

Legend for Rates Standardization Template¹

- A. Base Product – major unit of product classification within asset class. For Rates, these include the following products:

Single Currency Swap

Two counterparty's agrees to pay either a fixed or floating rate denominated in the same currency for a set period of time. No exchange of principle.

Variations include floating / floating, legs with different tenors ie 3m v's 6m, different rate options ie EUR Euribor / EUR Libor, forward starting , amortizing / Accreting notionals , Zero Coupon , Asset swaps , constant maturity.

OIS

Overnight Index Swap is where the floating rate is the geometric average of an overnight index over every day of the payment period. Tends to be shorted dated in nature than standard IR Swap.

Cross Currency Swap

Each counterparty agrees to pay either a fixed or floating rate denominated in a different currency. Exchange of principle at start and end date. Variations include MTM , floating / floating, fixed / fixed.

Debt Option

Right to buy or sell a specific debt instrument at a fixed price at a fixed date.

Inflation Swap

A swap where the floating rate references a pricing index. Inflation swaps are typically priced on a zero coupon basis with payments exchanged at maturity. Other variations include Year on Year , month on month.

FRA

Forward Rate Agreement is a contract in which a party pays a fixed rate and receives a floating rate equal to a reference rate. Start date on a specific date in future. Shorter dated instrument.

Cap / Floor

Cap: The buyer receives a payment at the end of each period if the interest rate exceeds the agreed strike. Buyer pays a fee upfront.

Floor: The buyer receives a payment at the end of each period if the interest rate is below the agreed strike. Buyer pays a fee upfront.

Variations include straddles , collars.

Exotic

Any non vanilla swap transaction falling outside of the fore-mentioned. Feature could include cancellable swaps, resettable, triggers/ knock in or knock out, target accruals , Quanto's.

Swaption

An option granting the buyer the right to enter into an underlying swap at a future date
Traded as a one time option (European style)

¹ The number of submissions for each column are indicated at the top of that column.

Can be cash or physically settled on expiry date. Variations include payers , receivers and straddles.

- B. Sub-Product – further classification of product, (Fixed vs Float, Float vs Float). In some cases, these are further delineated by geographic region (G14 and Non G14 CCY).
- C. Region – further differentiation of B above.
- D. Stock Portfolio – current outstanding count of contracts registered in the repository for each sub-product/region combination as of the date of the report. G14 vs G14 trade data has been halved to ensure that each trade is only counted once.
 - a. D will be reported as a count of transactions registered in the portfolio
 - b. D1 will be reported as a sum of the Gross Notional of the trades in D
- E. Monthly Volume – sum of submissions of G14 dealer's monthly average (over previous three months) economic trading volume. This volume includes all external executions of New Trades, Unwinds, Step-In & Remaining Party Assignment, which is consistent with current month end reporting. This metric excludes all activity related to post trade date clearing, portfolio compression, and bulk assignments related to mergers, etc. This metric should include only economic risk transfer activity for the submitting dealers. G14 vs G14 trade data has been halved to ensure that each trade is only counted once.
 - a. E will be reported as a count of transactions executed during the period
 - b. E1 will be reported as Gross Notional traded with external counterparties during the period.
- F. Bilateral Execution Venue (Single Dealer) – percentage of Monthly Volume (E) that is executed by bi-lateral communication
 - a. F1 – Voice Execution - over phone, email or similar bi-lateral messaging platform (Bloomberg MSG, IM, etc.), represented in 10% point bands (0-10%, 10-20%...90-100%) over the period covered in the calculation of (E).
 - b. F2 – Electronic Execution (Systemic Internalizer) - on platforms sponsored by a single market maker and available to one or more counterparties for trade execution, represented in 10% point bands (0-10%, 10-20%...90-100%) over the period covered in the calculation of (E). For Rates these include proprietary pages from each dealer.
- g. MTF Execution Venue – percentage of Monthly Volume (E) that is executed over multiparty platforms that contain multiple market-maker bids/offers that are classified as MTFs (IDB “click to trade” screens, RFQ platforms, etc.), represented in 10% point bands (0-10%, 10-20%...90-100%) over the period covered in the calculation of (E). These can be voice or electronic platforms, but in all cases, there is a third party that captures transaction details at the point of execution
 - a. G1 – Voice execution
 - b. G2 – Electronic execution
- h. Electronic Confirmation – percentage of trades within each sub-product/region combination that utilize industry sponsored electronic confirmation systems, reported in 10% point bands (0-10%, 10-20%...90-100%).
- i. Standard Form Confirmation Available – Yes/No value indicating the existence of industry sponsored/published transaction confirmation for the sub-product/region combination

- j. Standard Form Confirmation Available (% usage) – % usage of the industry sponsored/published transaction confirmation
- k. Repository – Industry recognized repository utilized to record transaction records/confirmations.
- l. CashFlow Settlement Process – For Rates, all payments are bi-laterally processed unless submitted to central clearing.
- m. Central Settlement % – for industry utilities in use in (L) above, note the percentage of payments related to Stock Portfolio (D) settled through each utility in 10% point bands (0-10%, 10-20%...90-100%) and explain in comments the main drivers for utilization rate.
- n. Event Processing – For Rates, all trade life cycle events are bi-laterally agreed/processed.
- o. Clearing Eligibility – products within each row that are available for Central Counterparty Clearing. (Specify access to CCP available as Clearing Member to Clearing Member and/or Client Access). Rates OTC clearing is currently available for both Sell and buy side firms via LCH Swapclear. Currently 26 Sell side firms have access as direct members , other sell and buy side firms are able to access clearing via these member firms who offer the client clearing service. Products currently eligible for clearing:

Interest Rate & Zero Coupon swaps in 14 currencies

USD , GBP & EUR upto 50 year duration

JPY, CHF , AUD , CAD & SEK upto 30 year duration

DKK, NOK , HKD, NZD , PLN & ZAR upto 10 year duration

Single Currency Basis swaps in 14 currencies.

OIS swaps in 4 currencies

USD, GBP , EUR & CHF upto 2 years duration

Additional trade features supported for rate swaps :

Compounding , fees , IMM rolls , front end stubs , month end rolls , Swaps resulting from Physical swaption expiry.