

FEDERAL RESERVE BANK *of* NEW YORK

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PATRICIA SELVAGGI
STATISTICS OFFICER

April 12, 2010

To: Individuals responsible for the preparation of the Semiannual Report of Derivatives Activity (FR 2436)

I am writing to inform you that the Board of Governors of the Federal Reserve System has revised the report forms and instructions for the June 30, 2010 Semiannual Report of Derivatives Activity (FR 2436), as indicated in the January 29, 2010 Federal Register Notice. The FR 2436 reporting form has been revised to collect additional information on credit default swaps. (Refer to the attachment for more information.) The Federal Register Notice can be found at: <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>

The report forms and instruction will be available at the website below shortly:
<http://www.federalreserve.gov/reportforms/>

We appreciate your cooperation in this important data collection effort. As you know, the data you provide enables us to participate in with other nations in providing this data to the Bank of International Settlements (BIS) for the publication of worldwide statistics on the over-the-counter derivatives markets. We have enclosed a copy of this publication. (You can get copies as well from the BIS website at <http://www.bis.org/statistics/derstats.htm>).

Internet Electronic Submission System (IESUB)

We are pleased to announce the Semiannual Report of Derivatives Activity (FR 2436) will now be collected using the Federal Reserve's Internet Electronic Submission System (IESUB). The IESUB system offers a variety of benefits including the ability to do data entry directly on to the electronic form or submit a formatted spreadsheet that can be converted into a text file. Other options include the ability to submit both initial and revised data beginning with the June 30, 2010 FR 2436 report. The IESUB option is already available for many Federal Reserve System reports, and is currently being utilized by over 1000 respondents. In order to submit the FR 2436 Semiannual Report of Derivatives Activity to the Federal Reserve Bank of New York using IESUB, you must agree to the terms as stated in the enclosed Federal Reserve's Operating Circular 5 "Electronic Access" and have a personal computer (PC) and operating system capable of running a recent version of Microsoft Internet Explorer browser software with

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128-bit SSL encryption. Respondents should complete the enclosed **User Request Form by August 16, 2010** and fax it to the Regulatory Reports Unit at (212) 720-2478 or send by mail to:

Regulatory Reports, Statistics Function
Federal Reserve Bank of New York, 4th Floor
33 Liberty Street
New York, NY 10045

User Request Form must be signed by an authorized signatory at your institution. Upon receipt of this form, the Federal Reserve Bank of New York will send new users an ID and password for each authorized staff member, the IESUB web site address, and the effective date of the authorization. Current IESUB users need to submit a user request form in order to access the FR 2436 report. Please note your User ID on the form and indicate "New Report" on the form. The Current users will be notified when their access has been updated. Additional information on IESUB can be obtained at: <http://www.reportingandreserves.org/iesub.html>.

User guides for IESUB data entry and file transfer can be found at:
<http://www.reportingandreserves.org/userguides.html>.

The June 2010 FR 2436 should be submitted to us no later than **September 13, 2010**. Thank you in advance for your time and effort. If you have any questions, you can contact Vadim TovshTEyn, Team Leader, at (212) 720-8465 or via email at vadim.tovshTEyn@ny.frb.org, or Dawn Nannery, Senior Reports Analyst, at (212) 720-6053 or via email at dawn.nannery@ny.frb.org.

Sincerely,

** Signed: Patricia Selvaggi*

Patricia Selvaggi
Statistics Officer
Statistics Function

Attachment

The changes to the June 2010 Semiannual Report of Derivatives Activity are as follows:

- **Table 4A:** Credit Default Swaps by Remaining Maturity, **Table 4B:** Single-Name Credit Default Swaps by Rating Category, and **Table 4C:** Single-Name Credit Default Swaps by Sector of the Reference Entity. Counterparty types were expanded to include central counterparties. (List of central counterparties is provided below). In addition, other nonreporting financial institutions were broken into hedge funds, special purpose entities, and other.
- A new table, **Table 4D:** Multi-Name Credit Default Swaps, of which Contracts that are Index Products, was added to collect Index CDS bought and sold by counterparty type.
- Current **Table 4D** is re-numbered to **4E**, Credit Default Swaps, Gross Positive and Gross Negative Market Values. Consistent with the **Tables 4A through 4C**, counterparty types were expanded to include central counterparties and other nonreporting financial institutions were broken into hedge funds, special purpose entities, and other.

List of central counterparties:

1. CME CMDX
2. Eurex Credit Clear
3. ICE Clear Europe
4. ICE Trust US
5. **LCH.Clearnet SA**
6. TSE Japan Securities Clearing Corporation
7. Tokyo Financial Exchange