

## Exposures to Central Counterparties

Draft Version of July 2022

This form includes any trades where the economic effect is equivalent to having a trade with the CCP (e.g. a direct clearing member acting as an agent or a principal in a client-cleared trade). These exposures and their treatment are described in CAO Art. 77a to 77e; and CreO-FINMA art. 134 to 152.

ID	Label	Legal references and comments
<b>Rows</b>		
001	Exposures to QCCPs (total)	<ul style="list-style-type: none"> <li>Definition in CAO art. 77a par. 2: Treatment according to CAO art. 77d</li> </ul>
011	Exposures to non-QCCPs (total)	<ul style="list-style-type: none"> <li>Treatment according to CAO art. 77c</li> </ul>
002 011	Exposures for trades at [QCCPs / non-QCCPs] (excluding initial margin and default fund contributions); of which	<p>This includes positions from trading transactions for own account; as well as positions from trading transactions for which the bank guarantees the performance of the central counterparty to the clearing client.</p> <p>The position must include the current and potential future exposure of a clearing member or a client to a CCP. For the purposes of this definition, the current exposure of a clearing member includes the variation margin due to the clearing member but not yet received.</p> <ul style="list-style-type: none"> <li>Definition according to CAO art. 77b par. 1 let. a and b, and art. 77b par. 2, but excluding initial margin</li> <li>Treatment in case of QCCPs according to CAO art. 77d par. 1, and art. 77d par. 4; as well as CreO-FINMA art. 143 and 151</li> <li>Treatment in case of non-QCCPs according to CAO Art. 77c par. 1</li> </ul>
003 013	(i) OTC derivatives	This must include OTC long-settlement transactions (CAO art. 56)
004 014	(ii) Exchange-traded derivatives	This must include exchange-traded long-settlement transactions (ie exchange traded securities or commodities with a settlement or delivery date longer than five days) (CAO art. 56)
005 015	(iii) Securities financing transactions	
006 016	(iv) Netting sets where cross-product netting has been approved	
007 017	Segregated initial margin	<p>CAO art. 77b par. 2 let. d and CreO-FINMA art. 136</p> <p>Segregated refers to collateral which is held in a bankruptcy-remote manner..</p> <p>If the condition in CreO-FINMA art. 151 par.2 are met this position is not subject to capital requirements (i.e. 0% risk weight)..</p>
008 018	Non-segregated initial margin	<p>CAO art. 77b par. 2 let. d and CreO-FINMA Art. 136</p> <p>Unsegregated refers to collateral that is not held in a bankruptcy-remote manner.</p>
009 019	Pre-funded default fund contributions	<p>Prefunded default fund contributions are prefunded clearing member contributions towards, or underwriting of, a CCP's mutualised loss-sharing arrangements.</p> <ul style="list-style-type: none"> <li>Definition: see CreO-FINMA Art. 138</li> <li>Treatment in case of QCCPs: CAO Art. 77d par. 2</li> <li>Treatment in case of non-QCCPs: CAO Art. 77c par.2 let. a</li> </ul>
010 020	Unfunded default fund contributions	<p>Unfunded default fund contributions are unfunded clearing member contributions towards, or underwriting of, a CCP's mutualised loss-sharing arrangements. If a bank is not a clearing member but a client of a clearing member, it should include its exposures to unfunded default fund contributions if applicable. Otherwise, banks should leave this row empty and explain the reason in the accompanying narrative.</p> <ul style="list-style-type: none"> <li>Definition: see CreO-FINMA art. 138</li> <li>Treatment in case of QCCPs: not subject to capital requirements</li> <li>Treatment in case of non-QCCPs: CAO art. 77c par. 2 let. b and par. 3</li> </ul>
<b>Columns</b>		

EAD (post-CRM)	EAD post-CRM: exposure at default. The amount relevant for the capital requirements calculation, having applied CRM techniques, credit valuation adjustments according to CreO-FINMA art. 153 par. 2 let. c [CRE51.11] and specific wrong-way adjustments (see CreO art. 38 par. 2 [CRE53]).
RWA	<ul style="list-style-type: none"> <li>• For trade exposures (ie current and potential future exposure as well as initial margin) and default fund contributions against non-QCCPs: <math>RWA = EAD * \text{applicable risk weight}</math></li> <li>• For default fund contributions against QCCPs: <math>RWA = \text{capital requirements according to CAO annex 4} * 12.5</math></li> </ul>