



## ICMA European Repo Council (ERC) European repo market survey June 10, 2015

### What information are we asking you for?

The data required by this survey are: the total value of the repos and reverse repos booked by your repo desk that are still outstanding at close of business on Wednesday, June 10, 2015, and various breakdowns of these amounts.

Branches of your bank in other countries in Europe may be asked to complete separate returns. If your repo transactions are booked at *another branch*, please forward the survey form to that branch. If branches of your bank in *other countries* run their own repo books, please copy the survey form to these branches, so that they can also participate in the survey. Please feel free to copy the survey form to other banks, if you discover that they have not received it directly.

**Please complete as much of the form as possible but, before doing so, read the Guidance Notes that follow. These will probably answer any questions you have about how to fill in the form.**

### When should you return the form?

In order for your data to be included in the survey, your form should be returned to us by **Wednesday, June 26, 2015**.

### How should you return it to us?

Our preference is to receive your completed survey form by e-mail, as this saves time in compiling the data and promotes greater accuracy. Please e-mail the completed survey form to [reposurvey@icmagroup.org](mailto:reposurvey@icmagroup.org).

If, however, you are unable to send us the information by e-mail, please fax the form to:

+44 118 931 4741

or post it to:

ICMA ERC Survey  
ICMA Centre  
The University of Reading  
Whiteknights Park  
P.O. Box 242  
GB-Reading RG6 6BA

# Guidance Notes

## General guidance

- a) Please fill in as much of the form as possible. For each question that you answer, you will receive back your ranking in that category.
- b) If your institution does not transact a certain type of repo business, please enter 'N/A' in the relevant fields. On the other hand, if your institution does that type of business but is not providing the data requested by the survey, please do not enter anything into the relevant field. If your institution does that type of business but has no transactions outstanding, please enter zero into the relevant field.
- c) You only need to give figures to the *nearest million*. However, if you give figures with *decimal points*, please use full stops as the symbols for the decimal points, *not* commas. For *nil returns*, please use zeros, *not* dashes or text.
- d) Please do not re-format the survey form, ie change its lay-out, and do not leave formulae in the cells of the underlying spreadsheet.
- e) Include all repurchase agreements (classic repos), sell/buy-backs and similar types of transaction (e.g. pensions livrées). There is a separate question (see question 2) on securities lending and borrowing transactions (including securities lending and borrowing against cash collateral).
- f) Exclude repo transactions undertaken with central banks as part of their official money market operations. Other repo transactions with central banks, e.g. as part of their reserve management operations, should be included.
- g) Give the value of the *cash* which is due to be repaid on all repo and reverse repo contracts (*not* the market value or nominal value of the collateral) that are still *outstanding at close of business on Wednesday, June 10, 2015*. This means the value of transactions at their repurchase prices.
- h) "Outstanding" means repos and reverse repos with a repurchase date, or which will roll over, on or after Thursday, June 11, 2015. You should include all *open repos and reverse repos* that have been rolled over from Wednesday, June 10, 2015, to a later date and all *forward-forward repos and reverse repos* that are still outstanding at close on Wednesday, June 10, 2015.
- i) Give separate totals for (a) repos plus sell/buy-backs and (b) reverse repos plus buy/sell-backs.
- j) The survey seeks to measure the value of repos and reverse repos on a *transaction date basis*, rather than a purchase date basis. This means that you should include all repo and reverse repo contracts that have been agreed before close of business on Wednesday, June 10, 2015, even if their purchase dates are later.
- k) Give *gross* figures, i.e. do *not* net opposite transactions with the same counterparty. If this is not possible, please indicate that your figures are net.
- l) In the case of equity repo, for synthetic structures, please give the value of the cash payment.

## Guidance on specific questions in the survey form

- 1.1 Transactions (1.1.1) direct with counterparties or (1.1.2) through voice-brokers should *exclude* all repos transacted over an ATS (see below). These should be recorded under (1.1.3).
- (1.1.2) Transactions through voice-brokers should be broken down in terms of the location of the counterparties, rather than the location of the voice-brokers.
- (1.1.3) "ATSs" are automatic trading systems (e.g. BrokerTec, Eurex Repo and MTS, but not voice-assisted electronic systems such as e-speed and GFInet). Transactions through voice-assisted systems should be included in (1.1.2). Anonymous transactions through an ATS with a central counterparty (e.g. CC&G, LIFFE-Clearnet, MEFF and Eurex Clearing) should be recorded in (1.1.3.4) and (1.1.3.5). GC financing systems in (1.1.3.4) are those ATS that are connected to a CCP and a tri-party repo service. Examples include Eurex Euro GC Pooling and LCH-Clearnet's €GC Plus basket traded on Brokertec and MTS. They do not include GC basket trading on ATS. This activity may be cleared across a CCP but does not involve a tri-party service, and should be recorded in (1.1.3.5).

