|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | derivatives assessment team |  | |  |  | | 14 December 2017 |
|  |  |

Derivatives Assessment Team – Qualitative Survey

Clients

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

|  |  |
| --- | --- |
| **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. |

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

|  |  |  |  |
| --- | --- | --- | --- |
| **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 …) | |  |  |
| Non-Bank | |  |  |
| Asset manager | |  |  |
| Hedge fund | |  |  |
| Insurer | |  |  |
| Pension fund | |  |  |
| Commodity firm | |  |  |
| Non-financial corporation | |  |  |
| Trade Association | |  |  |
| Other *(Please describe)* | Click here to enter text. | |  |

|  |  |  |
| --- | --- | --- |
| 5b. Please indicate the geographic scope of your firm’s OTC derivatives activity | | |
|  | **Home region of your firm[[3]](#footnote-4)**  *Please select one region as appropriate* | **Region(s) in which you are trading in OTC derivatives**  *Please select all applicable regions as appropriate* |
| North America, including Caribbean |  |  |
| Central and South America |  |  |
| Europe |  |  |
| Middle East & Africa |  |  |
| Asia Pacific |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 6a. Please estimate the size of the aggregated gross notional outstanding of your firm’s OTC derivatives positions as at end-2017 by selecting the appropriate menu item below.[[4]](#footnote-5) | | | |
| *Select the appropriate menu items* | **Centrally cleared**  **(all)** | **Centrally cleared (where clearing was mandatory only)** | **Non-centrally cleared** |
| Gross notional outstanding (USD million): | Choose an item. | Choose an item. | Choose an item. |
| 6b. What is the notional size of the firm’s commercial business (in USD)?[[5]](#footnote-6) | | | |
| Choose an item. | | | |
| 6c. Please explain the measure you used to indicate the notional size of the firm’s business in the question 6b above. For example, Annual Revenue, Assets under Management, etc. | | | |
| Click here to enter text. | | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 7. In each category below, please rank the six asset classes from 1 to 6 (measured by aggregated gross notional outstanding for your firm as at end-2017) with ‘1’ being the largest. *If you have no outstanding positions in an asset class, please leave that cell as “0” (zero).* | | | | | | | |
|  |  | | | | | **OTC derivatives (centrally cleared and non-centrally cleared)** | **OTC derivatives (centrally cleared only)** |
| 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 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 8. Are you covered by a clearing mandate in any of the regions in which you are active  i.e. do you trade any OTC derivatives which you are required to centrally clear? | | | | | |
|  |  | | | | *Please select* ***one*** *as appropriate* |
| Yes | | |  | |  |
| No, because I do not trade any mandated OTC derivatives | |  | | |  |
| No, because my firm type is covered by an exemption | | | |  |  |
| Other *(please elaborate)* | Click here to enter text. | | | |  |
| 9. Which of the following most closely resembles your firm’s level of trading activity in OTC derivatives?  *Select the highest appropriate item from the drop-down menu.* | | | | | |
| Choose an item. | | | | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Your current OTC derivatives activity** | | | | | | | |
| 10a. Please indicate in the table the percentage change in your OTC derivatives activity (measured as indicated below) between 2012 and 2017.  *If you first entered OTC derivatives transactions after 2012, please use the first full calendar year in which you did so as the basis for the comparison.* | | | | | | | |
| *Select the appropriate menu items.* | | | | **OTC derivatives – centrally cleared** | | | **OTC derivatives – non-centrally cleared** |
| Measured by gross notional outstanding (stock) between start 2012 and end-2017 | | | | Choose an item. | | | Choose an item. |
| Measured by average daily volume (flow) over 2012 and 2017 YTD | | | | Choose an item. | | | Choose an item. |
| 10b. Please rank the top 5 drivers for the changes in the volume indicated in the table above.  *For the top 5 drivers in each column, please rank them 1 to 5 (with 1 being the most important driver). Please leave other fields unchanged.* | | | | | | | |
|  | |  | | **OTC derivatives – centrally cleared** | | | **OTC derivatives – non-centrally cleared** |
| Clearing mandate | | |  | 0 | | | 0 |
| Implementation of requirements to exchange margin for non-centrally cleared OTC derivatives | | |  | 0 | | | 0 |
| Product availability | | |  | 0 | | | 0 |
| Cost of using products (e.g., fees) | | |  | 0 | | | 0 |
| Changed hedging requirement(s) | | |  | 0 | | | 0 |
| Market liquidity | | |  | 0 | | | 0 |
| Improved or more transparent pricing | | |  | 0 | | | 0 |
| Other market structure developments | | |  | 0 | | | 0 |
| Change in counterparty risk appetite | | |  | 0 | | | 0 |
| Capital usage | | |  | 0 | | | 0 |
| Access to central clearing | | |  | 0 | | | 0 |
| Access to collateral | | |  | 0 | | | 0 |
| Macro-economic factors | | |  | 0 | | | 0 |
| Other  *(please describe)* | Click here to enter text. | | | 0 | | | 0 |
| 11a. Does your firm enter into centrally cleared OTC derivatives that are not required to be centrally cleared?  *Please choose the appropriate menu item. If selecting “No” or “Not applicable” please go to Q14.* | | | | | | | |
