

**THE FOREIGN EXCHANGE COMMITTEE**

**SEMI-ANNUAL FOREIGN EXCHANGE VOLUME SURVEY**  
**REPORTING GUIDELINES**

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## **I. General Instructions**

### **A. Organization of the Instruction Book**

This instruction book covers the Semi-Annual FX Volume Survey. It is divided into the following sections:

Section I (General Instructions) – The general instructions describe the purpose of the survey and a variety of administrative issues, including confidentiality conditions. The general instructions also describe general reporting issues, such as who should report. Finally, information on the submission of the report is provided.

Section II (What to Report) – In this section, the types of FX transactions that are reported are described.

Section III (Specific Instructions) – In this section, the specific reporting requirements for the survey are given. The specific instructions describe the kinds of information that should be reported in each of the columns, rows, and memorandum rows of the form. To avoid excessive repetition, the instructions and definitions build upon the information in the general instructions.

A list of the reporting dealers appears in Appendix A.

The forms and instructions are available on the Federal Reserve Bank of New York's website: <http://www.newyorkfed.org/banking/reportingformsinstruct.html>.

## B. Purpose of the Survey

The purpose of this survey is to provide semi-annual data on the level of turnover in the foreign exchange market. While the BIS triennial survey includes very comprehensive information, including customer data, it is only published every three years and the time lag between data collection results in rapidly outdated data. To facilitate implementation and provide data consistency, the definitions used in this survey are identical to those for the 2004 BIS triennial survey where appropriate.

## C. Administrative Issues

### Confidentiality

The Federal Reserve Bank of New York (FRBNY) will hold data reported on this survey in confidence. Aggregate data derived from reports on this form may be published or otherwise disclosed only in a manner that does not specifically identify any individual respondent.

### Authority

The survey is completely voluntary and is collected by the FRBNY only as agent for the Foreign Exchange Committee.

### Requests for Revised Data

FRBNY staff review data submitted on the survey. As a result of their review and editing procedures, FRBNY staff may ask reporters to explain unusual changes or submit revisions, as necessary. Since these data are extremely time-sensitive, reporters should respond as quickly as possible to these requests.

## D. Who Must Report

### Reporting Dealers

Respondents to the survey are large market participants in the foreign exchange market. The survey is voluntary and the Foreign Exchange Committee determines the reporting panel.

### Consolidation

The survey covers all transactions that are priced (facilitated) by traders located in North America. The location where the trade is actually booked should not be used in determining if a transaction is reportable (this is in contrast with the FR 3036, which requires deals to be included on the basis of where the sales office is located).

### Example 1

- Dealer A prices FX transactions, during New York trading hours, from New York. Its Brazilian sales office enters into a deal with a Brazilian corporate. On the semi-annual survey this transaction would be included as a deal between the New York office and a Brazilian corporate.

### Example 2

- Dealer B prices FX transactions, during New York trading hours, from Brazil. Its New York sales office enters into a deal with a Brazilian corporate. For the semi-annual survey, this transaction would be excluded.

### Survey Reporting Period

The data covers a one-month period in order to reduce the likelihood that very short-term variations in activity might distort the data. The data collected for the survey should reflect all transactions entered into during the month of April and October, regardless of whether delivery or settlement is made during the month.

### Reporting Currency and Currency Conversion

Transactions are reported in millions of U.S. dollar equivalents. Non-dollar amounts should be converted into U.S. dollars using the exchange rates prevailing on the transaction date. However, if this is impractical, turnover data may be reported using average or end-of-period exchange rates.

### Rounding

All data should be rounded to the nearest million U.S. dollars (do not use decimals). Rounding should occur when recording monthly values for each category (i.e., do not round each deal separately, simply round the aggregate amount when completing each category on the form).

## E. Submission of Reports

### Where to Report

All respondents should submit their completed report via the Federal Reserve System's Internet Electronic Submission (IESUB) system. The Federal Reserve Bank of New York will provide technical assistance to any respondent requiring guidance in creating files for submission via IESUB. Any respondent needing guidance is encouraged to visit the Federal Reserve System Web site, <http://www.reportingandreserves.org/req.html> for additional information on IESUB.

### Due Dates

The survey should be submitted no later than 30 calendar days following the as-of date.

## II. What to Report

### A. General Description of What is to be Reported

The purpose of this survey is to measure the level of turnover in the foreign exchange market. For purposes of this survey, turnover is defined as the gross value of all new deals entered into during the reporting period, and is measured in terms of the nominal or notional amount of the contracts. No distinction should be made between sales and purchases (for example, a purchase of \$5 million against the U.S. dollar and a sale of \$7 million against the U.S. dollar would amount to a gross turnover of \$12 million).

