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| derivatives assessment team | 14 December 2017 |
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Derivatives Assessment Team – Qualitative Survey

Client clearing service provider

For instructions, please refer to the *Joint DAT and BCBS Surveys on incentives to centrally clear: instructions to respondents on how to complete surveys.*

# Background information

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| **Contact information** | |
| 1. Responding firm name[[1]](#footnote-2) | Click here to enter text. |
| 2. Home jurisdiction[[2]](#footnote-3) of firm | Click here to enter text. |
| 3. Contact person details *(name, job title, telephone and email address)* | Click here to enter text. |
| 4. Date of submission | Click here to enter a date. |

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| Firm anonymisation code *(official sector use only – respondent* ***not*** *to complete)* | Click here to enter text. |

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| **Information about the responding firm** | | | | | | |
| 5a. Firm type:  *Please select the* ***one*** *option that most closely describes your group’s activities* | | | | | | |
| Bank | | | |  | |  |
| G-SIB | | | |  | |  |
| Other internationally active banking group | | | |  | |  |
| National/domestic bank or banking group | | | |  | |  |
| Other specialised deposit taking institution (e.g. building society, saving bank, mutual bank …) | | | | |  |  |
| Other *(please specify)* | Click here to enter text. | | | | |  |
| 5b. Please indicate the geographic scope of your client clearing services with respect to OTC derivatives. | | | | | | |
|  | | **Home region of the firm[[3]](#footnote-4)**  *Select* ***one*** *box only* | | **In what region(s) are the CCPs to which you offer client clearing access located?**  *Select* ***all*** *boxes that apply* | | |
| North America including Caribbean | |  | |  | | |
| Europe | |  | |  | | |
| Asia Pacific | |  | |  | | |
| Central and South America | |  | |  | | |
| Africa and Middle East | |  | |  | | |
| 5c. Please estimate the size of the aggregated gross notional outstanding of OTC derivatives positions[[4]](#footnote-5) cleared by your firm on behalf of your clients (external client) or an affiliate of your firm (internal client). | | | | | | |
| *Select the appropriate menu items* | | | **Centrally cleared** | | | **Of which centrally cleared where clearing was mandatory** |
| **Internal client[[5]](#footnote-6)** | | | Choose an item. | | | Choose an item. |
| **External client****[[6]](#footnote-7)** | | | Choose an item. | | | Choose an item. |

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| 6. In each category below, please rank the six asset classes from 1 to 6 (measured by aggregated gross notional outstanding as at end-2017) cleared by your firm on behalf of your internal or external clients with ‘1’ being the largest. | | | | |
|  | |  | **Centrally cleared OTC derivatives**  *If you do not offer clearing services in a particular asset class within a column, please leave that cell as “0” (zero).* | |
|  | |  | **Internal client** | **External client** |
| Interest rates | |  | 0 | 0 |
| Credit | |  | 0 | 0 |
| FX | |  | 0 | 0 |
| Equities | |  | 0 | 0 |
| Commodities | |  | 0 | 0 |
| Other *(please specify)* | Click here to enter text. | | 0 | 0 |

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| **Client clearing services** | | | | | |
| ***General*** | | | | | |
| 7. What are the main reasons your firm offers OTC derivatives client clearing services? | | | | | |
|  | | | |  | Please select **all**  applicable boxes |
| Offering a wide range of services for a corporate relationship | | | |  |  |
| The business is meeting/exceeding its target return on capital | | | |  |  |
| Provision of a key service to other group entities | | | |  |  |
| Extension of existing ETD client clearing services to include OTC derivatives products | | |  | |  |
| Other *(please specify)* | Click here to enter text. | | | |  |
| 8. Please indicate in the table below the change in the turnover (measured by aggregate average daily turnover over a suitable reference period)[[7]](#footnote-8) and holdings (measured by aggregate gross notional outstanding) for exchange traded derivatives (ETDs) volume and OTC derivatives holdings that your firm cleared on behalf of your clients between 2012 and 2017. | | | | | |
| **ETD turnover** | | **OTC derivatives holdings** | | | |
| Choose an item. | | Choose an item. | | | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Drivers of volumes and holdings changes*** | | | | | | | | | | | | | | | | | |
| 9. Please identify and rank in order of importance (with 1 being the most important) the top five key factors behind any of the changes set out in the table above and add any comments you feel appropriate. | | | | | | | | | | | | | | | | | |
| **Rank** | **Factors and comments** | | | | | | | | | | | | | | | | |