| Choose an item. | | | | | | | |
| 11b. If you answered “Yes” to Q11a, please estimate the approximate percentage of your total aggregate gross notional outstanding of OTC derivatives that is voluntarily centrally cleared.  *Please choose the appropriate drop-down menu item.* | | | | | | | |
| Choose an item. | | | | | | | |
| 12. If you answered ”Yes” to Q10, please estimate the approximate percentage of average quarterly OTC derivatives trading activity that is voluntarily centrally cleared.  *Please choose the appropriate drop-down menu item.* | | | | | | | |
| Choose an item. | | | | | | | |
| 13. If you answered ”Yes” to Q10, please indicate which OTC derivative product(s) you voluntarily clear.  *Please select all that apply.* | | | | | | | |
| Interest rate – forward rate agreement (FRA) | | | | |  |  | |
| Interest rate – overnight indexed swap (OIS) | | | | |  |  | |
| Interest rate - cross-currency swap | | | | |  |  | |
| Interest rate – other OTC rates derivative | | | | |  |  | |
| Credit default swap (CDS) – single name | | | | |  |  | |
| Credit default swap (CDS) – index/other | | | | |  |  | |
| Credit – other OTC credit derivative | | | | |  |  | |
| Foreign exchange (FX) – non-deliverable forward (NDF) | | | | |  |  | |
| FX – swaps/options | | | | |  |  | |
| FX – other OTC FX derivative | | | | |  |  | |
| Equity swap – single name | | | | |  |  | |
| Equity swap – index/other | | | | |  |  | |
| Equity – other OTC equity derivative | | | | |  |  | |
| Commodity – precious metals | | | | |  |  | |
| Commodity – base metals | | | | |  |  | |
| Commodity - energy | | | | |  |  | |
| Commodity – agricultural | | | | |  |  | |
| Other (Please specify) | | Click here to enter text. | | | |  | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account structures** | | | | | |
| 14. What type of client account do you use and what benefits, costs or risks do you associate with each type of account whether used or not? Do any of the risks you identify disincentivise your firm from central clearing? | | | | | |
| **For exchange traded derivatives** | | | | | |
| **Type of client account** | *Please select all boxes that apply* | | **What benefits, costs or risks do you associate with this type of account?** | | |
| Net omnibus |  | | Click here to enter text. | | |
| Gross omnibus |  | | Click here to enter text. | | |
| Individually segregated |  | | Click here to enter text. | | |
| LSOC[[6]](#footnote-7) |  | | Click here to enter text. | | |
| Don’t know |  | |  | | |
| **For centrally cleared OTC derivatives** | | | | | |
| **Type of client account** | *Please select all boxes that apply* | | **What benefits, costs or risks do you associate with this type of account?** | | |
| Net omnibus |  | | Click here to enter text. | | |
| Gross omnibus |  | | Click here to enter text. | | |
| Individually segregated |  | | Click here to enter text. | | |
| LSOC |  | | Click here to enter text. | | |
| Don’t know |  | |  | | |
| 15. Do any of the benefits, costs and risks you have identified above in Q14b incentivise or disincentivise central clearing of OTC derivatives? | | | | | |
| Click here to enter text. | | | | | |
| 16a. Please indicate and rank from 1 to 3 (1 indicating the most common situation) below the option that best describes the **three** most common situations with regard to types of bilateral credit support annexes (CSAs).  *Variation margin options apply even if variation margin payments are triggered only above pre-specified thresholds.* | | | | | |
| Not applicable (no bilateral counterparties) *If selecting this option please go to question 17.* | | | |  |  |
| No CSA present | | | |  | 0 |
| CSA with fixed (non-zero) independent amount | | | |  | 0 |
| 1 way CSA, client posts margin to dealer | | | |  | 0 |
| 1 way CSA, dealer posts margin to you | | | |  | 0 |
| 2 way CSA, variation margin only, variation margin posted by you must be in cash only | | | |  | 0 |
| 2 way CSA, variation margin only, variation margin posted by you can be non-cash | | | |  | 0 |
| 2 way non-centrally cleared margin rules compliant CSA, initial and variation margin, initial margin posted by you must be in cash | | | |  | 0 |
| 2 way non-centrally cleared margin rules compliant CSA, initial and variation margin, initial margin posted by you must be in cash or high quality government bonds only | | | |  | 0 |
| 2 way non-centrally cleared margin rules compliant CSA, initial and variation margin, initial margin posted by you can be in a wider range of assets (e.g. equities, agency bonds) | | | |  | 0 |
| Other CSA (including CSA with credit-contingent margin) (please specify) | | Click here to enter text. | | | 0 |

|  |  |  |  |
| --- | --- | --- | --- |
| 16b. Please identify the CSA types governing your 3 largest bilateral OTC derivatives counterparties by exposure.  *Example: if your largest exposure is to counterparty A and B, and for both you have a CSA with fixed (non-zero) independent amount, and for the third largest exposure you have a 1 way CSA where you post margin to the dealer, please insert “2” in the second row and “1” in the third row and leave the remaining options as “0” (zero)..* | | | |
| No CSA present | |  | 0 |
| CSA with fixed (non-zero) independent amount | |  | 0 |
| 1 way CSA, you post margin to dealer | |  | 0 |
