o/w CLS eligible pair' within this section are transactions in which the currency pair is CLS Settlement eligible, even though the transaction did not settle via an applicable PvP system and was settled by bilateral netting.

Line (3a) is an o/w section under (3) which covers the net payable amount, after netting of transactions under (3) has taken place. This number should not be negative and is strictly related to the deliverable (payable) amount. To avoid double counting, the remaining payable amount should not be reported elsewhere in the template.

Trades Subject to Internal Settlement Methods

Section D of the template covers settlement of intragroup transactions when both counterparties to the trade are from the same Banking Group.

Section D also covers trades with external counterparties where the Reporting Dealer has direct (internal) control over the timing of settlement.

The 'o/w CLS eligible pair' within this section are transactions in which the currency pair is CLS Settlement eligible, even though the transactions did not settle via an applicable PvP system and were settled internally.

Internal settlements via PvP systems should not be included in Section D, although they may seem to fit in both sections: all PVP settlements (external, inter-affiliate and inter-branch) should be allocated in Section B.

Deals Involving Multiple Two-Way Trades

The survey measures the value of trades that were settled within April 2025. Reporting dealers should provide the pay leg of each trade in the deal that settled during that month (e.g., both the short and the long pay leg of a multiple swap trade should be captured as long as they are both settled during April 2025).

This also means that if only one of the legs settle during April 2025, then only that leg should be captured in the report.

9.10 Reporting Template

The reporting template is an Excel workbook. For each category defined in template tables 1 and 2 (below), the following is requested:

- Counterparty sector, as defined in Section 1
- Currency breakdown, as defined in Section 5

Table 1: FX Settlement in April

Item	Description
Section A – Gross financial obligations settled (A = B + C + D + E)	
1) Total gross financial obligations settled	All gross amounts settled by the Reporting Dealer during the reporting period. This amount is prior to any actions taking place (ie, Payment versus Payment (PvP), settlement methods) Note: It is expected that the gross value of (1) should be equal to the sum of the subsequent gross sections (1 = 2 + 3 + 4 +5).
Section B – PvP systems	
2) Settlement via applicable PvP Systems (gross)	Amounts that are settled on a gross basis via applicable PvP systems (eg, CLSSettlement). Value is before any netting has taken place. Note: 'Applicable' PvP Systems is defined as any PvP system in which your firm (as the Reporting Dealer) is a settlement member - both direct or indirect.
Section C – External settlement methods	
3) Settlement subject to netting (gross)	Gross value to be settled with at least two payments that is then subject to external bilateral netting, before any netting takes place. Note: This category only includes trades that are subject to external bilateral netting. Any transactions that settled on a gross basis should be reported in section D or E.
a) o/w net amount (value after netting)	The value of bilaterally netted contracts reported under (3) that remains to be settled after netting has taken place.

	Note: Only required to provide the total net payable amount for all counterparties
Section D – Internal settlement methods	
4) Gross amounts settled internally	Two corresponding payment obligations that are settled internally. Note: It is expected that the gross value of internally settled amounts (4) should be equal to the sum of the subsequent o/w sections (4 = 4a + 4b + 4c).
a) o/w Inter-branch settlement (gross)	Payment obligations transferred between branches of the same legal entity.
b) o/w Inter-affiliate settlement (gross)	Payment obligations settled between two subsidiaries or affiliates of the Reporting Dealer (ie; within the same Banking Group).
c) o/w amounts settled over bank accounts where the Reporting Dealer has direct control over the timing of settlement (gross)	Trades, which are not inter-affiliate or inter-branch, where settlement activity occurs over bank accounts fully within the timing control of the Reporting Dealer. These are trades with an external counterparty where the Reporting Dealer uses internal risk mitigation mechanisms to ensure payments are either made simultaneously or only after the inbound leg of the trade has been received. Examples are cases where the Reporting Dealer is the paying agent for the counterparty and has direct control over the counterparty's account, or where the Reporting Dealer mitigates FX Settlement risk by withholding its outbound payment until the funds it is due have been received.
Section E - Gross settlement	
5) Trades settled on a gross bilateral basis [gross]	Total gross amounts that settled outside an applicable PvP system (Section B) and not via a settlement method (Section C or D). It is expected that the gross value of (5) should be equal to the sum of the subsequent gross sections (5 = 5a + 5b). Note: Applicable PvP Systems is defined as any PvP system in which your firm (as the Reporting Dealer) is a settlement member – both direct and indirect.