- 1.2 This item includes all the transactions recorded in (1.1.3) plus any transactions executed directly with counterparties and via voice-brokers which are then registered with and cleared through a central counterparty.
- 1.5 “Repurchase agreements” (also known as “classic repos”) include transactions documented under the Global Master Repurchase Agreement (GMRA) 1995, the Global Master Repurchase Agreement (GMRA) 2000 or the Global Master Repurchase Agreement (GMRA) 2011 *without* reference to the Buy/Sell-Back Annexes, and transactions documented under other master agreements. “Sell/buy-backs” are therefore taken to include all transactions that are not documented. Repurchase agreements include pensions livrées. Repurchase agreements are characterised by the immediate payment by the buyer to the seller of a manufactured or substitute payment upon receipt by the buyer of a coupon on the collateral held by the buyer. If a coupon is paid on collateral during the term of a sell/buy-back, the buyer does not make an immediate manufactured or substitute payment to the seller, but reinvests the coupon until the repurchase date of the sell/buy-back and deducts the manufactured or substitute payment (plus reinvestment income) from the repurchase price due to be received from the seller. Sell/buy-backs may be quoted in terms of a forward price rather than a repo rate. Where sell/buy-backs are documented (e.g. under the Buy/Sell-Back Annexes to the GMRA 1995, GMRA 2000 or GMRA 2011), periodic adjustments to the relative amounts of collateral or cash - which, for a repurchase agreement, would be performed by margin maintenance transfers or payments - are likely to be made by early termination and adjustment or re-pricing. All open repos are likely to be repurchase agreements.
- 1.6 Open repos are defined for the purposes of this survey as contracts that have no fixed repurchase date when negotiated but are terminable on demand by either counterparty. This item should be equal to item (1.6.3). Open repos should, in theory, be floating-rate, but in practice are often re-fixed irregularly, so are being treated separately from floating-rate repo (1.6.2).
- 1.7 This section asks for the *remaining* term to maturity (not the original term to maturity) of repos to be broken down as follows:
- (1.7.1.1) 1 day – this means:
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Thursday, June 11, 2015;
  - overnight, tom/next, spot/next and corporate/next contracts transacted on Wednesday, June 10, 2015.
- (1.7.1.2) 2–7 days – this means:
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Friday, June 12, 2015, or any day thereafter up to and including Wednesday, June 17, 2015;
  - contracts transacted on Wednesday, June 10, 2015, with an original repurchase date on Friday, June 12, 2015, or any day thereafter up to and including Wednesday, June 17, 2015 (irrespective of the purchase date, which will vary).
- (1.7.1.3) More than 7 days but no more than 1 month – this means:
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Thursday, June 18, 2015, or any day thereafter up to and including Friday, July 10, 2015;
  - contracts transacted on Wednesday, June 10, 2015, with an original repurchase date on Thursday, June 18, 2015, or any day thereafter up to and including Friday, July 10, 2015 (irrespective of the purchase date, which will vary).
- (1.7.1.4) More than 1 month but no more than 3 months – this means:
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Monday, July 13, 2015, or any day thereafter up to and including Thursday, September 10, 2015;
  - contracts transacted on Wednesday, June 10, 2015, with an original repurchase date on Monday, July 13, 2015, or any day thereafter up to and including Thursday, September 10, 2015 (irrespective of the purchase date, which will vary).
- (1.7.1.5) More than 3 months but no more than 6 months – this means:
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Friday, September 11, 2015, or any day thereafter up to and including Thursday, December 10, 2015;
  - contracts transacted on Wednesday, June 10, 2015, with an original repurchase date on Friday, September 11, 2015, or any day thereafter up to and including Thursday, December 10, 2015 (irrespective of the purchase date, which will vary).
- (1.7.1.6) More than 6 months but no more than 12 months – this means;
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Friday, December 11, 2015, or any day thereafter up to and including Friday, June 10, 2016;
  - contracts transacted on Wednesday, June 10, 2015, with an original repurchase date on Friday, December 11, 2015, or any day thereafter up to and including Friday, June 10, 2016 (irrespective of the purchase date, which will vary).
- (1.7.1.7) More than 12 months – this means;
- all contracts transacted prior to Wednesday, June 10, 2015, with a repurchase date on Monday, June 13, 2016, or any day thereafter;

- contracts transacted on Wednesday, June 10, 2015, with an original repurchase date on or after Monday, June 13, 2016 (irrespective of the purchase date, which will vary).