| 1 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 2 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 3 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 4 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 5 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 10. Please provide in the table below an estimate of your provision of client clearing services by category of client for ETD and OTC derivatives. | | | | | | | | | | | | | | | | | |
| **Type of clients** | | | | | | | | | |  | **% of ETD total client Initial Margin** | | | **% of OTC derivatives total client Initial Margin** | | | |
| Asset Manager | | | | | | | | | |  | 0 | | | 0 | | | |
| Hedge Fund | | | | | | | | | |  | 0 | | | 0 | | | |
| Bank | | | | | | | | | |  | 0 | | | 0 | | | |
| Commodity firm | | | | | | | | | |  | 0 | | | 0 | | | |
| Non-financial corporate | | | | | | | | | |  | 0 | | | 0 | | | |
| Insurer | | | | | | | | | |  | 0 | | | 0 | | | |
| Pension fund | | | | | | | | | |  | 0 | | | 0 | | | |
| Sovereign | | | | | | | | | |  | 0 | | | 0 | | | |
| State/local government | | | | | | | | | |  | 0 | | | 0 | | | |
| Supra-national Institutions (e.g. World Bank, IFC) | | | | | | | | | |  | 0 | | | 0 | | | |
| Other *(please specify)* | | | Click here to enter text. | | | | | | | | 0 | | | 0 | | | |
| 11. What was the calendar year in which you first offered client clearing services in ETD and OTC derivatives?  *Select the appropriate item from the drop-down menus for each of ETD and OTC derivatives.* | | | | | | | | | | | | | | | | | |
| **ETD** | | | | | | | | | | | **OTC derivatives** | | | | | | |
| Choose an item. | | | | | | | | | | | Choose an item. | | | | | | |
| 12. Please describe in the table below any changes since 2012 (or subsequent first full calendar year since you started to offer client clearing services) in the composition of your client base for your client clearing services for both exchange traded and OTC derivatives.  As a reminder, if you started offering client clearing services after 2012, please use the first full calendar year in which you offered client clearing services as the basis for the comparison.  If you have only offered client clearing services since later than 1 January 2016, go directly to question 13. | | | | | | | | | | | | | | | | | |
| **Changes in:** | | | | | | | | | | | **Description of any change** | | | | | | |
| Number of clients (e.g. increase/decrease) | | | | | | | | | | | Click here to enter text. | | | | | | |
| Types of clients (e.g. banks/ insurers…) | | | | | | | | | | | Click here to enter text. | | | | | | |
| Level of activity of clients | | | | | | | | | | | Click here to enter text. | | | | | | |
| Region of clients | | | | | | | | | | | Click here to enter text. | | | | | | |
| Other (e.g. nature of trading activity) – please describe | | | | | | | | | | | Click here to enter text. | | | | | | |
| 13. Please identify and rank in order of importance the five key factors (with 1 being the most important) behind any changes set out in the table above. | | | | | | | | | | | | | | | | | |
| **Rank** | **Factors and comments** | | | | | | | | | | | | | | | | |
| 1 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 2 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 3 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 4 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 5 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 14. Please note separately changes specifically applicable to your small clients, including any differences between a client with a small commercial business and small derivatives activity, and a client with a large commercial business but a comparatively small derivatives activity). Please also provide a brief definition of what constitutes a ‘small’ client for your firm. | | | | | | | | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | | | | |
| 15. Please indicate any changes or trends in the gross notional outstanding of OTC derivatives per asset class that you clear on behalf of your clients (whether mandated or not) since 1 January 2012.  If you started offering relevant client clearing services after 2012, please use the first full calendar year in which you offered the relevant client clearing services as the basis for the comparison. | | | | | | | | | | | | | | | | | |
| **Interest rates** | | **FX** | | | | **Credit** | | **Equities** | | | | **Commod-ities** | | | | **Other** | |
| **Subject to a clearing mandate** | | | | | | | | | | | | | | | | | |
| Choose an item. | | Choose an item. | | | | Choose an item. | | Choose an item. | | | | Choose an item. | | | | Choose an item. | |
| **Not subject to a clearing mandate** | | | | | | | | | | | | | | | | | |
| Choose an item. | | Choose an item. | | | | Choose an item. | | Choose an item. | | | | Choose an item. | | | | Choose an item. | |
| 16. Where known, please identify and rank in order of importance (with 1 being the most important) the five key factors driving any changes indicated in the table above. Please note when a factor is specific to an asset class. | | | | | | | | | | | | | | | | | |
