

Market risk: Simplified standardized approach

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ID	Label	Legal references and comments
Columns		
1	Position	
2	Scaling / Requirement factor	Scaling / requirement factors are pre-filled and not to be altered.
3	Amount	Minimum capital requirement (for a specific item) or intermediate result for calculation of the minimum capital requirement. In case a scaling or requirement factor is specified (column 2), amount is calculated as the product of column 1 and 2.
Rows		
1.	Minimum requirements for market risks according to the simple standardised approach Arts. 83-86a Capital Ordinance	CAO art. 83-86a in combination with MarO-FINMA chapter 2 .
1.1	Market risk of currencies	
1.1.a	Total before application of scaling factor	1.1.a = 1.1.1 + 1.1.2 for amount (column 3).
1.1.b	Total after application of scaling factor	The scaling factor and its application is determined by CAO art. 83a.
1.1.1	Currencies	CAO art. 86, par. 1 in combination with MarO-FINMA art. 24-26. If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included.
1.1.2	Options on currencies	MarO-FINMA chapter 2, section 5. Banks may, subject to certain conditions, choose between three different approaches, compare item 2. If a bank uses the delta-plus method, minimum requirements for delta risk are not to be included here but under item 1.1.1.
1.2	Market risk of gold	
1.2.a	Total before application of scaling factor	1.2.a = 1.2.1 + 1.2.2 for amount (column 3).
1.2.b	Total after application of scaling factor	The scaling factor and its application is determined by CAO art. 83a.
1.2.1	Gold	CAO art. 86, par. 2 in combination with MarO-FINMA art. 24-26. If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included.
1.2.2	Options on gold	MarO-FINMA chapter 2, section 5 . Banks may choose between three different approaches, compare item 2. If a bank uses the delta-plus method, minimum requirements for delta risk are not to be included here but under item 1.2.1.
1.3	Market risk of commodities	
1.3.a	Total before application of scaling factor	1.3.a = 1.3.1 + 1.3.2 + 1.3.3 for amount (column 3).
1.3.b	Total after application of scaling factor	The scaling factor and its application is determined by CAO art. 83a.
1.3.1	Commodities according to the maturity ladder approach	CAO art. 86a in combination with MarO-FINMA art. 27-31. Banks may choose between a maturity ladder approach (line 1.3.1) and a simplified approach (line 1.3.2). If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included.
1.3.2	Commodities according to the simplified approach	
1.3.3	Options on commodities	MarO-FINMA chapter 2, section 5 . Banks may, subject to certain conditions, choose between three different approaches, compare item 2. If a bank uses the delta-plus method, minimum

requirements for delta risk are not to be included here but under item 1.3.1 and 1.3.2.

1.4	Market risk of interest rate instruments	
1.4.1	De-minimis requirements according to banking book rules after application of multiplier of 2.5: Interest rate instruments	CAO art. 83, par. 3 in combination with MarO-FINMA art. 50-53. The use of the de-minimis approach requires passing the de-minimis test, see item 3.
1.4.2.a	If De-minimis not used: Total before application of scaling factor	1.4.2.a = 1.4.2.1 + 1.4.2.2 + 1.4.2.3 for amount (column 3).
1.4.2.b	If De-minimis not used: Total after application of scaling factor	The scaling factor and its application is determined by CAO art. 83a.
1.4.2.1	Specific risk of interest rate instruments	1.4.2.1 = 1.4.2.1.1 + 1.4.2.1.2 for amount (column 3). If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included in this item or its sub-items.
1.4.2.1.1	Non-Securitisation Positions	
1.4.2.1.1.1	Government and central bank interest rate instruments	
1.4.2.1.1.1.1	Rating class 1 or 2	
1.4.2.1.1.1.2	Rating class 3 or 4	
1.4.2.1.1.1.2.1	Residual term to final maturity ≤ 6 months	
1.4.2.1.1.1.2.2	Residual term to final maturity > 6 months and ≤ 24 months	
1.4.2.1.1.1.2.3	Residual term to final maturity > 24 months	
1.4.2.1.1.1.3	Rating class 5 or 6	
1.4.2.1.1.1.4	Rating class 7	
1.4.2.1.1.1.5	Unrated	MarO-FINMA art. 17, par. 1 in combination with CAO art. 84, par. 1 and appendix 5.
1.4.2.1.1.2	Qualified interest rate instruments according to art. 4 let. g Capital Ordinance	
1.4.2.1.1.2.1	Residual term to final maturity ≤ 6 months	
1.4.2.1.1.2.2	Residual term to final maturity > 6 months and ≤ 24 months	
1.4.2.1.1.2.3	Residual term to final maturity > 24 months	
1.4.2.1.1.3	Other interest rate instruments	
1.4.2.1.1.3.1	Rating class 5	
1.4.2.1.1.3.2	Rating class 6 or 7	
1.4.2.1.1.3.3	Unrated	
1.4.2.1.2	Securitisation Positions (according to banking book rules)	MarO-FINMA art. 17, par. 2 in combination with CreO-FINMA art. 134-137.
1.4.2.2	General market risk of interest rate instruments	CAO art. 84, par. 2 in combination with MarO-FINMA art. 13-16. If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included in this item or its sub-items.
1.4.2.2.1	Value according to the maturity method	MarO-FINMA art. 14.
1.4.2.2.2	Value according to the duration method	MarO-FINMA art. 16.
1.4.2.3	Requirements for options on interest rate instruments	MarO-FINMA chapter 2, section 5. Banks may, subject to certain conditions, choose between three different approaches, compare item 2. If a bank uses the delta-plus method, minimum requirements for delta risk are not to be included here but under items 1.4.2.1 - 1.4.2.2.
1.5	Market risk of equity instruments	
1.5.1	De-minimis requirements according to banking book rules after application of multiplier of 2.5: Equities	CAO art. 83, par. 3 in combination with MarO-FINMA art. 50-53. The use of the de-minimis approach requires passing the de-minimis test, see item 3.
1.5.2.a	If De-minimis not used: Total before application of scaling factor	1.5.2.a = 1.5.2.1 + 1.5.2.2 + 1.5.2.3 for amount (column 3).
1.5.2.b	If De-minimis not used: Total after application of scaling factor	The scaling factor and its application is determined by CAO art. 83a.
1.5.2.1	Specific risk of equity	

