

Clearing Threshold Notification for FCs and NFCs

Purpose of this form

This notification should be submitted by a financial and/or non-financial counterparty notifying the Financial Conduct Authority (FCA) as relevant competent authority, in accordance with Article 4a and Article 10 of EU Regulation 648/2012 (the EMIR Regulation, as amended by Regulation (EU) 2019/834) that it has exceeded the clearing threshold for any of the following:

- OTC credit derivative contracts;
- OTC equity derivative contracts;
- OTC foreign exchange derivative contracts;
- OTC interest rate derivative contracts; or
- OTC commodity derivative contracts and other OTC derivative contracts not defined under points (a) to (d).

This notification may also be used to make a combined notification on behalf of other counterparties within a group to which the notifying counterparty belongs and which are established in the EU. In that case the notification must list all of the other relevant entities. The person submitting the notification must confirm that those other counterparties consent to the notification being made on their behalf and are aware of their responsibilities and obligations under the EMIR Regulation.

Important information you should read before completing this notification:

- The notification must be submitted by a person of appropriate seniority in the notifying counterparty, for example an executive director, company secretary or head of compliance. This person should have verified that all of the information in the notification is accurate.
- It is important that the information provided in this notification is accurate and complete. If information is provided that is false or misleading then the person making the notification may be in breach of legislative requirements and subject to enforcement action.
- For the purposes of complying with the relevant Data Protection legislation, any personal information in this notification will be used by us to discharge our statutory functions under EMIR and other relevant legislation. It may also be disclosed to third parties for those purposes.

Declaration

Summary and final declaration

This notification must be submitted by a person of appropriate seniority in the notifying counterparty, for example an executive director, company secretary, or head of compliance.

I am duly authorised to make this notification on behalf of the notifying counterparty. I am duly authorised to make this notification on behalf of the other EU counterparties within the same group as the registered counterparty.

By submitting this notification form I confirm that:

- The information in this application is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.
- I am aware that if I knowingly or recklessly provide information that is false and misleading in a material particular in this form I may contravene a legislative requirement and may be the subject of enforcement action.
- A person of appropriate seniority in the other UK counterparty within the same group on behalf of which this notification is being made has consented to a notification being made on their behalf.
- Supporting evidence and records are available on request which demonstrate the consent of the other UK counterparty within the same group on behalf of which this notification was made, and that they are aware of their responsibilities and obligations under the EMIR Regulation.

Please confirm you have read and understood this declaration:

Confirm:

Name of the person of appropriate seniority:

Position of signatory:

Email:

Telephone number:

Notification Date (YYYY-MM-DD)

Mandatory

Instructions

The template has 5 sections with different items.
Each column needs to be filled in according to the following instructions:

For FC Notifications

1. Group information

•Ultimate parent undertaking name:

To be consistent with the EMIR logic for calculations and to ensure a proper treatment of notifications, it is of essence to include the name of the 'ultimate parent undertaking' to make possible the linkage between entities that are part of the same group. The same ultimate parent will be used for FC notifications in a given group.
When the entity notifying the FCA is not part of a group, it will give the same name and the same LEI in the 'Group information' as for the 'Subsidiary information'.

•LEI of the parent undertaking:

As explained above, it is necessary to have a reference to the group to which subsidiaries belong to in order to process consistently notifications affecting the same group. When the parent undertaking has no Legal Entity Identifier (LEI), it is necessary that the group decides on a LEI from one of the subsidiaries in the group, a sort of agreed 'Group reference LEI' within the group, to which all notifications in the group will be linked to.

2. Subsidiaries' information

•Full name of the subsidiary:

Refers to the full legal name of the entity notifying whether it is subject to the clearing obligation or no longer subject.

The template allows for a multiple notification including all entities in the group (FCs and NFCs combined) subject to the clearing obligation, if any. Therefore, the spreadsheet allows for different subsidiaries in each row.

Please note, that subsidiaries in a group which are not trading with OTC derivatives do not have to be notified.

•LEI of the subsidiary:

Refers to the LEI of the subsidiary or subsidiaries notifying the FCA.

When an entity is not part of the group, the LEI for the group and the LEI of the entity will be repeated.