| 1 way CSA, dealer posts margin to you | |  | 0 |
| 2 way CSA, variation margin only, variation margin posted by you must be in cash only | |  | 0 |
| 2 way CSA, variation margin only, variation margin posted by you can be non-cash | |  | 0 |
| 2 way non-centrally cleared margin rules compliant CSA, initial and variation margin, initial margin posted by you must be in cash | |  | 0 |
| 2 way non-centrally cleared margin rules compliant CSA, initial and variation margin, initial margin posted by you must be in cash or high quality government bonds only | |  | 0 |
| 2 way non-centrally cleared margin rules compliant CSA, initial and variation margin, initial posted by you can be in a wider range of assets (e.g. equities, agency bonds) | |  | 0 |
| Other CSA (including CSA with credit-contingent margin) (please specify) | Click here to enter text. | | 0 |
| 16c. Please provide any further information considered relevant to your answer to Q16a and Q16b. | | | |
| Click here to enter text. | | | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Access to clearing services** | | | | | | | | | | |
| ***Client Clearing Services Providers*** | | | | | | | | | | |
| 17. Please indicate the number of clearing service providers[[7]](#footnote-8) you used for your exchange traded and OTC derivatives activity as at 2012 (or the start of the first full calendar year you began entering into cleared derivatives if at a later date) and 2017. | | | | | | | | | | |
|  | | | **Exchange traded derivatives** | | | **OTC derivatives** | | | | |
|  | | | 2012 | | 2017 | 2012 | | | 2017 | |
| **Clearing services providers** | | | 0 | | 0 | 0 | | | 0 | |
| **Back-up clearing service providers****[[8]](#footnote-9)** | | | 0 | | 0 | 0 | | | 0 | |
| 18. What was the first calendar year in which your firm entered into cleared derivatives (exchange traded and OTC)?  *Select the appropriate items from the drop-down menus.* | | | | | | | | | | |
| **Exchange traded derivatives** | | | | **OTC derivatives** | | | | | | |
| Choose an item. | | | | Choose an item. | | | | | | |
| 19. If you do not have any back up clearing services, please provide the reasons why.[[9]](#footnote-10) | | | | | | | | | | |
|  | | | | | | | |  | | *Select all that apply* |
| Firm policy | | | | | | | |  | |  |
| Economically unviable or unattractive | | | | | | | |  | |  |
| No obvious benefits | | | | | | | |  | |  |
| Could not access back-up arrangements from a clearing service provider | | | | | | | |  | |  |
| Other, please explain | Click here to enter text. | | | | | | | | |  |
| 20. Please **rank** the top five factors driving your choice of clearing service provider, with 1 being the most significant.  *Please leave other fields unchanged.* | | | | | | | | | | |
| **Factors** | | | | | |  | **Rank** | | | |
| Price | | | | | |  | 0 | | | |
| Counterparty risk management | | | | | |  | 0 | | | |
| Service bundling within a larger corporate relationship | | | | | |  | 0 | | | |
| Size/capacity of clearing | | | | | |  | 0 | | | |
| Netting efficiencies | | | | | |  | 0 | | | |
| Quality of service | | | | | |  | 0 | | | |
| Product/Market coverage (incl. coverage of/access to different CCP) | | | | | |  | 0 | | | |
| Principal/agency model | | | | | |  | 0 | | | |
| Did not have a choice, took what was on offer | | | | | |  | 0 | | | |
| Other(s), please describe | | Click here to enter text. | | | | | 0 | | | |
| 21. If you have more than one clearing service provider for any asset class, how do you typically distribute your OTC derivatives activity across these providers and what factors drive your decision? Please provide details where this varies by asset class. | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Terms, conditions and costs of client clearing services*** | | | | | | | | | | | | | | | | |
| 22a. How have total clearing fees measured in terms of a percentage of total notional outstanding cleared during a year, charged by your clearing service provider(s) changed since start-2012, or the start of the first full calendar year you began entering into cleared derivatives if at a later date? | | | | | | | | | | | | | | | | |
| *Please select the appropriate menu option* | | | Choose an item. | | | | | | | | | | | | | |
| 22b. Please describe those changes where possible. | | | | | | | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | | | |
| 23. How has the structure of the clearing fees you pay changed since start-2012 (or the start of the first full calendar year you began entering into cleared derivatives if at a later date)? | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | |  | | Select all that apply | |
| Minimum fee introduced | | | | | | | | | | | | |  | |  | |
| Minimum fee increased | | | | | | | | | | | | |  | |  | |
| New fee structure for ETD | | | | | | | | | | | | |  | |  | |
| New fee structure for OTC derivatives | | | | | | | | | | | | |  | |  | |
| Other(s)  *(please describe)* | Click here to enter text. | | | | | | | | | | | | | |  | |
| 24. Does your clearing service provider(s) (or its affiliates) provide you with banking services other than clearing services? | | | | | | | | | | | | | | | | |
| **Services provided** | | | | | | | | | | | | | | |  | Select all that apply |
| No additional services | | | | | | | | | | | | | | |  |  |
| Access to exchange traded and/or OTC derivatives execution platforms/venues | | | | | | | | | | | | | | |  |  |