(1.7.2) For repos against collateral that includes a transferable security regulated under the EU MiFID and that have been executed on a MiFIR-regulated trading venue, and where a firm is following the ICMA recommendation to anticipate the T+2 settlement deadline to be imposed in 2016 under the EU CSD Regulation (CSDR), forward-forward repos are defined for the purposes of this survey as contracts with a purchase date of Monday, June 15, 2015, or later. There is therefore an overlap with corporate/next transactions. If the latter cannot be identified separately, it is accepted that they will be recorded as forward-forward repos. It does not matter than many repos may actually be traded for T+1 (ie a purchase date of Thursday, June 11). For repos transacted in the OTC market or against collateral not regulated under MiFID, or where firms are ignoring the T+2 deadline until the CSDR is implemented, the definition of forward-forward may be different.

(1.7.3) Open repos in this field should equal open repos in item (1.6.3).

1.8 Please confirm whether the transactions recorded in the various questions in (1.6 and 1.7) include your tri-party repo business. Some institutions do not consolidate their tri-party repo transactions with their direct or voice-brokered business because of delays in receiving reports from tri-party agents or the complexity of their tri-party business.

1.9 Eurobonds should be included as fixed income securities issued "by other issuers" in the countries in which the bonds are issued. This will typically be Luxembourg (1.9.10) and the UK (1.9.15). Equity collateral should be recorded in (1.9.35).

(1.9.28) "Official international financial institutions, including multilateral development banks" include:

African Development Bank (AfDB)  
 Asian Development Bank (AsDB)  
 Caribbean Development Bank (CDB)  
 Central American Bank for Economic Integration (CABEI)  
 Corporacion Andina de Fomento (CAF)  
 East African Development Bank (EADB)  
 European Bank for Reconstruction and Development (EBRD)  
 European Commission (EC)/European Financial Stability Mechanism (EFSM)  
 European Financial Stability Facility (EFSF)  
 European Investment Bank (EIB)  
 European Stabilisation Mechanism (ESM)  
 Inter-American Development Bank Group (IADB)  
 International Fund for Agricultural Development (IFAD)  
 Islamic Development Bank (IDB)  
 Nordic Development Fund (NDF)  
 Nordic Investment Bank (NIB)  
 OPEC Fund for International Development (OPEC Fund)  
 West African Development Bank (BOAD)  
 World Bank Group (IBRD and IFC)

(1.9.29) "US in the form of fixed income securities but settled across Euroclear or Clearstream" means only domestic and Yankee bonds. This includes Reg.144a bonds, but *excludes* Eurodollar and US dollar global bonds, which should be treated as bonds issued "by other issuers" in the countries in which the bonds were issued. This will typically be Luxembourg (1.9.10) and the UK (1.9.15).

(1.9.31) "Other OECD countries" are Australia, Canada, Chile, Iceland, Israel, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey and the US. In the case of collateral issued in the US, only collateral settled across the domestic US settlement system should be included in (1.9.31). US-originated collateral settled across Euroclear and Clearstream Luxembourg should be recorded in (1.9.29).

(1.9.32) "Other non-OECD European, Middle Eastern & African countries" should exclude any EU countries, specifically, Bulgaria (1.9.16), Cyprus (1.9.17), Latvia (1.9.21), Lithuania (1.9.22), Malta (1.9.23) and Romania (1.9.25).

(1.9.35) "Equity" includes ordinary shares, preference shares and equity-linked debt such as convertible bonds.

2 "Total value of securities loaned and borrowed by your repo desk" includes the lending and borrowing of securities with either cash or securities collateral. Exclude any securities lending and borrowing done by desks other than your repo desk. If your repo desk does not do any securities lending and borrowing, this line will be a nil return.

3 "Active" means about once a week or more often.

## For further help and information

If, having read the Guidance Notes, you have any further queries, please e-mail the ICMA Centre at [reposurvey@icmagroup.org](mailto:reposurvey@icmagroup.org) or contact one of the following members of the ERC Steering Committee:

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