•Type of counterparty:

According to Article 4a(3) of EMIR, financial counterparties (FCs) have to include all the OTC derivative contracts entered into by all entities in the group.

•Sector of the FC:

For FCs, each counterparty has to provide the relevant information in Table 1 of Section 6 of the Commission Implementing Regulation (EU) 2017/105 (options: A / C / F / I / L / O / R / U).

Where more than one activity could be reported, please choose the most relevant to the corresponding activity.

•Country of establishment of the subsidiary:

Use the standard country codes for member states in the EU (https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Country_codes)

3. Calculations

•Positions calculated against the clearing threshold:

This item allows for 'Yes' or 'No' answer, according to Article 4a(1)-(2) of EMIR.

Each subsidiary -or the single counterparty that is not part of a group- will have to answer accordingly.

•Indicate the last day of the 12-month period used for the calculations:

The 12-month period refers to Article 4a(2) of EMIR.

The counterparty needs to provide only the last date of the 12-month period used for the calculations.

This item is to be answered using the last date of the period, in the following format: "YYYY-MM-DD".

•The entity is above the clearing threshold:

This item is to be answered by:

- o Counterparties that calculated their positions and exceed the clearing threshold for one or more asset classes.
- o Counterparties that want to notify they no longer exceed the clearing threshold for one or more asset classes.

The answer allows for choosing 'Yes' or 'No'.

4. Asset classes

The asset classes for which the threshold is exceeded have to be ticked.

Threshold for each asset class:

- a) EUR 1 billion in gross notional value for OTC credit derivative contracts;
- b) EUR 1 billion in gross notional value for OTC equity derivative contracts;
- c) EUR 3 billion in gross notional value for OTC interest rate derivative contracts;
- d) EUR 3 billion in gross notional value for OTC foreign exchange derivative contracts;
- e) EUR 3 billion in gross notional value for OTC commodity derivative contracts and other OTC derivative contracts not provided for under points (a) to (d).

FCs only need to tick the asset classes for which they exceed the clearing threshold regardless of becoming subject to the clearing obligation for all asset classes.

Where a counterparty has not calculated positions, no asset class should be ticked.

5. Group's aggregate position (in million €)

Refers to the aggregate position at group level of counterparties (FCs and NFCs) with respect to each of the asset classes as per indicated in Article 4 of EMIR.

Figures are provided in millions of euros.

For NFC Notifications

The template has 5 sections with different items.
Each column needs to be filled in according to the following instructions:

1. Group information

•Ultimate parent undertaking name:

To be consistent with the EMIR logic for calculations and to ensure a proper treatment of notifications, it is of essence to include the name of the 'ultimate parent undertaking' to make possible the linkage between entities that are part of the same group. The same ultimate parent will be used for NFC notifications in a given group.

When the entity notifying the FCA is not part of a group, it will give the same name and the same LEI in the 'Group information' as for the 'Subsidiary information'.

•LEI of the parent undertaking:

As explained above, it is necessary to have a reference to the group to which subsidiaries belong to in order to process consistently notifications affecting the same group. When the parent undertaking has no Legal Entity Identifier (LEI), it is necessary that the group decides on a LEI from one of the subsidiaries in the group, a sort of agreed 'Group reference LEI' within the group, to which all notifications in the group will be linked to.

2. Subsidiaries' information

•Full name of the subsidiary:

Refers to the full legal name of the entity notifying whether it is subject to the clearing obligation or no longer subject.

The template allows for a multiple notification including all entities in the group subject to the clearing obligation, if any. Therefore, the spreadsheet allows for different subsidiaries in each row.

Please note, that subsidiaries in a group which are not trading with OTC derivatives do not have to be notified.

•LEI of the subsidiary:

Refers to the LEI of the subsidiary or subsidiaries notifying the FCA.

When an entity is not part of the group, the LEI for the group and the LEI of the entity will be repeated.

•Type of counterparty:

Non-financial counterparties (NFCs) have to include all the OTC derivative contracts entered by all NFCs in the group they belong to, which are not objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity (hedging) of the NFC or of that group.

•Sector of the NFC:

For NFCs, each counterparty has to provide the relevant information in Table 1 of Section 6 of the Commission Implementing Regulation (EU) 2017/105 (options from 1 to 21).