a) o/w trades eligible for applicable PvP systems but settled on a gross bilateral basis (gross)	Trades must have been in a PvP eligible currency pair, product and with a counterparty who is a direct or indirect member of an applicable PvP system.
b) o/w trades not eligible for applicable PvP systems and settled on a gross bilateral basis (gross)	Gross amount where settlement is not eligible for applicable PvP systems. Note: 5(b) should reflect the true value of settled trades ineligible for applicable PvP systems. Sections 5(b) (i-iii) are not mutually exclusive events. Trades can and should therefore be reported under each section (i-iii) where applicable, such that 5b(i) + 5b(ii) + 5b(iii) should not equal 5b. For example, a same day USD/CNH trade with a CLSSettlement eligible counterparty should be recorded under 5bi and 5bii.
i) o/w currency pair is not eligible for applicable PvP systems (gross)	The transaction involved a currency pair that was not eligible for the applicable PvP Systems (systems in which your institution is a member) Note: Sections 5(b) (i-iii) are not mutually exclusive events. Trades can and should therefore be reported under each section (i-iii) where applicable, such that 5b(i) + 5b(ii) + 5b(iii) should not equal 5b.
ii) o/w trade type is not eligible for applicable PvP systems (gross)	Section includes any same day settlement transactions that are not eligible for applicable systems. This does not include currency pair ineligibility which is covered in 5b(i). Note: Sections 5(b) (i-iii) are not mutually exclusive events. Trades can and should therefore be reported under each section (i-iii) where applicable, such that 5b(i) + 5b(ii) + 5b(iii) should not equal 5b.
iii) o/w counterparty is not a member (direct or indirect) of applicable PvP systems (gross)	The counterparty was not eligible for the applicable PvP systems in which your firm (as the Reporting Dealer) is a settlement member – both direct and indirect. Note: Sections 5(b) (i-iii) are not mutually exclusive events. Trades can and should therefore be reported under each section (i-iii) where applicable, such that 5b(i) + 5b(ii) + 5b(iii) should not equal 5b. Note: Please complete this section as accurately as possible. Include trades where: i) you know that the counterparty is not a member of the applicable PvP systems, and/or ii) your firm does not have an agreement in place with the counterparty to be able to settle via the applicable PvP system.

Failed Trades in April

Item	Description
Section F – Failed trades	
1) Trades that had an original settlement date in the reporting period but failed to settle during reporting period (gross)	Any trades which were originally due to settle during the reporting period but failed to do so (for example due to operational issues). Only include amounts that remained outstanding at the end of the reporting period.

10. Execution Methods

Table C2 collects additional information on the execution method in millions of US dollars (notional amounts) used to settle foreign exchange turnover transactions. The execution method has to be separately identified for foreign exchange spot, outright forwards, FX swaps, and options reported in Tables A1-A6.

The organising principle for foreign exchange data on execution methods distinguishes execution along two dimensions: (i) "voice" vs "electronic" and (ii) "direct" vs "indirect". This yields four basic categories: voice-direct, voice-indirect, electronic-direct and electronic-indirect.

The two "Electronic" categories are further broken down into specific types of electronic trading platforms: single-bank proprietary trading systems, other direct electronic means, anonymous venues, and disclosed venues.

Execution method categories and definitions

Voice-Direct	Trades originated in person, by phone, by telefax, or through general messaging systems (e.g., Outlook, Hotmail, Gmail, or Yahoo mail) regardless of how they are subsequently matched, not intermediated by a third party.
Voice–Indirect	Executed over the phone, intermediated by a third party (e.g., via a voice broker).
Electronic–Direct	Trades executed over an electronic trading system, not intermediated by a third party. These include transactions originated through specific messaging systems that are part of trading platforms.
of which:	
Single-bank proprietary trading system	Electronic trading systems owned and operated by a bank for both in-house use and other banks and non-bank clients on a "white label"/prime brokerage basis (e.g., Autobahn, BARX, Velocity, FX Trader Plus, UBS Neo etc).
Other	Other direct electronic systems for example, the client receives a dedicated price stream directly from the reporting dealer (direct API stream). (e.g., Bloomberg FXGO, Refinitiv Conversational Dealing Conversational Dealing, direct API price streams, etc).
Electronic–Indirect	Trades executed over an electronic medium, intermediated by a third-party electronic platform (e.g., via a matching system).
of which:	

Anonymous Venues	Electronic trading platforms that have historically been geared towards the non-disclosed inter-dealer market; plus any other central limit order book (CLOB) venues that do not allow partitioning of liquidity via the use of customised tags (e.g., Refinitiv Matching, EBS Market, EBS Hedge Ai, HotspotFX ECN,BGC mid, FXall MidBook).
Disclosed Venues	Multi-bank dealing systems that facilitate trading on a disclosed basis or that allow for price discrimination, in the form of liquidity partitioning via the use of customised tags. This includes price streaming onto third-party aggregation technology providers that charge pre-trade brokerage fee to the liquidity provider (e.g., FXall OrderBook, EBS Direct, Currenex FXTrades, Hotspot Link, *CBOE FX ECN, CBOE FX Point,* Bloomberg FXGO, Tradebook, 360T*; and aggregators such as Flextrade and Portware*).