| Trade execution in addition to clearing | | | | | | | | | | | | | | |  |  |
| Trade non-centrally cleared OTC derivatives with the client clearing service provider | | | | | | | | | | | | | | |  |  |
| Prime brokerage relationship | | | | | | | | | | | | | | |  |  |
| Margin pre-funding | | | | | | | | | | | | | | |  |  |
| Collateral management/transformation | | | | | | | | | | | | | | |  |  |
| Custody arrangement | | | | | | | | | | | | | | |  |  |
| Commercial banking (lending) relationship | | | | | | | | | | | | | | |  |  |
| Underwriting or other capital market services | | | | | | | | | | | | | | |  |  |
| Other(s), please specify | | Click here to enter text. | | | | | | | | | | | | | |  |
| 25. Do you benefit from lower clearing fees and charges or any other benefits because you use your clearing service provider (or affiliates) for additional services? | | | | | | | | | | | | | | | | |
|  | *Select one box as appropriate* | | | *If yes, please describe* | | | | | | | | | | | | |
| Yes |  | | | Click here to enter text. | | | | | | | | | | | | |
| No |  | | |  | | | | | | | | | | | | |
| Don’t know |  | | |  | | | | | | | | | | | | |
| Not applicable |  | | |  | | | | | | | | | | | | |
| 26. Is the provision of clearing services conditional upon using other services offered by your provider or its affiliates? | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | |  | | *Please select* ***one*** *box as appropriate* | |
| Yes, as level of clearing business is not sufficient to justify providing client clearing services on a standalone basis | | | | | | | | | | | | |  | |  | |
| Yes, as a condition for being able to transact non-cleared OTC derivatives and/or other financial services | | | | | | | | | | | | |  | |  | |
| No, as level of clearing business is sufficient to providing client clearing services on a stand-alone basis | | | | | | | | | | | | |  | |  | |
| No, not conditional on routing any other business to client clearing services provider and/or affiliates, irrespective of the level of clearing business | | | | | | | | | | | | | |  |  | |
| Other (please elaborate) | Click here to enter text. | | | | | | | | | | | | | |  | |
| 27. Have any of your clearing service providers introduced restrictions on your cleared OTC derivatives activity with them? Please indicate all applicable restrictions. | | | | | | | | | | | | | | | | |
| **Restriction** | | | | |  | | *Select* ***all*** *that apply* | | **Does this constrain your trading/hedging activity in practice?**  *For each restriction, select an item from the menu* | | | | | **Year restriction was introduced**  *For each restriction, select an item from the menu* | | |
| Upper limit (cap) on number of transactions of centrally cleared OTC derivatives | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Lower limit (floor) on number of transactions of centrally cleared OTC derivatives | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Upper limit (cap) on notional size of outstanding centrally cleared OTC derivatives | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Lower limit (floor) on notional size of outstanding centrally cleared OTC derivatives | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Upper limit (cap) in terms of Initial Margin | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Lower limit (floor) in terms of Initial Margin | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Restrict to a narrower set of instruments | | | | | |  |  | | Choose an item. | | | | Choose an item. | | | |
| Other restrictions (Please describe) | Click here to enter text. | | | | | |  | | Choose an item. | | | | Choose an item. | | | |
| 28. Were any of the options indicated in the table above related to a restriction imposed on your clearing service provider by a CCP which was passed on? If so, please elaborate below. | | | | | | | | | | | | *Select box if “yes”* | | | | |
|  | | | | |
| Click here to enter text. | | | | | | | | | | | | | | | | |
| 29. Please indicate in the table below whether your clearing documentation contains any of the following clauses, whether such clauses constrain your activity in practice, and when the clause was introduced. | | | | | | | | | | | | | | | | |
| **Type of clause** | | | | | | | | Select all applicable clauses | | **Does it constrain your activity in practice?**  *(Yes/No/Not applicable)* | **Year these arrangements were introduced**  *Select an item from the menu* | | | | | |
| Types of acceptable collateral | | | | | | | |  | | Choose an item. | Choose an item. | | | | | |
| Timeliness of margin/collateral posting requirements | | | | | | | |  | | Choose an item. | Choose an item. | | | | | |
| Unilateral right for the clearing service provider to call additional margin | | | | | | | |  | | Choose an item. | Choose an item. | | | | | |
| Short termination notice period (3 months or less) set by the clearing service provider | | | | | | | |  | | Choose an item. | Choose an item. | | | | | |
| Other, please describe below | | | | | | | |  | | Choose an item. | Choose an item. | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | | | |
| 30. If you have indicated that your ability to clear is constrained in practice by any clauses mentioned above, please describe the nature of the constraint. | | | | | | | | | | | | | | | | |