Direct cross-currency transactions should be counted as single transactions. However, cross-currency transactions passing through a vehicle currency should be recorded as two separate deals against the vehicle currency (for example, if a bank sells \$5 million against the euro and then uses the euro to purchase Japanese yen, the reported turnover should be \$10 million). The gross amount of each transaction should be recorded prior to netting or any offsets. (Please note that Continuous Link Settlement (CLS) payments are made on a net basis, and therefore should not be used as a source for completing the survey).

For turnover of transactions with variable nominal or notional principal amounts, the basis for reporting should be the nominal or notional principal amounts on the transaction date.

### B. Reporting Basis

The basis of reporting is the location of the dealer who sets the price, facilitates the transaction, and is the execution center, even if the deal is booked elsewhere. Transactions concluded by dealers outside North America should be excluded, even if they are booked to a New York office. Conversely, deals priced by dealers located in New York but booked to offices outside New York should be included.

Reporting institutions should **exclude** trades with branches, subsidiaries, affiliates and desks.

Transactions which involve the direct exchange of two currencies other than the U.S. dollar should be measured by totaling the U.S. dollar equivalent of the purchase side of the transaction.

## III. Column and Row Instructions

### A. Part I

Part I of the survey is divided by type of product. Schedules exist for each of the following products.

- ***Spot transactions***: Single outright transactions involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) within two business days (including USD-CAD transactions delivered within one day). The spot legs of swaps should be excluded from spot transactions and reported as swap transactions even when they are for settlement within two days (i.e. spot transactions should exclude “tomorrow/next day” transactions).

- *Outright Forwards*: Transactions involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) at some time in the future (more than one business day for USD-CAD transactions or more than two business days for all other transactions). This category also includes forward foreign exchange agreement transactions (FXA), non-deliverable forwards, and other forward contracts for differences.
- *Foreign Exchange Swaps*: Transactions involving the exchange of two currencies (principal amount only) on a specific date at a rate agreed at the time of the conclusion of the contract (the short leg), and a reverse exchange of the same two currencies at a date further in the future at a rate (generally different from the rate applied to the short leg) agreed at the time of the contract (the long leg). Please also include in this category short-term swaps carried out as “tomorrow/next day” transactions. For measurement purposes, report only the long leg of all foreign exchange swaps (both spot/forward and forward/forward), so that each transaction is only recorded once. Classify the maturity of the swap transactions according to the far-value date.
- *Currency Options*: Transactions that gives the right or the obligation, depending upon whether the reporting institution is the purchaser or the writer, respectively, to buy or sell a currency with another currency at a specified exchange rate during a specified period. This category also includes exotic foreign exchange options such as average rate options and barrier options.

If a transaction is composed of several plain vanilla components, each part should in principle be reported separately. If this is not feasible, then the foreign exchange options section takes precedence in the instrument classification, so that any foreign exchange derivative product with an embedded option is reported as a foreign exchange option. All other foreign exchange derivative products should be reported in the foreign exchange outright forwards or foreign exchange swaps sections, as appropriate.

## Columns

### Counterparty Category Definitions (Columns 1-5)

In these columns reporters should report for each instrument a breakdown of contracts by counterparty as follows: reporting dealers, other dealers, other financial customers, and non-financial customers.

- *Reporting dealers (column 1)*: Report in this column all transactions with institutions participating in the semi-annual survey. A list of participating institutions is included in Appendix A.
- *Other dealers (column 2)*: Report in this column all transactions with institutions that actively participate as dealers in the foreign exchange market (e.g., commercial, investment banks and securities dealers) that are not semi-annual reporters and not included on the list in Appendix A.
- *Other financial customers (column 3)*: Report in this column all transactions with non-bank financial institutions that are end users in the foreign exchange market (i.e., not dealers). Financial institutions are institutions that extend credit or regularly take positions in securities or other financial markets. Include in this column mutual funds, pension funds,

hedge funds, currency funds, money market funds, thrift, leasing companies, insurance companies, and financial subsidiaries of non-financial companies.

- Non-financial customers (column 4): Report in column all transactions with other counterparties other than those defined above, i.e., mainly non-financial end-users, such as corporates and governments.

#### Total (Column 5)

Report in this column the total of the transactions reported in columns 1 through 4. In addition, report the total of all columns in the total row.

#### Maturities

Transactions reported in Columns 1-4 in outright forwards and forward exchange swaps (Schedules B and C) should be reported in Columns 6-8 by original maturity using the following buckets:

- Up to one month: These are contracts that have an original maturity of less than 31 calendar days.
- One month to one year: These are contracts that have an original maturity of 31 calendar days but no more than one year.
- Over one year: These are contracts that have an original maturity of greater than 1 year.

