

U.S. DEPARTMENT OF THE TREASURY



SUPPLEMENTARY FORMULA GUIDANCE FOR PREPARING AND SUBMITTING A REPORT IN ACCORDANCE WITH TREASURY'S LARGE POSITION REPORTING RULES (17 CFR Part 420)

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TABLE OF CONTENTS

	Page
I. GENERAL GUIDANCE	3
A. Purpose of the Large Position Reports	3
B. Administrative Information	3
• Authority	3
• Confidentiality	3
C. Who is Subject to the Large Position Reporting Rules	3
D. Submission of Reports	4
• Reporting	4
• Report Submission Date	4
• Submission Instructions and Contact Information	4
II. WHAT TO REPORT	4
III. FORMULA GUIDANCE	5
A. Report Structure	5
B. Threshold	5
C. Frequently Asked Questions Relating to Treasury's Large Position Recordkeeping and Reporting Rules	6
Part I	6
Part II	9
Part III	13
Part IV	15
Part V	16
Part VI	16
Part VII	18
Part VIII	19

Note: This Supplementary Formula Guidance is not a substitute for, but should be used in conjunction with, the Large Position Reporting rules ([17 CFR part 420](#)). This information does not constitute a formal interpretation of the large position rules. Further, any questions regarding the rules should be directed to Treasury's Government Securities Regulations Staff at (202) 504-3632 or govsecreg@fiscal.treasury.gov.

I. GENERAL GUIDANCE

A. PURPOSE OF THE LARGE POSITION REPORTS

Large position reports (Reports) allow Treasury to monitor the impact of concentrations of positions in the Treasury securities market and otherwise assist the Securities and Exchange Commission in enforcing the Securities Exchange Act of 1934. In addition, the Reports provide Treasury with information to better understand supply and demand dynamics in Treasury securities.

So that market participants remain knowledgeable about Treasury's Large Position Reporting (LPR) rules, specifically how to calculate and report an entity's trading activity, Treasury regularly requests Reports, regardless of market conditions for a particular security.

B. ADMINISTRATIVE INFORMATION

AUTHORITY

Treasury's LPR rules are authorized under the Government Securities Act (GSA) (15 U.S.C. 78o-5(f)). The collection of information contained in Treasury's LPR rules (17 CFR part 420) has been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act and assigned OMB control number 1530-0064.

CONFIDENTIALITY

The GSA specifically provides that Treasury shall not be compelled to disclose publicly any information required to be kept or reported for large position reporting. In particular, the GSA exempts such information from disclosure under the Freedom of Information Act (15 U.S.C. 78o-5(f)(6)).

C. WHO IS SUBJECT TO THE LARGE POSITION REPORTING RULES

Treasury's LPR rules apply to all foreign and domestic persons and entities that participate in the Treasury securities market, including, but not limited to: government securities brokers and dealers; investment companies; investment advisers; custodians, including depository institutions, that exercise investment discretion; hedge funds; pension funds; insurance companies; and foreign affiliates of U.S. entities.

Treasury requests that central banks (including U.S. Federal Reserve Banks for their own account), foreign governments, and international monetary authorities *voluntarily* submit Reports when they meet or exceed a reporting threshold. However, a broker, dealer, financial institution, or other entity that engages primarily in commercial transactions and that may be owned in whole or in part by a foreign government *must* comply with the reporting requirements.

One or more aggregating entity(ies)¹ in a reporting entity,² either separately or together, may be recognized as a separate reporting entity. A separate reporting entity must submit a report if it meets or exceeds the reporting requirement, regardless of whether the reporting entity from which it was separated meets or exceeds the reporting requirement (see [Appendix A to Part 420—Separate Reporting Entity](#)).

¹ An *aggregating entity* means a single entity (e.g., a parent company, affiliate, or organizational component) that is combined with other entities to form a reporting entity.

² A *reporting entity* means any corporation, partnership, person, or other entity and its affiliates.

D. SUBMISSION OF REPORTS

REPORTING

A reporting entity must file a Report if it meets any one of eight criteria contained in [Appendix B to Part 420–Sample Large Position Report](#). Treasury will provide notice of the large position reporting requirement by issuing a public announcement calling for Reports and subsequently publishing a notice in the *Federal Register*. Treasury will also send an email announcing the call for Reports to its LPR mailing list. Entities can subscribe to the *Notification of Calls for Large Position Reports* mailing list on the [TreasuryDirect.gov](#) website.

Reports must be signed by one of the following officers of the designated filing entity: the chief compliance officer; chief legal officer; chief financial officer; chief operating officer; chief executive officer; or managing partner or equivalent.

REPORT SUBMISSION DATE

Unless otherwise noted in the public announcement, Reports must be received by Treasury before noon Eastern Time on the fourth business day following issuance of Treasury’s public announcement calling for Reports. The Report submission date will be noted in the public announcement. The Reports must include all required components of Parts I – VIII and administrative information.

SUBMISSION INSTRUCTIONS AND CONTACT INFORMATION

Reporting entities must submit their completed Reports to Treasury or the Federal Reserve Bank of New York using the instructions provided in the public announcement.

Questions regarding Treasury’s LPR rules, or the method of submission of the Reports, should be directed to Treasury’s Government Securities Regulations Staff at (202) 504-3632 or govsecreg@fiscal.treasury.gov. Additional information regarding Treasury’s large position reporting rules can be found on [TreasuryDirect.gov](#).