| Click here to enter text. | | | | | | | | | | | | | | | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Entering and exiting client clearing service provider relationships*** | | | | | | | | |
| 31. On average, how much time does it typically take to establish a clearing arrangement for OTC derivatives with a clearing service provider? | | | | | | | | |
|  | | | | |  | Enter time in whole months | | |
| How much time do you expect negotiation and completion of the contract to take? | | | | |  |  | | |
| How much time do you expect would be needed to operationalise the client clearing service? | | | | |  |  | | |
| Other *(specify steps and expected time)* | Click here to enter text. | | | | |  | | |
| 32. Have you observed any changes in the matters mentioned in Q31 since start-2015? If so, in what way? | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 33. Please indicate and provide an explanation in the table below where you have experienced any of the following access-related issues since start-2012. | | | | | | | | |
| ***Have you…*** | | | *Select all applicable boxes* | **Reasons - please list challenges** | | | | |
| Encountered difficulties in establishing an account with a clearing service provider? | | |  | Click here to enter text. | | | | |
| Been declined a new account? | | |  | Click here to enter text. | | | | |
| Been off-boarded? | | |  | Click here to enter text. | | | | |
| Had access to central clearing restricted? | | |  | Click here to enter text. | | | | |
| Chosen to terminate any relationships with clearing service providers? | | |  | Click here to enter text. | | | | |
| Experienced any other issues with access to clearing services? | | |  | Click here to enter text. | | | | |
| 34. If you were to change your clearing service provider in the next 3 months, would you be able to find other providers with comparable services and similar prices? What would be the cost of changing your current clearing service provider? | | | | | | | | |
|  | | | | | | |  | *Select one* |
| My firm is confident that it would be able to find an alternate provider at a comparable (or lower) overall cost | | | | | | |  |  |
| My firm is confident that it would be able to find an alternate provider but only at a higher overall cost | | | | | | |  |  |
| My firm would not be able to find an alternate provider at an overall cost that my firm would find acceptable | | | | | | |  |  |
| My firm would not be able to find an alternate provider willing to offer clearing services at any cost | | | | | | |  |  |
| Don’t know/unsure | | | | | | |  |  |
| Other *(please elaborate)* | | Click here to enter text. | | | | | |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Access/capacity*** | | | | | | | | |
| 35. Do you find it easier to access clearing services for certain products or asset classes over others? If yes, for which products or asset classes do you find it easier or more difficult to access clearing services and why? Please leave blank if you do not trade in a particular asset class. | | | | | | | | |
|  | | **Easier access** | | **More difficult access** | **Give reasons** | | | |
| Interest rates | |  | |  | Click here to enter text. | | | |
| Credit | |  | |  | Click here to enter text. | | | |
| FX | |  | |  | Click here to enter text. | | | |
| Equity | |  | |  | Click here to enter text. | | | |
| Commodities | |  | |  | Click here to enter text. | | | |
| Other *(specify below)* | |  | |  | Click here to enter text. | | | |
| Click here to enter text. | | | | | | | | |
| 36a. In the period from start-2012 to end-2017, have you experienced any differences in ease of access to clearing services across regions? | | | | | | | | *Select box if “yes”* |
|  |
| 36b. If yes, please describe the regional differences you have experienced. | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 37. How do you consider the nature of your OTC derivatives usage and portfolio profile has affected the ease with which you can obtain clearing services? | | | | | | | | |
|  | | | | |  | *Select the appropriate choices from the drop-down menus* | | |
| Directional portfolio | | | | |  | Choose an item. | | |
| High turnover low exposure | | | | |  | Choose an item. | | |
| High exposure low turnover | | | | |  | Choose an item. | | |
| Other *(please describe)* | | | Click here to enter text. | | | Choose an item. | | |
| 38. Please elaborate on any specific features of your OTC derivatives usage and portfolio profile that either facilitate access to central clearing or constrain it. | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 39. If you have experienced any challenges in accessing clearing services since start-2012, what was the impact on your derivatives activity? | | | | | | | | |
|  | | | | | | |  | Please select all applicable boxes |
| Reduced hedging/trading activity | | | | | | |  |  |
| Stopped hedging/trading activity | | | | | | |  |  |
| Hedged less accurately (resulting in warehousing of higher levels of risk relative to preferred target levels) | | | | | | |  |  |
| Reduced usage of cleared products | | | | | | |  |  |
| Shifted to non-centrally cleared bilateral transactions | | | | | | |  |  |
| Shifted to other forms of hedging instruments | | | | | | |  |  |
| Attempted to secure a new clearing service provider(s) | | | | | | |  |  |
| Acquired access through indirect clearing arrangements | | | | | | |  |  |
| Acquired membership in a CCP | | | | | | |  |  |