| **Rank** | **Factors and comments** | | | | | | | | | | | | | | | | |
| 1 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 2 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 3 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 4 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 5 | Click here to enter text. | | | | | | | | | | | | | | | | |
| 17. What is the typical notice period for termination of your client clearing service arrangements (not included a breach of terms by the client)?  *Please estimate the percentage of your clients whose notice periods fall into in each of the following categories.* | | | | | | | | | | | | | | | | | |
| **Notice period** | | | | **Less than 1 month** | | | **1 month to less than 3 months** | | **3 months to less than 6 months** | | | | **6 months to less than 1 year** | | | | **1 year or more** |
| **Percentage** | | | | 0 | | | 0 | | 0 | | | | 0 | | | | 0 |
| 18a. Do you provide back-up clearing services?  *For the purposes of this question, a back-up clearing service means an arrangement where a minimal or no amount of clearing is undertaken but the service is kept live in case of removal of services of a client’s primary provider(s)).* | | | | | | | | | | | | | | | *(Select if yes)* | | |
|  | | |
| 18b. If yes, please indicate below any specific requirement applying to the provision of this service. | | | | | | | | | | | | | | | *Select* ***all*** *applicable boxes* | | |
| The exposure the client can transfer from another client clearing service provider is capped | | | | | | | | | | | | | | |  | | |
| The exposure the client can transfer from another client clearing service provider is not capped | | | | | | | | | | | | | | |  | | |
| The client should clear a minimum level of transactions through your service in order to maintain the back-up client clearing facility | | | | | | | | | | | | | | |  | | |
| The back-up clearing service can be terminated unilaterally by your firm with a notice period of three months or less | | | | | | | | | | | | | | |  | | |
| The back-up arrangement is subject to a minimum retainer-type fees | | | | | | | | | | | | | | |  | | |
| You extend the back-up client clearing services as part of a wider corporate relationship with the client | | | | | | | | | | | | | | |  | | |
| Other *(please describe)* | | | | | Click here to enter text. | | | | | | | | | |  | | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***On-boarding and off-boarding clients*** | | | | | | | | | | | | | | |
| 19a. Have you on-boarded external clients[[8]](#footnote-9) in either ETD or OTC derivatives clearing since 1 January 2015? If yes, please indicate which categories of clients you have on-boarded in each of ETD and OTC. If no, go to Q20. | | | | | | | | | | | | | | *(Select if yes)* |
|  |
| **Type of external clients on-boarded** | | | | | | |  | **ETD** | | | | **OTC derivatives** | | |
| *Select all applicable boxes* | | | | | | |
| Asset Manager | | | | | | |  |  | | | |  | | |
| Hedge Fund | | | | | | |  |  | | | |  | | |
| Bank | | | | | | |  |  | | | |  | | |
| Commodity firm | | | | | | |  |  | | | |  | | |
| Non-financial corporate | | | | | | |  |  | | | |  | | |
| Insurer | | | | | | |  |  | | | |  | | |
| Pension fund | | | | | | |  |  | | | |  | | |
| Sovereign | | | | | | |  |  | | | |  | | |
| State/local government | | | | | | |  |  | | | |  | | |
| Supra-national Institutions (e.g. World Bank, IFC) | | | | | | |  |  | | | |  | | |
| Other *(please specify)* | Click here to enter text. | | | | | | |  | | | |  | | |
| 19b. If yes to Q19a, please provide the number of clients[[9]](#footnote-10) you have on-boarded in each of the three categories since 1 January 2015. | | | | | | | | | | | | | | |
| **Category** | | | | | | | | | **Number of clients on-boarded**  *Select an appropriate menu item for each factor* | | | | | |
| Exchange traded derivatives only | | | | | | | | | Choose an item. | | | | | |
| OTC derivatives only | | | | | | | | | Choose an item. | | | | | |
| Both exchange traded and OTC | | | | | | | | | Choose an item. | | | | | |
| 20. Given the capital requirements associated with your client clearing business, do you have capacity to offer additional client clearing services beyond your current level? | | | | | | | | | | | | | | |
|  | | | | | | | | | | | |  | | *Select* ***one*** *box as applicable* |
| No | | | | | | | | | | | |  | |  |
| Yes, up to additional 10% of total client initial margin | | | | | | | | | | | | |  |  |
| Yes, additional 11-25% of total client initial margin | | | | | | | | | | | | |  |  |
| Yes, additional 25-50% of total client initial margin | | | | | | | | | | | | |  |  |
| Yes, additional 50% or more of total client initial margin | | | | | | | | | | | | |  |  |
| Yes, but the level of additional capacity would depend on parent/group’s willingness to allocate additional capital and/or other resources | | | | | | | | | | | | |  |  |
| Other *(please describe)* | | Click here to enter text. | | | | | | | | | | | |  |