Quality control. To prepare for the possibility that some reporting dealers may be technically incapable of properly allocating all their transactions to the new execution methods, an entry called "unallocated" is available in the survey. This entry captures the amount of turnover for each instrument and counterparty that fails to be allocated into one of the execution method categories above (relief from reporting in full requires the agreement of the FRBNY).

B. Reporting Conventions

1. Report Form

The report form has ten tables that are organised by the type of information collected.

Individual currencies (or currency pairs) are requested in the foreign exchange contracts and interest rate derivatives parts of the Survey, respectively. Here, reporting dealers are requested to organise turnover data by instrument, currency (or currency pair), sector and location of the counterparty in the following way:

- Table A – foreign exchange contracts. Data are provided for:
    - Table A1 – currency pairs involving US dollar and a selection of currencies (AUD, BRL, CAD, CHF, CNY, EUR, GBP, HKD, INR, JPY, KRW, MXN, NOK, NZD, PLN, RUB, SEK, SGD, TRY, TWD, ZAR). All other currencies are reported in one aggregate. Turnover to be reported for spot, outright forwards and foreign exchange swaps. Trades in outright forwards and foreign exchange swaps are additionally reported on an original maturity basis.
    - Table A2 – currency pairs involving euro and a selection of currencies (AUD, CAD, CHF, CNY, DKK, GBP, HUF, JPY, NOK, PLN, SEK, TRY) and Japanese yen and a selection of currencies (AUD, BRL, CAD, NZD, TRY, ZAR); all other currencies are reported as aggregates, separately for euro and Japanese yen. Turnover to be reported for spot, outright forwards and foreign exchange swaps. Trades in outright forwards and foreign exchange swaps are additionally reported on an original maturity basis. This table also provides a grand total for all foreign exchange contracts. Column *Residual* covers all currency pairs excluding those involving USD, EUR, and JPY.
    - Table A3 – data are provided for transactions involving, ARS, AUD, BGN, BHD, BRL, CAD, CHF, CLP, CNY, COP, CZK, DKK, GBP, HKD, HUF, IDR, ILS, INR, KRW, MOP, MXN, MYR, NOK, NZD, PEN, PHP, PLN, RON, RUB, SAR, SEK, SGD, THB, TRY, TWD, ZAR; all other currencies are reported in one aggregate (excluding USD, EUR, JPY and those listed in this paragraph). Turnover to be reported for spot, outright forwards and foreign exchange swaps. Trades in outright forwards and foreign exchange swaps are

additionally reported on an original maturity basis. Trades between any two currencies listed in this table should be reported in both relevant currency columns, thus summing to 200% of the deal. Footnotes to the table in the reporting template provide additional clarifications.

  - Table A4 – Same to table A1 in terms of currency pairs, but report turnover in currency swaps, OTC options, and total FX contracts
  - Table A5 - Same to table A2 in terms of currency pairs, but report turnover in currency swaps, OTC options, and total FX contracts
  - Table A6 - Same to table A3 in terms of currency pairs, but report turnover in currency swaps, OTC options, and total FX contracts
  - Table A7 – Settlement of foreign exchange transactions. Data should be grouped by counterparty sector and settlement method, with additional reporting of CLS currency pairs aggregate as an “of which” item.

Also, the following separate aggregates are requested as “of which” items here:

  - Prime-brokered turnover – by instrument, counterparty and currency pairs in tables A1-A6.
  - Retail-driven turnover – by instrument, counterparty and currency pairs in tables A1-A6.
  - Non-market facing trades (back-to-back trades and compression trades) – by instrument, but not by counterparty and currency pairs in Tables A2 and A5.
  - Related-party trades – no breakdowns, only total foreign exchange contracts in Table A5.

- Tables B1 and B2 – single currency interest rate derivatives.
  - Data are provided for ARS, AUD, BGN, BHD, BRL, CAD, CHF, CLP, CNY, COP, CZK, DKK, EUR, GBP, HKD, HUF, IDR, ILS, INR, JPY, KRW, MOP, MXN, MYR, NOK, NZD, PEN, PHP, PLN, RON, RUB, SAR, SEK, SGD, THB, TRY, TWD, USD, ZAR; all other currencies are reported in one aggregate.