| Accepted new terms from existing clearing service provider(s) | | | | | | |  |  |
| Other *(please describe)* | Click here to enter text. | | | | | | |  |
| 40. If your ability to hedge market risk as indicated in the table above has changed, how did it affect your own business and/or product offering? | | | | | | | | |
| Click here to enter text. | | | | | | | | |
| 41. Where your firm is established in a jurisdiction where no domestic CCP and/or no domestic clearing service provider offers clearing services, please explain whether and how this affects incentives or disincentives for your firm to centrally clear. | | | | | | | | |
| Click here to enter text. | | | | | | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| ***Market capacity*** | | | |
| 42. If your main clearing service provider were to default, please indicate how you would expect it would impact your centrally cleared OTC derivatives activity. | | | |
|  |  | | Select all applicable boxes |
| No material impact as positions would be ported per existing agreements for back-up clearing | |  |  |
| No material impact as positions would be ported to other existing client clearing service providers (no pre-existing agreement in place) at comparable terms | |  |  |
| No material impact as firm would become a direct clearing member of CCP | |  |  |
| Negative impact because it would result in higher clearing fees/charges | |  |  |
| Negative impact because it would result in temporary loss of access to cleared OTC derivatives markets | |  |  |
| Negative impact because it could result in permanent loss of access to cleared OTC derivatives markets | |  |  |
| Would likely result in close out of positions by CCP because the CCP porting arrangements would not be successful | |  |  |
| Not applicable | |  |  |
| Don’t know/unsure | |  |  |
| Other (please elaborate) | Click here to enter text. | |  |
| 43. Do you make use of, or have you considered using, a “direct” or “sponsored” clearing access model with a CCP? | | | *Select box if “yes”* |
|  |
| 44. What benefits or costs do you associate with using a direct or sponsored clearing model? Please specify which CCPs you have considered for this approach. | | | |
| Click here to enter text. | | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Impact of G20 reforms relevant to OTC derivatives** | | | | | | | |
| ***General*** | | | | | | | |
| 45. Please select the appropriate response from the table below on how your total cost of transacting (i) OTC derivatives that are centrally cleared and (ii) OTC derivatives that are not centrally cleared has changed since 2012 (leaving aside the impact of volume changes). | | | | | | | |
|  | | | Select the appropriate choices from the drop-down menus | | | | |
|  | | | **Centrally cleared** | **Not centrally cleared** | | | |
| **Total costs have…** | | | Choose an item. | Choose an item. | | | |
| 46. Please identify and rank in descending order of importance (1 being the most important) the 3 most important factors behind any change in costs. | | | | | | | |
| **Rank** | **Factors and comments** | | | | | | |
| 1 | Click here to enter text. | | | | | | |
| 2 | Click here to enter text. | | | | | | |
| 3 | Click here to enter text. | | | | | | |
| 47. How have these changes impacted your incentives to centrally clear OTC derivatives? | | | | | | | |
|  | | | | |  | *Select all applicable boxes* | |
| No impact | | | | |  |  | |
| Caused the firm to increase activity in OTC derivatives products subject to clearing mandates | | | | |  |  | |
| Caused the firm to decrease activity in OTC derivatives products subject to clearing mandates | | | | |  |  | |
| Caused the firm to increase voluntary clearing activity in OTC derivatives | | | | |  |  | |
| Caused the firm to decrease voluntary clearing activity in OTC derivatives | | | | |  |  | |
| Caused the firm to increase activity in OTC derivatives that are non-centrally cleared | | | | |  |  | |
| Caused the firm to decrease activity in OTC derivatives that are non-centrally cleared | | | | |  |  | |
| Other (please elaborate) | | Click here to enter text. | | | |  | |
| 48. Please also indicate how your answers to Q47 vary across different asset classes or products. | | | | | | | |
| Click here to enter text. | | | | | | | |
| 49. From the perspective of your firm, what do you consider to be the key trade-offs between the costs and benefits of central clearing? | | | | | | | |
| Click here to enter text. | | | | | | | |
| 50. Please indicate in the table below changes between start-2012 and end-2017 in your ability to access your counterparty networks i.e. those counterparties that you have historically traded with or wish to trade with. | | | | | | | |
|  | | | | | | | *Select all applicable boxes* |
| No change to traditional counterparty relationships | | | | | | |  |
| Mandatory central clearing increased the number of counterparties to trade with | | | | | | |  |
| Mandatory central clearing decreased the number of counterparties to trade with | | | | | | |  |
| Mandatory central clearing not implemented in relevant jurisdiction(s) or not applicable to the firm | | | | | | |  |
| Margin rules for non-centrally cleared OTC derivatives increased the number of counterparties to trade with | | | | | | |  |
| Margin rules for non-centrally cleared OTC derivatives decreased the number of counterparties to trade with | | | | | | |  |