| 21. Please select any obstacles which prevent expansion of your client clearing service provision beyond current levels. | | | | | | | | | | | | | | |
| **Obstacles** | | | | *Select all boxes that apply* | | **Comments**  *Please elaborate where applicable.* | | | | | | | | |
| Balance sheet constraints | | | |  | | Click here to enter text. | | | | | | | | |
| Operational costs (staff or IT) | | | |  | | Click here to enter text. | | | | | | | | |
| Inability to raise prices to meet return targets | | | |  | | Click here to enter text. | | | | | | | | |
| Other (please describe) | | | |  | | Click here to enter text. | | | | | | | | |
| 22a. Have you off-boarded existing external clients[[10]](#footnote-11) in either exchange traded or OTC derivatives since 1 January 2015?  *If no, go to Q23.* | | | | | | | | | | | | | | *(Select if yes)* |
|  |
| 22b. If yes to Q22a, please indicate which categories of clients you have off-boarded in each of ETD and OTC. | | | | | | | | | | | | | | |
| **Type of external clients off-boarded** | | | | | | |  | **ETD** | | | | **OTC derivatives** | | |
| *Select all applicable boxes* | | | | | | |
| Asset Manager | | | | | | |  |  | | | |  | | |
| Hedge Fund | | | | | | |  |  | | | |  | | |
| Bank | | | | | | |  |  | | | |  | | |
| Commodity firm | | | | | | |  |  | | | |  | | |
| Non-financial corporate | | | | | | |  |  | | | |  | | |
| Insurer | | | | | | |  |  | | | |  | | |
| Pension fund | | | | | | |  |  | | | |  | | |
| Sovereign | | | | | | |  |  | | | |  | | |
| State/local government | | | | | | |  |  | | | |  | | |
| Supra-national Institutions (e.g. World Bank, IFC) | | | | | | |  |  | | | |  | | |
| Other *(please specify)* | Click here to enter text. | | | | | | |  | | | |  | | |
| 22c. If yes to Q22a, please provide the number clients you have off-boarded since 1 January 2015. | | | | | | | | | | | | | | |
| **Category** | | | | | **Number of clients off-boarded**  *Select an appropriate menu item for each category* | | | | | | | | | |
| Exchange traded derivatives only | | | | | Choose an item. | | | | | | | | | |
| OTC derivatives only | | | | | Choose an item. | | | | | | | | | |
| Both exchange traded and OTC | | | | | Choose an item. | | | | | | | | | |
| 23. Please indicate from the list below the types of restrictions (if any) you have placed on the activity of your clients in either exchange traded or OTC derivatives client clearing since 1 January 2015. | | | | | | | | | | | | | | |
|  | | | | | | | | |  | *Select all applicable options* | | | | |
| **Restriction type** | | | | | | | | |  | **ETD** | | | | **OTC  derivatives** |
| No restrictions | | | | | | | | |  |  | | | |  |
| Cap on number of derivatives transactions | | | | | | | | |  |  | | | |  |
| Floor on number of derivatives transactions | | | | | | | | |  |  | | | |  |
| Cap on notional outstanding of derivatives | | | | | | | | |  |  | | | |  |
| Floor on notional outstanding of derivatives | | | | | | | | |  |  | | | |  |
| Cap in terms of initial margin | | | | | | | | |  |  | | | |  |
| Floor in terms of initial margin | | | | | | | | |  |  | | | |  |
| Restrict activity to narrower set of instruments | | | | | | | | |  |  | | | |  |
| Other *(please elaborate)* | | Click here to enter text. | | | | | | | |  | | | |  |
| 24a. What are the key criteria or reasons for off-boarding or restricting an existing client in **ETD products**? Please rank all applicable options, with 1 being the most significant. For factors that are not relevant or not applicable, please leave as ‘0’ (zero). | | | | | | | | | | | | | | |
| **Key criteria or reasons for off-boarding or restricting an existing client in ETD products** | | | | | | | | | | |  | | **Rank** | |
| Insufficient transaction flow to cover costs | | | | | | | | | | |  | | 0 | |
| Insufficient transaction flow to exceed target return on capital | | | | | | | | | | |  | | 0 | |
| Changes in portfolio profile and clearing volume (e.g. directional, low volume changed to high volume, non-directional) | | | | | | | | | | |  | | 0 | |
| Changes in portfolio profile and clearing volume (e.g. high volume, non-directional changed to directional, low volume) | | | | | | | | | | |  | | 0 | |
| Constraints by one or more of the measures introduced under the Basel III capital framework | | | | | | | | | | |  | | 0 | |
| Exposure limits imposed by CCP | | | | | | | | | | |  | | 0 | |
| Other *(please elaborate)* | | Click here to enter text. | | | | | | | | | | | 0 | |
| 24b. Please elaborate if you gave a ranking to “Constraints by one or more of the measures introduced under the Basel III capital framework” as one of the reasons for off-boarding or restricting an existing client in **ETD products**. Which specific aspects of the applicable capital rules affect the decision to off-board or restrict? Please describe the manner in which these aspect(s) impact the risk profile and expected returns from your client clearing services. | | | | | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | |
