

Figure 5.1 Transaction compression and position creation

TIME = T				
trade_id	value	action_type	event_type	level
AAAA	100	NEW	TRAD	TCTN
BBBB	50	NEW	TRAD	TCTN
CCCC	200	NEW	TRAD	TCTN



TIME = T+1				
trade_id	value	action_type	event_type	level
AAAA	100	TERM	INCP	TCTN
BBBB	50	TERM	INCP	TCTN
CCCC	200	TERM	INCP	TCTN
DDDD	350	NEW	INCP	POSC



TIME = T+2				
trade_id	value	action_type	event_type	level
BBBB	100	CORR		TCTN
DDDD	400	CORR		POSC

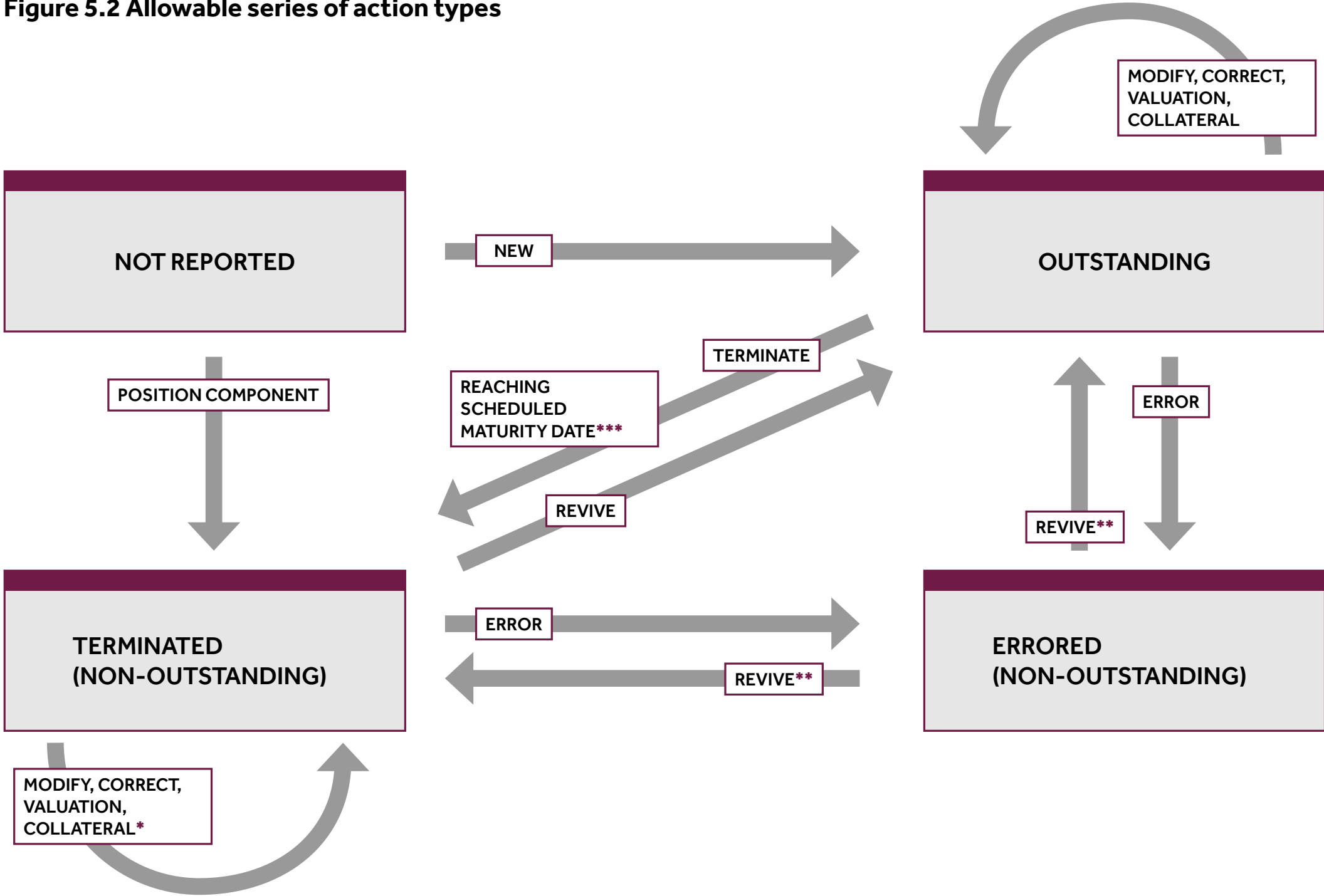
Three transactions begin

Three transactions compressed into a new position. This is reflected by terminating the original three trades, and creating a new position with trade ID DDDD.

Reporter realises it submitted BBBB incorrectly. It sends a correction for BBBB. As this means it also submitted DDDD (the position made from BBBB) incorrectly, it also sends a correction for DDDD

BBBB is no longer "alive" because it has been compressed into DDDD, but still needs correction. DDDD needs to be corrected given that BBBB needs correction

Figure 5.2 Allowable series of action types



*Counterparties can also submit historical modifications, corrections, valuations and collateral information for the terminated trades

**The status of the derivative after revival depends on the maturity date and termination date.

***No report is required when derivative reaches scheduled maturity date. If counterparty subsequently realised that the maturity date was incorrect, it can send action type 'Revive' to bring the derivative to status 'outstanding'

Figure 5.3 Illustration of early termination and revive

TIME = T				
trade_id	value	action_type	event_type	level
EEEE	100	NEW	TRAD	TCTN



TIME = T+1				
trade_id	value	action_type	event_type	level
EEEE	100	TERM	ETRM	TCTN



TIME = T+2				
trade_id	value	action_type	event_type	level
EEEE	100	REVI		TCTN

OR

TIME = T+2				
trade_id	value	action_type	event_type	level
EEEE	100	REVI		TCTN
EEEE	200	CORR		TCTN

A new transaction EEEE begins

Transaction EEEE is terminated early

Reporter realises that it should not have terminated EEEE and revives EEEE

EEEE has been erroneously terminated at time T + 1

Reporter realises that it should not have terminated EEEE and revives EEEE. Reporter puts in the correct value for EEEE

EEEE has been erroneously terminated at time T + 1, but had also been erroneously reported at time T

Figure 5.4 Illustration of error and revive

TIME = T				
trade_id	value	action_type	event_type	level
FFFF	300	NEW	TRAD	TCTN



TIME = T+1				
trade_id	value	action_type	event_type	level
FFFF	300	EROR		TCTN



TIME = T+2				
trade_id	value	action_type	event_type	level
FFFF	300	REVI		TCTN

A new transaction FFFF begins

Reporter realises it should not have submitted information for FFFF

Reporter realises it should submit information for FFFF so revives FFFF