| Margin rules for non-centrally cleared OTC derivatives not implemented in relevant jurisdiction(s) or not applicable to the firm | | | | | | |  |
| Requirements to trade on regulated platforms increased number of counterparties to trade with | | | | | | |  |
| Requirements to trade derivatives on regulated platforms decreased number of counterparties to trade with | | | | | | |  |
| Requirements to trade derivatives on regulated platforms not implemented in relevant jurisdictions or not applicable to the firm | | | | | | |  |
| Public reporting requirements increased number of counterparty relationships to trade with | | | | | | |  |
| Public reporting requirements decreased number of counterparty relationships to trade with | | | | | | |  |
| Public reporting requirements not implemented in relevant jurisdiction(s) | | | | | | |  |
| Other *(please describe below)* | | | | | | |  |
| Click here to enter text. | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 51a. From the perspective of your firm’s OTC derivatives market activities, what has been the net impact of the G20 reforms on trading liquidity? | | | | | |
| **Factors** | *Please choose the appropriate item from the drop-down menu* | | *Please highlight where impacts are only applicable to certain trading conditions or products (for instance, trading in large sizes or trading during periods of elevated volatility)* | | |
| General trading liquidity | Choose an item. | | Click here to enter text. | | |
| Block Trade Liquidity | Choose an item. | | Click here to enter text. | | |
| Liquidity during High Volatility Periods | Choose an item. | | Click here to enter text. | | |
| Number of Trading Counterparties | Choose an item. | | Click here to enter text. | | |
| 51b. Please add any general comment you wish to add on other aspects of the net impact of the G20 reforms on other aspects of liquidity. | | | | | |
| Click here to enter text. | | | | | |
| 52. Would you choose not to centrally clear a non-mandated OTC derivative[[10]](#footnote-11) in instances where central clearing is available for that derivative? | | | | | *Select box if “yes”* |
|  |
| 53a. Please indicate for each item in the table below whether each of the factors listed acts as an incentive or disincentive to centrally clear a non-mandated OTC derivatives transaction and provide additional comment where possible, indicating where your answer may differ by asset class. | | | | | |
| **Factor** | | **Impact on incentives to centrally clear non-mandated OTC derivatives**  *Choose the appropriate menu item for each factor* | | **Comments** | |
| Counterparty risk management considerations | | Choose an item. | | Click here to enter text. | |
| Comparative netting opportunity | | Choose an item. | | Click here to enter text. | |
| Compression opportunity | | Choose an item. | | Click here to enter text. | |
| Centralised default management process (incl. porting of client positions) | | Choose an item. | | Click here to enter text. | |
| Regulatory capital costs | | Choose an item. | | Click here to enter text. | |
| Other capital costs | | Choose an item. | | Click here to enter text. | |
| Fixed costs (e.g. infrastructure) | | Choose an item. | | Click here to enter text. | |
| Relative differences in bid-offer spreads between centrally cleared and non-centrally cleared alternatives | | Choose an item. | | Click here to enter text. | |
| Access/capacity of clearing arrangements | | Choose an item. | | Click here to enter text. | |
| Initial margin requirements for centrally cleared OTC derivatives | | Choose an item. | | Click here to enter text. | |
| Initial margin requirements for non-centrally cleared OTC derivatives | | Choose an item. | | Click here to enter text. | |
| Variation margin requirements for centrally cleared OTC derivatives (incl. intraday margin calls) | | Choose an item. | | Click here to enter text. | |
| Variation margin requirements for non-centrally cleared OTC derivatives | | Choose an item. | | Click here to enter text. | |
| Eligibility criteria for collateral in centrally cleared OTC derivatives | | Choose an item. | | Click here to enter text. | |
| Eligibility criteria for collateral in non-centrally cleared OTC derivatives | | Choose an item. | | Click here to enter text. | |
| Availability of principal/agency clearing arrangement | | Choose an item. | | Click here to enter text. | |
| Access to a larger set of potential counterparties | | 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. | | | | | |

|  |  |  |
| --- | --- | --- |
| 53b. Please identify in the table below (in order of importance with 1 as the most important factor) the 3 most important factors from the list above which (i) act as an incentive and (ii) act as a disincentive to centrally clear non-mandated OTC derivatives. | | |
| **Rank** | **Provides most incentives to centrally clear**  *Choose the appropriate menu items* | **Provides most disincentives to centrally clear**  *Choose the appropriate menu items* |
| 1 | Choose an item. | Choose an item. |
| 2 | Choose an item. | Choose an item. |
| 3 | Choose an item. | Choose an item. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 54. If no clearing mandate were in place but other G20 reforms were fully implemented, do you believe that there would be sufficient incentives to encourage your firm to transact a similar level of central clearing to that undertaken currently? | | | | |