| 25a. What are the key criteria or reasons for off-boarding or restricting an existing client in **OTC derivative products**? Please rank all applicable options with 1 being the most important. For factors that are not relevant or not applicable, please leave as ‘0’ (zero). | | | | | | | | | | | | | | |
| **Key criteria or reasons for off-boarding or restricting an existing client in OTC** derivative **products** | | | | | | | | | | | |  | **Rank** | |
| Insufficient transaction flow to cover costs | | | | | | | | | | | |  | 0 | |
| Insufficient transaction flow to exceed target return on capital | | | | | | | | | | | |  | 0 | |
| Changes in portfolio profile and clearing volume (e.g. from directional, low volume changed to high volume, non-directional) | | | | | | | | | | | |  | 0 | |
| Changes in portfolio profile and clearing volume (e.g. from high volume, non-directional changed to directional, low volume) | | | | | | | | | | | |  | 0 | |
| Constraints by one or more of the measures introduced under the Basel III capital framework | | | | | | | | | | | |  | 0 | |
| Exposure limits imposed by CCP | | | | | | | | | | | |  | 0 | |
| Other *(please elaborate)* | | | Click here to enter text. | | | | | | | | |  | 0 | |
| 25b. Please elaborate if you gave a ranking to “Constraints by one or more of the measures introduced under the Basel III capital framework” as one of the key criteria or reasons for off-boarding or restricting an existing client in OTC derivative products. Which specific aspects of the applicable capital rules affect the decision to off-board or restrict clients? Please describe the manner in which these aspect(s) impact the risk profile and expected returns from your client clearing services. | | | | | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | |
| 26. Which categories of clients or types of trading strategies have been/would be most affected by any decision by your firm to restrict client clearing arrangements? | | | | | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Costs, fees and profitability*** | | | | | | | | | | |
| 27. How do you typically price clearing services? | | | | | | | | | | |
|  | | | | | | | | | | *Select all boxes that apply* |
| On a standalone basis | | | | | | | | | |  |
| Together with collateral/margin lending arrangements | | | | | | | | | |  |
| ETD and OTC clearing services together | | | | | | | | | |  |
| Execution and clearing services together | | | | | | | | | |  |
| Together with other services under wider corporate relationships | | | | | | | | | |  |
| Together other activities/services (please describe) | | | | | | | | | |  |
| Other *(please describe)* | | | Click here to enter text. | | | | | | |  |
| 28a. What type of fees do you charge clients for the provision of client clearing services for ETD and OTC derivatives? | | | | | | | | | | |
| **Fees type** | | | | | |  | **ETD**  *Select all applicable boxes* | **OTC derivatives**  *Select all applicable boxes* | | |
| Upfront fees | | | | | |  |  |  | | |
| Transaction-based fees | | | | | |  |  |  | | |
| Notional based fees | | | | | |  |  |  | | |
| Fees on excess margins | | | | | |  |  |  | | |
| Minimum fee requirement | | | | | |  |  |  | | |
| Other (please describe) | | Click here to enter text. | | | | |  |  | | |
| 28b. Please describe whether and how your fee structure varies across client types for ETD and separately for OTC derivatives. | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | |
| 29a. Have you adjusted the pricing for OTC derivatives client clearing services since mandatory clearing went into effect in any jurisdiction in which you are active in providing client clearing services? | | | | | | | | | *(Select if yes)* | |
|  | |
| 29b. If so, what is the approximate change in percentage terms? | | | | | | | | | | |
| Choose an item. | | | | | | | | | | |
| 29c. What are the factors behind any actual or planned changes? | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | |
| 30a. Do you require your clients to provide a minimum volume of business or set minimum periodic clearing fees or impose other minimum requirements in order for you to provide client clearing services to them for ETD? | | | | | | | | | | |
| **Type of requirement** | | |  | | **Applicability**  *Select the appropriate menu item for each type of requirement* | | | | | |
| Minimum volume | | |  | | Choose an item. | | | | | |
| Minimum fees | | |  | | Choose an item. | | | | | |
| Other (please specify) | | Click here to enter text. | | | Choose an item. | | | | | |
| 30b. Do you require your clients to provide a minimum volume of business or set minimum periodic clearing fees or impose other minimum requirements in order for you to provide client clearing services to them for OTC derivatives? | | | | | | | | | | |
| **Type of requirement** | | |  | | | **Applicability**  *Select the appropriate menu item for each type of requirement* | | | | |
| Minimum volume | | |  | | | Choose an item. | | | | |
| Minimum fees | | |  | | | Choose an item. | | | | |