Transactions reported in Columns 1-4 in OTC foreign exchange options (Schedule D) should be reported in Columns 6-8 by original maturity using the following buckets:

- Up to one month: These are contracts that have an original maturity of less than 31 calendar days.
- One to six months: These are contracts that have an original maturity of 31 calendar days to 180 calendar days.
- Over six months: These are contracts that have an original maturity of greater than 180 calendar days.

#### Rows

##### Currency Pairs (Rows 1-14)

In Rows 1-10 report the trading in the U.S. dollar against the following individual currencies:

EUR: Euro  
JPY: Japanese yen  
GBP: British pound  
CAD: Canadian dollar  
CHF: Swiss franc  
AUD: Australian dollar  
ARS: Argentine peso  
BRL: Brazilian real

CLP: Chilean peso  
MXN: Mexican peso

In Row 11 report all other currency pairs against the U.S. dollar.

Rows 12-14 report the trading in the euro against the following currencies:

JPY: Japanese yen  
GBP: British pound  
CHF: Swiss franc

In Row 15 report all other currency pairs.

## B. Part II

### Columns

Part II collects the execution method used to settle the transactions reported in Part I.

### Execution Method (Column 1-5)

Transactions should be defined and categorized outlined below.

- Interbank Direct (Column 1): Report in this column all transactions between two dealers where both dealers participate in the semi-annual survey that are not intermediated by a third party (for example, executed via direct telephone communication or direct electronic dealing systems such as Reuters Conversational Dealing).
- Customer Direct (Column 2): Report in this column all transactions between the reporting dealer and customers or non-reporting dealers (transactions with reporting dealers should only be reported in Column 1) that are not intermediated by a third party (for example, executed via direct telephone communication or direct electronic dealing systems such as Reuters Conversational Dealing).
- Electronic Broking Systems (Column 3): Report in this column all transactions that are conducted via automated order matching system for foreign exchange dealers. Examples of such systems are EBS and Reuters Matching 2000/2.
- Electronic Trading Systems (Column 4): Report in this column all transactions that are conducted via multi-bank dealing systems and single-bank proprietary platforms generally geared toward customers. Examples of multi-bank systems include FXAll, Currenex, FXConnect, Globalink, and eSpeed.
- Voice Broker (Column 5): Report in this column all transactions that are conducted via telephone communication with a foreign exchange voice broker.

### Total (Column 6)

Report in this column the total of the transactions reported in columns 1 through 5. In addition, report the total of all columns in the total row.

### Memo Column- Total Number of Trades (Column 7)

Report the total number trades that are reported in columns 1-5. This is the actual number of trades and not the notional value of the trades.

#### Rows

#### Currency Pairs (Rows 1-14)

In Rows 1-10 report the trading in the U.S. dollar against the following individual currencies:

EUR: Euro  
JPY: Japanese yen  
GBP: British pound  
CAD: Canadian dollar  
CHF: Swiss franc  
AUD: Australian dollar  
ARS: Argentine peso  
BRL: Brazilian real  
CLP: Chilean peso  
MXN: Mexican peso

In Row 11 report all other currency pairs against the U.S. dollar.

Rows 12-14 report the trading in the euro against the following currencies:

JPY: Japanese yen  
GBP: British pound  
CHF: Swiss franc

In Row 15 report all other currency pairs.

#### Total (Row 16) - Report the sum Columns 1-6

#### Of Which Rows

#### Instruments (Rows 17-20)

Report in these rows the transactions reported in row 16 by type of instrument (i.e., Spots, Forwards, Swaps, Options). The definitions for each of these instrument types are included in Part I of the survey.

#### Market Participants (Rows 21-24)

Report in these rows the transaction reported in row 16 by market participant (i.e., Reporting Dealers, Other Dealers, Other Financial Customers, and Non-Financial Customers). The definitions for each of these market participants are included in Part I of the survey.

**Appendix A: List of Reporting Dealers**

1. ABN Amro
2. Bank of America N.A.
3. Bank of Montreal
4. The Bank of New York
5. Bank of Tokyo Mitsubishi
6. Barclays Capital
7. BNP Paribas
8. Citigroup
9. Canadian Imperial Bank of Commerce
10. Calyon
11. Credit Suisse First Boston
12. Deutsche Bank AG
13. Dresdner Bank AG
14. Goldman Sachs & Co.
15. HSBC Bank USA
16. JP Morgan Chase Bank
17. Merrill Lynch
18. Mizuho Corporate Bank
19. Morgan Stanley
20. Royal Bank of Canada
21. Royal Bank of Scotland
22. Skandinaviska Enskilda Bank
23. Société Générale
24. Standard Chartered
25. State Street Corporation
26. Sumitomo Mitsui Banking Corporation
27. UBS Warburg
28. Wells Fargo Bank N.A.