Where more than one activity could be reported, please choose the most relevant to the corresponding activity.

•Country of establishment of the subsidiary:

Use the standard country codes for member states in the EU (https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Country_codes)

3. Calculations

•Positions calculated against the clearing threshold:

This item allows for 'Yes' or 'No' answer, according to Article 10 of EMIR.

Each subsidiary -or the single counterparty that is not part of a group- will have to answer accordingly.

•Indicate the last day of the 12-month period used for the calculations:

The 12-month period refers to Article 10 of EMIR.

The counterparty needs to provide only the last date of the 12-month period used for the calculations.

This item is to be answered using the last date of the period, in the following format: "YYYY-MM-DD".

•The entity is above the clearing threshold:

This item is to be answered by:

- o Counterparties that calculated their positions and exceed the clearing threshold for one or more asset classes.
- o Counterparties that want to notify they no longer exceed the clearing threshold for one or more asset classes.

The answer allows for choosing 'Yes' or 'No'.

4. Asset classes

The asset classes for which the threshold is exceeded have to be ticked.

Threshold for each asset class:

- a) EUR 1 billion in gross notional value for OTC credit derivative contracts;
- b) EUR 1 billion in gross notional value for OTC equity derivative contracts;
- c) EUR 3 billion in gross notional value for OTC interest rate derivative contracts;
- d) EUR 3 billion in gross notional value for OTC foreign exchange derivative contracts;
- e) EUR 3 billion in gross notional value for OTC commodity derivative contracts and other OTC derivative contracts not provided for under points (a) to (d).

Where a counterparty has not calculated positions, no asset class should be ticked.

5. Group's aggregate position (in million €)

Refers to the aggregate position at group level of counterparties (NFCs) with respect to each of the asset classes as per indicated in Article 10 of EMIR.
Figures are provided in millions of euros.

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Example: exceeding the clearing threshold

A) Example: notification for NFC with positions calculated and exceeding the threshold (for FXD and IRD)

Group information		Subsidiary information				Calculations		Asset classes above the clearing threshold					Group's aggregate position (in million €)						
Ultimate parent undertaking name	LEI of the ultimate parent undertaking	Full name of subsidiary undertaking	LEI of the subsidiary undertaking	Type of counterparty	Sector for FC/NFC	Country of establishment	Positions calculated against the clearing threshold	Indicate the last day of the 12-month period used for calculation	The entity is above the clearing threshold	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative
XYZ Global	2438GDCD753804500F79	XYZ NL	21WZ6B286CDA32D3C86	NFC	L	NL	YES	25/03/2019	YES			X	X		0,636	0	3,050	3,656	0
XYZ Global	2438GDCD753804500F79	XYZ IT	3HD93DK382ND3JKDH388	NFC	2	IT	YES	25/03/2019	YES			X	X		0,636	0	3,050	3,656	0
XYZ Global	2438GDCD753804500F79	XYZ PL	82F03LD38F2L3FEZX22	NFC	19	PL	YES	25/03/2019	YES			X	X		0,636	0	3,050	3,656	0
XYZ Global	2438GDCD753804500F79	XYZ LT	22MR2A738RT38983M23	NFC	C	LT	YES	25/03/2019	YES			X	X		0,636	0	3,050	3,656	0

B) Example: combined notification for FC and NFC with positions calculated and exceeding the threshold only for FCs (for IRD and FXD)

Group information		Subsidiary information				Calculations		Asset classes above the clearing threshold					Group's aggregate position (in million €)						
Ultimate parent undertaking name	LEI of the ultimate parent undertaking	Full name of subsidiary undertaking	LEI of the subsidiary undertaking	Type of counterparty	Sector for FC/NFC	Country of establishment	Positions calculated against the clearing threshold	Indicate the last day of the 12-month period used for calculation	The entity is above the clearing threshold	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative
ABC Global	2438GDCD753804500F79	ABC XS	21WZ6B286CDA32D3C86	FC	L	NL	YES	25/03/2019	YES			X	X		0	0,898	3,078	3,086	0
ABC Global	2438GDCD753804500F79	ABC S	3HD93DK382ND3JKDH388	NFC	2	IT	YES	25/03/2019	NO						0,898		2,953	2,872	0
ABC Global	2438GDCD753804500F79	ABC M	82F03LD38F2L3FEZX22	NFC	19	PL	YES	25/03/2019	NO						0,898		2,953	2,872	0
ABC Global	2438GDCD753804500F79	ABC L	22MR2A738RT38983M23	FC	C	LT	YES	25/03/2019	YES			X	X		0	0,898	3,078	3,086	0