| Other *(please specify)* | Click here to enter text. | | | | | Choose an item. | | | | |
| 30c. If yes, how are these minimum fees or volume requirements calibrated for ETD and for OTC derivatives? | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | |
| 30d. If applicable, please describe any difference in calibration across different types of clients and for ETD and for OTC derivatives. | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | |
| 30e. If applicable, have minimum fee amounts changed since 2012 for ETD and OTC derivatives?  *Select the appropriate menu items.* | | | | | | | | | | |
| **ETD** | | | | **OTC derivatives** | | | | | | |
| Choose an item. | | | | Choose an item. | | | | | | |
| 31. Please describe the profitability trend in your client clearing service offering business since 2012 and how it relates to your internal profit targets for ETD and for OTC derivatives respectively. (I.e. are profits above, approximately meeting, or below your internal targets?). | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | |

|  |  |  |
| --- | --- | --- |
| ***Client clearing services business strategy*** | | |
| 32a. Are you planning any changes in your strategy for client clearing services for ETD or for OTC derivatives in the next 12 months? | **ETD**  *(Select if yes)* | **OTC Derivatives**  *(Select if yes)* |
|  |  |
| 32b. If yes in either case, please give the reasons and drivers for the change below. | | |
| **Reasons and drivers**  *For each type of derivative, please select all that apply* | **ETD** | **OTC Derivatives** |
| Reduce the number of clients |  |  |
| Increase the number of clients |  |  |
| Target a different category of clients |  |  |
| Restrict clients’ derivatives activity |  |  |
| Change the balance between exchange traded and OTC derivatives activity  *(For this question, if applicable, please select* ***one*** *box representing the type of derivatives you would move* ***towards****.)* |  |  |
| Change the mix of products and markets for which you offer client clearing services |  |  |
| Full or partial exit from client clearing services |  |  |
| Other *(please specify below)* |  |  |
| Click here to enter text. | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Impact of G20 financial reforms relevant to OTC derivatives** | | | | | | | | |
| ***General*** | | | | | | | | |
| 33. Please indicate for each of the below regulatory reforms its impact on incentives for centrally cleared activity, including on your ability or willingness to provide client clearing services. | | | | | | | | |
| **Standard** | | | | **Impact on incentives**  *Choose appropriate items from drop-down menu* | | | **Comments (including highlighting any jurisdiction-specific factors)** | |
| BCBS Basel III leverage ratio (January 2014) | | | | Choose an item. | | | Click here to enter text. | |
| BCBS Basel III liquidity coverage ratio (LCR) (January 2013) | | | | Choose an item. | | | Click here to enter text. | |
| BCBS Basel III net stable funding ratio (October 2014) (NSFR) | | | | Choose an item. | | | Click here to enter text. | |
| BCBS standards for measuring capital requirements for bank exposures to central counterparties | | | | Choose an item. | | | Click here to enter text. | |
| BCBS standards for measuring capital requirements for derivatives / counterparty credit risk | | | | Choose an item. | | | Click here to enter text. | |
| BCBS G-SIB Methodology (Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement, July 2013) | | | | Choose an item. | | | Click here to enter text. | |
| BCBS-IOSCO margin requirements for non-centrally cleared derivatives (March 2015) | | | | Choose an item. | | | Click here to enter text. | |
| CPMI-IOSCO Principles for Financial Market Infrastructures (PFMI) (April 2012) including further guidance on resilience and revised recovery report (July 2017) | | | | Choose an item. | | | Click here to enter text. | |
| FSB Key Attributes of Effective Resolution Regimes including FMI Annex (October 2014) and Guidance on Central Counterparty Resolution and Resolution Planning (July 2017) | | | | Choose an item. | | | Click here to enter text. | |
| IOSCO Risk Mitigation Standards for non-centrally cleared OTC derivatives (January 2015) | | | | Choose an item. | | | Click here to enter text. | |
| IOSCO Requirements for mandatory clearing (February 2012) | | | | Choose an item. | | | Click here to enter text. | |
| Other(s) *(please describe below)* | | | | Choose an item. | | | Click here to enter text. | |
| Click here to enter text. | | | | | | | | |
| 34. Please identify and rank in order of importance (with 1 the most important) the most significant non-regulatory factors influencing your willingness or capacity to offer client clearing services. | | | | | | | | |
| **Rank** | **Non-regulatory factors and comments** | | | | | | | |
| 1 | Click here to enter text. | | | | | | | |
| 2 | Click here to enter text. | | | | | | | |
| 3 | Click here to enter text. | | | | | | | |
| 4 | Click here to enter text. | | | | | | | |
| 5 | Click here to enter text. | | | | | | | |