1.5.2.1.1	Sum of the net positions by emission	CAO art. 85, par. 1 in combination with MarO-FINMA art. 18-23. If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included.
1.5.2.2	General market risk of equity	CAO art. 85, par. 2 in combination with MarO-FINMA art. 18-23. If a bank uses the delta-plus method for options, the relevant positions for delta risk should be included here. Other than that, options on foreign currencies are not included.
1.5.2.2.1	Sum of the net positions by national market	
1.5.2.3	Requirements for equity options	MarO-FINMA chapter 2, section 5 . Banks may, subject to certain conditions, choose between three different approaches, compare item 2. If a bank uses the delta-plus method, minimum requirements for delta risk are not to be included here but under items 1.5.2.1 - 1.5.2.2.
2	Memorandum item: Options	
2.1	Requirements for options according to the simplified approach	MarO-FINMA art. 43 .
2.1.1	Options on interest rate instruments	
2.1.2	Options on stocks or stock indices	
2.1.3	Options on currencies	
2.1.4	Options on gold	
2.1.5	Options on commodities	
2.2	Requirements for options according to the delta-plus method	MarO-FINMA art. 34-38. Requirements for delta risks of options (MarO-FINMA art. 35) are not to be entered under item 2.2 but directly under item 1.
2.2.1	Gamma risk	MarO-FINMA art. 36 to 37 .
2.2.1.1	Options on interest rate instruments	
2.2.1.2	Options on stocks or stock indices	
2.2.1.3	Options on currencies	
2.2.1.4	Options on gold	
2.2.1.5	Options on commodities	
2.2.2	Vega risk	MarO-FINMA art. 38 .
2.2.2.2	Options on interest rate instruments	
2.2.2.3	Options on stocks or stock indices	
2.2.2.4	Options on currencies	
2.2.2.5	Options on gold	
2.2.2.6	Options on commodities	
2.3	Requirements for options according to the scenario analysis approach	MarO-FINMA art. 39 to 42 .
2.3.1	Options on interest rate instruments	
2.3.2	Options on stocks or stock indices	
2.3.3	Options on currencies	
2.3.4	Options on gold	
2.3.5	Options on commodities	
3.	Memorandum item: De-minimis test	To be completed and passed if De-Minimis is used according to OPT worksheet, item 3.1
3.1	Total of balance and off-balance sheet	3.1 = 3.1.1 + 3.1.2 for amount (column 3).
3.1.1	Total of last quarter's balance sheet	
3.1.2	Contingent liabilities, irrevocable credit lines granted, contingent liabilities for calls and margin liabilities, commitment credits and the contract volume of all open derivative financial instruments	Absolute values are to be used, compare MarO-FINMA art. 50.
3.2	Trading book (art. 5 Capital Ordinance)	MarO-FINMA art. 51 and 52.
3.2.1	Trading book in % of the total of balance and off-balance sheet	

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