C) Example: combined notification for FC and NFC that have not calculated their positions against the clearing threshold

Group information		Subsidiary information				Calculations		Asset classes above the clearing threshold					Group's aggregate position (in million €)						
Ultimate parent undertaking name	LEI of the ultimate parent undertaking	Full name of subsidiary undertaking	LEI of the subsidiary undertaking	Type of counterparty	Sector for FC/NFC	Country of establishment	Positions calculated against the clearing threshold	Indicate the last day of the 12-month period used for calculation	The entity is above the clearing threshold	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative
JKL Global	2438GDCD753804500F79	JKL EE	21WZ6B286CDA32D3C86	FC	L	NL	NO	10/04/2019	NO										
JKL Global	2438GDCD753804500F79	JKL IT	3HD93DK382ND3JKDH388	NFC	2	IT	NO	10/04/2019	NO										
JKL Global	2438GDCD753804500F79	JKL ES	82F03LD38F2L3FEZX22	NFC	19	PL	NO	10/04/2019	NO										
JKL Global	2438GDCD753804500F79	JKL SE	22MR2A738RT38983M23	FC	C	LT	NO	10/04/2019	NO										

Example: no longer exceeding the clearing threshold

A) Example: (with example A in above section as the starting point) notification for NFC no longer exceeding the threshold (i.e. was exceeding both FXD and IRS and now no longer exceeds the IRD threshold)

Group information		Subsidiary information				Calculations		Asset classes above the clearing threshold					Group's aggregate position (in million €)						
Ultimate parent undertaking name	LEI of the ultimate parent undertaking	Full name of subsidiary undertaking	LEI of the subsidiary undertaking	Type of counterparty	Sector for FC/NFC	Country of establishment	Positions calculated against the clearing threshold	Indicate the last day of the 12-month period used for calculation	The entity is above the clearing threshold	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative
XYZ Global	2438GDCD753804500F79	XYZ NL	21WZ6B286CDA32D3C86	NFC	L	NL	YES	10/04/2019	NO			X	X		0,652	0	2,950	3,702	0
XYZ Global	2438GDCD753804500F79	XYZ IT	3HD93DK382ND3JKDH388	NFC	2	IT	YES	10/04/2019	NO						0,652	0	2,950	3,702	0
XYZ Global	2438GDCD753804500F79	XYZ PL	82F03LD38F2L3FEZX22	NFC	19	PL	YES	10/04/2019	NO						0,652	0	2,950	3,702	0
XYZ Global	2438GDCD753804500F79	XYZ LT	22MR2A738RT38983M23	NFC	C	LT	YES	10/04/2019	NO						0,652	0	2,950	3,702	0

B) Example: (with example B in above section as the starting point) notification of no longer exceeding for FCs in the group

Group information		Subsidiary information				Calculations		Asset classes above the clearing threshold					Group's aggregate position (in million €)						
Ultimate parent undertaking name	LEI of the ultimate parent undertaking	Full name of subsidiary undertaking	LEI of the subsidiary undertaking	Type of counterparty	Sector for FC/NFC	Country of establishment	Positions calculated against the clearing threshold	Indicate the last day of the 12-month period used for calculation	The entity is above the clearing threshold	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative	Credit derivative	Equity derivative	Interest rate derivative	Foreign exchange derivative	Commodity derivative
ABC Global	2438GDCD753804500F79	ABC XS	21WZ6B286CDA32D3C86	FC	L	NL	YES	10/04/2019	NO						0	0,898	2,975	2,993	0
ABC Global	2438GDCD753804500F79	ABC L	22MR2A738RT38983M23	FC	C	LT	YES	10/04/2019	NO						0	0,898	2,975	2,993	0