| 35a. How significant are these non-regulatory factors compared to the reforms you selected from the list in Q33?  *Please select an appropriate item from the drop-down menu* | | | | | | | | |
| Choose an item. | | | | | | | | |
| 35b. Please explain your answer to Q35a. | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| ***Impact of clearing mandate*** | | | | | | | | |
| 36. What are your views on existing and/or proposed clearing mandates with respect to the scope of products covered or entities captured from the perspective of reducing systemic risk and strengthening financial stability? Where relevant, please provide region-specific details in your response. | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| ***Impact of capital reforms*** | | | | | | | | |
| 37a. To what extent do/will BCBS Basel III leverage ratio requirements affect your firm’s ability to provide client clearing services? | | | | | | | | |
| Choose an item. | | | | | | | | |
| 37b. If possible, please describe these effects where they exist. | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 37c. If your client clearing business is constrained by the Basel III leverage ratio, where does this constraint bind? | | | | | | | | |
|  | | | | | | | *Select* ***all*** *applicable boxes* | |
| At group level | | | | | | |  | |
| At entity level | | | | | | |  | |
| At business unit level | | | | | | |  | |
| Not applicable – client clearing business is not constrained by the Basel III leverage ratio | | | | | | |  | |
| 37d. How does the allocation of Basel III leverage ratio constraints to your client clearing business affect your cost of providing client clearing services? | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 38a. Do you consider your firm’s home jurisdiction’s implementation of capital measures (other than the leverage ratio) introduced under the Basel III framework supports the G20 objective to incentivise central clearing of standardised OTC derivatives? Please explain your answer below. | | | | | | | | *(Select if yes)* |
|  |
| Click here to enter text. | | | | | | | | |
| 38b. Has the home jurisdiction’s implementation mentioned in Q38a influenced your incentives to offer clearing services to your clients? If yes, please describe how. If no, please describe why not. | | | | | | | | *(Select if yes)* |
|  |
| Click here to enter text. | | | | | | | | |
| 38c. Has the home jurisdiction’s implementation mentioned in Q38a incentivised your clients to enter cleared derivatives transactions? If yes, please describe how. If no, please describe why not. | | | | | | | | *(Select if yes)* |
|  |
| Click here to enter text. | | | | | | | | |
| 39a. Do you consider that your firm’s home jurisdiction’s implementation of the measures introduced by the Basel III framework designed to reduce liquidity risk (e.g. liquidity coverage ratio and net stable funding ratio) have affected the incentives for central clearing? Please explain your answer below. | | | | | | | | *(Select if yes)* |
|  |
| Click here to enter text. | | | | | | | | |
| 39b. How has the home jurisdiction’s implementation mentioned in Q39a affected incentives for you to provide clearing services to your clients? | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 39c. How has the home jurisdiction’s implementation mentioned in Q39a affected incentives for the industry to offer client clearing services? | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 39d. How has the home jurisdiction’s implementation mentioned in Q39a affected incentives for your clients to increase their activity in centrally cleared OTC derivatives? | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 40. An objective of the G20 reforms relevant for OTC derivatives was to promote the central clearing of standardised OTC derivatives with a view to reducing systemic risk and strengthening the stability of the global financial markets. What impact does your firm consider the G20 reforms have had on the following: | | | | | | | | |
| **Factors** | | | **Impact of G20 Reforms on factor**  Select an appropriate menu item for each factor | | | Elaborate your answer if appropriate | | |
| The ability of the financial system to better absorb shocks to financial stability | | | Choose an item. | | | Click here to enter text. | | |
| The ability of individual institutions to better absorb shocks to financial stability | | | Choose an item. | | | Click here to enter text. | | |
| Concentration of client clearing services | | | Choose an item. | | | Click here to enter text. | | |
| Funding liquidity | | | Choose an item. | | | Click here to enter text. | | |
| Trading liquidity | | | Choose an item. | | | Click here to enter text. | | |
| 41a. The BCBS assessment methodology for G-SIBs is based on an indicator-based approach and comprises several broad measures: size, interconnectedness, lack of readily available substitutes or financial institution infrastructure, global (cross-jurisdictional) activity and complexity. To what extent do you consider that the definition and/or calibration of each of the following measures have affected incentives for the market to centrally clear OTC derivatives? | | | | | | | | |