|  | | | *Select all applicable boxes* | |
| Your firm would be incentivised to centrally clear a higher percentage of OTC derivatives | | |  | |
| Your firm would be incentivised to centrally clear a lower percentage of OTC derivatives | | |  | |
| Your firm would be incentivised to increase the level of activity in both centrally and non-centrally cleared OTC derivatives | | |  | |
| Your firm would be incentivised to reduce the level of activity in both centrally and non-centrally cleared OTC derivatives | | |  | |
| Your firm would remain agnostic to differences between centrally cleared and non-centrally cleared derivatives | | |  | |
| Your firm is primarily incentivised to trade where it can benefit from the higher level of liquidity | | |  | |
| Other *(please elaborate below)* | | |  | |
| Click here to enter text. | | | | |
| 55. Please note where your answer to Q54 above varies per asset class, product type or counterparty. | | | | |
| Click here to enter text. | | | | |
| 56. An objective of the G20 reforms is 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? | | | | |
| **Factors** | *Please choose the appropriate item from the drop-down menu* | *If you choose “Other answer” for any factor, please provide further details in the text box provided* | | |
| The ability of the financial system to absorb shocks with minimal to low impact | 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. | | |
| Ability of the financial system to absorb shocks with minimal to low impact | 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. | | |
| 57. Have differences in the implementation of reforms across regions affected your clearing behaviour or altered the geographic distribution of your clearing activity? If yes, elaborate on your answer below. | | | | *Select box if “yes”* |
|  |
| Click here to enter text. | | | | |

|  |
| --- |
| ***Clearing mandate*** |
| 58. What are your views on existing and proposed clearing mandates with respect to the scope of products 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. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Margin requirements for non-centrally cleared derivatives*** | | | | |
| 59a. What has been the impact of your jurisdiction’s implementation of the requirements to exchange margin for non-centrally cleared OTC derivatives on your firm’s incentive to centrally clear? | | | | |
|  | |  | | *Select all applicable boxes as appropriate* |
| No impact | |  | |  |
| Caused your firm to increase the proportion of new OTC derivatives trades being centrally cleared | |  | |  |
| Caused your firm to increase the proportion of new OTC derivatives trades that are non-centrally cleared | |  | |  |
| Caused your firm to reduce the level of activity in both centrally and non-centrally cleared OTC derivatives | |  | |  |
| Caused your firm to increase the level of activity in both centrally and non-centrally cleared OTC derivatives | | |  |  |
| Other (please elaborate) | Click here to enter text. | | |  |
| 59b. Please provide details if the answer varies per asset class, product type, or counterparty type. | | | | |
| Click here to enter text. | | | | |
| ***Collateral requirements*** | | | | |
| 60. How has your ability since 2012 to source collateral to comply with margin requirements for centrally cleared or non-centrally cleared OTC derivatives affected your incentive to centrally clear? | | | | |
| Click here to enter text. | | | | |
| 61a. Do you rely on the repo market to source your cash collateral for margin? | | *Select box if “yes”* | | |
|  | | |
| 61b. If yes to Q61a, do you consider this market to be sufficiently liquid to support your needs? | | | | |
| Click here to enter text. | | | | |
| 61c. If no to Q61a, or if you have attempted to use the repo market but were not able to, what do you identify as the specific gaps in repo market operation and to what extent have they affected your willingness and ability to centrally clear? | | | | |
| Click here to enter text. | | | | |

|  |  |
| --- | --- |
| **Market structure and other market-wide observations** | |
| 62. Have any specific macro-economic factors or market developments impacted your incentive to use central clearing since implementation of the G20 reforms in relevant jurisdictions? If yes, then please elaborate below. | *Select box if “yes”* |
|  |
| Click here to enter text. | |
| 63. 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 (e.g. Japan, United States, France, Mexico) 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, home region is the place of incorporation or constitution. [↑](#footnote-ref-4)
4. Please exclude inter-affiliate derivatives in your calculation. [↑](#footnote-ref-5)
5. Please choose a commonly used measure of size relevant to the firm type identified in Q5a. [↑](#footnote-ref-6)
6. LSOC – Legally Segregated, Operationally Commingled [↑](#footnote-ref-7)
7. Client clearing service provider means a clearing member or futures commission merchant that provides services to clients with regard to the clearing of OTC derivatives or ETD. [↑](#footnote-ref-8)
8. 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)). [↑](#footnote-ref-9)
9. See footnote 8. [↑](#footnote-ref-10)
10. A “mandated OTC derivative” is an OTC derivative which is or was at time of entry subject to a mandatory clearing requirement. A “non-mandated OTC derivative” is any other OTC derivative. [↑](#footnote-ref-11)