  Also, the following separate aggregates are requested as “of which” items here:

  - Related-party trades – no breakdowns, only total interest rates derivatives.
  - Non-market facing trades (back-to-back trades and compression trades) – by instrument.
- Table C2 – Additional table where other breakdowns are requested for foreign exchange contracts. Here, reporting dealers are requested to organise turnover data in the following way:
  - Table C2 – execution method for foreign exchange contracts. Turnover data should be grouped by instrument, counterparty sector and execution methods, where electronic trading provides additional breakdowns for direct (single bank proprietary trading system and other) and indirect (anonymous and disclosed venues) methods.

2. Currency of reporting and currency conversion

Transactions are to be reported in US dollar equivalents. Non-dollar amounts should be converted into US dollars using the exchange rates prevailing on the transaction date. However, if this is impractical, turnover data may be reported using average or end-of-period exchange rates.

When exchange rates other than those of the day of the transaction are used, the order of precedence of currencies' dollar exchange rates for purposes of conversion in deals which involve currencies other than the US dollar should be the same as listed in the foreign exchange turnover section of the survey forms (e.g., EUR, JPY, and GBP).

Transactions which involve the direct exchange of two currencies other than the US dollar should be measured by totalling the US dollar equivalent of only one side (preferably the purchase side) of the transaction.

3. Rounding

All data entered on the report form should be rounded to the nearest million US dollars (do not use decimals). Rounding should occur only when reporting the monthly totals for each category.

Annex 1: Illustrative Examples of How To Report Trades By Location of Deals In The Context of The Next Triennial Survey

The basic principle for determining the location of trades is as follows: For turnover data, the basis for reporting should be, if possible, the location of the *sales desk* of any trade. Where no sales desk is involved in a deal, the *trading desk* should be used to determine the location of deals.

Consider the transactions carried out in three countries C, X and M by a banking group with its Head Office and *trading desk* located in country C. It has a sales team in its Head Office (*sales desk 1*) in country C, as well as a *sales desk 2* in country X. Both the offices in countries C & X are recognized as reporting dealers by the FRBNY. The group has no representation in country M. Then the table below illustrates how trades should be reported:

Originator and function	Originator location	Counterparty location	Reported as	To FRBNY in
1. Sales desk 1	C	C	Local	C
2. Sales desk 1	C	M	Cross border	C
3. Sales desk 2	X	X	Local	X
4. Sales desk 2	X	M	Cross border	X
5. Trading desk	C	X	Cross border	C
6. Trading desk	C	C	Local	C
7. Trading desk	C	M	Cross border	C
Note: Examples 5-7 do not involve a sales desk in the transaction. *It is assumed that sales desk 1 in country C will not deal with clients in country X (sales desk 2 would transact such business). Equally, it is assumed that sales desk 2 in country X will not deal with customers in country C (the Head Office - sales desk 1 - would be expected to transact such business). If such trades did occur, they would be reported as in Examples 2 & 4, respectively. But, it is possible that the trading desk in country C could deal directly with another trading desk located in country X, even though there is a sales desk located there (Example 5).*				

Take the above example but assume under this scenario that the institution also has a third *sales desk* in country Y but is not recognised in that country as a reporting dealer. It is assumed that if the sales desk is not recognised as a reporting dealer, its levels of business will be relatively low and will not be material in terms of the global results. Hence, trades through that sales desk should <u>not</u> be reported, and for completeness the matrix can be extended as shown below:

Originator and function	Originator location	Counterparty location	Reported as	To FRBNY in
8. Sales desk 3	Y	Y	Not reported	
9. Sales desk 3	Y	M	Not reported	

a) Other Points of clarification: Trades conducted by sales offices in countries that do not participate in the survey, or by offices that are not recognised as reporting dealers the FRBNY, should not be reported. (Examples 8 & 9)

b) Any trades by trading desk C with third parties, to cover or offset positions arising from the activities of its sales desks, should be reported in the normal manner (Examples 5-7 above).

c) A “leave” order is considered as a trade, regardless of location or timing of ultimate execution. The office accepting the order should report the trade, assuming that it is recognised by the FRBNY as a reporting dealer (any of Examples 1-7).

d) Both parties should report trades between two reporting dealers, as trades with other reporting dealers, regardless of whether they are considered as sales or trading desks (any of Examples 1-7). This is essential to permit accurate elimination of double counting during the production of the final data. The only exception to this rule is internal trades between desks where, as noted in Section B.4 of the Guidelines, neither party should report the trade.