| **Measure** | | **Effect on incentives**  *Select an appropriate menu item for each factor* | | | **Comments**  *Please elaborate where you believe it has been an incentive or a disincentive* | | | |
| Size | | Choose an item. | | | Click here to enter text. | | | |
| Interconnectedness | | Choose an item. | | | Click here to enter text. | | | |
| Substitutability | | Choose an item. | | | Click here to enter text. | | | |
| Global activity | | Choose an item. | | | Click here to enter text. | | | |
| Complexity | | Choose an item. | | | Click here to enter text. | | | |
| 41b. Please add any general comment you wish to add on the G-SIB methodology and its impact on incentives to central clearing. | | | | | | | | |
| Click here to enter text. | | | | | | | | |

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| **Market structure and other market-wide observations** | |
| ***Market capacity*** | |
| 42a. What do you consider to be the barriers to entry (if any) to potential new entrants in client clearing services provision? | |
| Click here to enter text. | |
| 42b. Have any of these barriers to entry appeared since the start of 2014? If so, please describe them, noting when they emerged. | (Select if yes) |
|  |
| Click here to enter text. | |
| 43a. Does your firm have the capacity to absorb additional clients in a timely manner to avoid close out of positions by the relevant CCPs?  *Select the appropriate menu item.* | |
| Choose an item. | |
| 43b. In your view, is there sufficient capacity in the markets you offer services to collectively absorb all client positions of a large defaulting member in a timely manner to avoid the close out of their positions by the relevant CCPs?  *Select the appropriate menu item.* | |
| Choose an item. | |
| 43c. If you answered “No” to either of Q43a or Q43b, please describe why. | |
| Click here to enter text. | |
| 44. Do you perceive that there is an increase in demand for client clearing services in the current environment, whether driven by regulatory changes or other factors? If so, please describe. | *(Select if yes)* |
|  |
| Click here to enter text. | |

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| --- | --- |
| ***Market development and innovation*** | |
| 45. Have you observed any change in how your clients undertake hedging activity with regard to market risk since 2012? If yes, please elaborate on the nature and reasons for these changes, including noting where they are not a result of regulatory change. | *(Select if yes)* |
|  |
| Click here to enter text. | |
| 46. Have any specific macro-economic factors or market developments impacted you and your clients’ incentive to use central clearing since implementation of the G20 reforms in the relevant jurisdiction(s)? If yes, then please elaborate. | *(Select if yes)* |
|  |
| Click here to enter text. | |
| 47. Please express any other comments or observations on incentives to centrally clear OTC derivatives you would like to make, including on the effects of the G20 reforms. | |
| Click here to enter text. | |

1. Respondents are asked to complete this survey on a group basis. Where a firm has multiple branches or subsidiaries, only one response per firm or group will be accepted for each survey type. However, where different group entities or offices wish to note differences in answers due to jurisdiction or function, please make comments on these differences in your response. [↑](#footnote-ref-2)
2. Home jurisdiction of a firm is the country of legal domicile of the ultimate parent entity. For a company or other incorporated or constituted legal entity, that is the place of incorporation or constitution. [↑](#footnote-ref-3)
3. Home region of a firm is the region of legal domicile of the ultimate parent entity. For a company or other incorporated or constituted legal entity, the home region is the place of incorporation or constitution. [↑](#footnote-ref-4)
4. Please exclude inter-affiliates derivatives in your calculation. [↑](#footnote-ref-5)
5. Internal client refers to an affiliated entity acting as client. [↑](#footnote-ref-6)
6. External client refers to a client other than an internal client. [↑](#footnote-ref-7)
7. For the purposes of this question, please use Q3 2012 (or first full year in which you offered client clearing services if after 2012) and Q3 2017 as the relevant reference periods. [↑](#footnote-ref-8)
8. External client is a defined term; see footnote 6. [↑](#footnote-ref-9)
9. For these purposes, please count all affiliates of a corporate group as a single client. Also please count individual funds under the control of a single fund manager as a single client. [↑](#footnote-ref-10)
10. External client is a defined term; see footnote 6.This question does not include clients that have chosen to terminate their existing arrangement with you. [↑](#footnote-ref-11)