II. WHAT TO REPORT

A reporting entity that controls³ an amount of the specified Treasury security that equals or exceeds the reporting requirement must compile and report the amounts of its positions in the order specified in § 420.3 of the LPR rules. When submitting their reports, reporting entities may use:

- [Treasury’s LPR webform](#);
- The [sample large position report](#) in Appendix B to part 420; or
- A template of their own design; however, the Reports must contain the information specified in § 420.3 of the LPR rules.

Each component of Parts I – VIII must be reported as a positive number or zero. All reportable amounts must be reported at par in millions of dollars, including principal STRIPS (do not report interest only STRIPS). Futures, options on futures, and exchange-traded options contracts are reported as the number of contracts. Over-the-counter options contracts are reported as the notional dollar amount of contracts, regardless of option delta. Amounts are to be reported on a gross basis unless net reporting is explicitly stated, as in Part VIII. Use simple rounding for all reportable amounts (e.g., If $X < 5$ round to zero, if $X \geq 5$ round to 10). Aggregating entities that are part of the same reporting entity may net receive and

³ *Control* means having the authority to exercise investment discretion over the purchase, sale, retention, or financing of specific Treasury securities. More than one entity may be considered to have discretion over a particular position.

deliver obligations resulting from intercompany transactions (e.g., Aggregating entities A and B are part of the same reporting entity. If aggregating entity A sells from its inventory \$X of the security on which the call is announced to aggregating entity B, the reporting entity is still long \$X of the security).

III. FORMULA GUIDANCE

A. REPORT STRUCTURE

The Report is structured to identify the flow of a reporting entity's trading activity from the opening of business on the report date to the close of business on the report date. The Report is divided into eight Parts as described below:

- In Part I, report positions as of the opening of business on the report date (i.e., settled positions as of the close of business (COB) on the prior business day).
- In Parts II and III, report settlement obligations attributable to: outright purchase and sale contracts (Part II); and Delivery-versus-Payment financing transactions (Part III) negotiated prior to, or on, the report date that result in obligations that are scheduled to settle on the report date.
- In Parts IV and V, report settlement fails as of COB on the business day prior to the report date (Part IV), and settlement fails as of COB on the report date (Part V).
- In Part VI, report settled positions as of COB on the report date.
- In Part VII, report continuing financing transactions that were initiated before the report date and are not due to close (settle) until after the report date.
- In Part VIII, report futures, options on futures, and exchange-traded and over-the-counter options contracts.

B. THRESHOLD

In response to a public announcement issued by Treasury requesting large position information, a reporting entity must submit a Report if it meets any one of the following criteria:

- A. If the sum of column A in lines 1 through 5 and the gross amount lent in line 21 is greater than or equal to the announced large position threshold.
- B. If the sum of column A in lines 16 through 20 and the gross amount lent in line 21 is greater than or equal to the announced large position threshold.
- C. If the sum of column A in lines 6 through 14 is greater than or equal to the announced large position threshold.
- D. If the sum of column B in lines 6 through 14 is greater than or equal to the announced large position threshold.
- E. If column A in line 15 is greater than or equal to the announced large position threshold.
- F. If column B in line 15 is greater than or equal to the announced large position threshold.
- G. If line 22(a) or line 22(b) is greater than or equal to the announced futures, options on futures and exchange-traded options contract threshold.
- H. If line 23(a) or line 23(b) is greater than or equal to the announced large position threshold.

Note: A reporting entity must specify all criteria that trigger the reporting requirement.

C. FREQUENTLY ASKED QUESTIONS RELATING TO TREASURY’S LARGE POSITION RECORDKEEPING AND REPORTING RULES

Note: In the following examples, the reporting entity has the authority to exercise investment discretion over the purchase, sale, retention, or financing of positions described. All position amounts are reported: at par in millions as a positive number or zero, except futures, options on futures, and exchange-traded options contracts, which are reported as the number of contracts.

Part I. Positions in the Security Being Reported as of the Opening of Business on the Report Date

1.0.1) What is the “report date?”

The “report date” is the date for which Treasury requires large position information to be calculated (i.e., the as-of calculation date). It is *not* the date by which reports must be submitted to Treasury. The report date and the large position threshold will be stated in the public announcement.

1.0.2) When is the opening of business on the report date?

The opening of business on the report date is equivalent to the close of business on the business day prior to the report date.

1.0.3) What positions are reported in Part I?

Report settled positions held in book-entry accounts of the reporting entity and collateral or margin *delivered* against borrowings of funds or securities in tri-party repurchase agreements or securities lending arrangements. Positions reported in Part I also include principal STRIPS derived from the security being reported.

1.0.4) Are there instances in which an entity does not report positions in Part I?

Yes. When the report date for the security on which the call is announced (e.g., 6/17/XX) is the same as the *original* issue date (i.e., the date the CUSIP was issued for the first time, also 6/17/XX), Part I is not applicable.

Line 1. In book-entry accounts of the reporting entity

1.1.1) What positions are reported on Line 1?

Report the gross quantity of the security on which the call is announced held in any account containing securities issued in book-entry form, such as a Fedwire securities account or an account at a clearing bank or other custodian.

Example – On 6/16/XX, the reporting entity is long \$400 million of the security being reported, which is held in inventory. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

Line 1. In book-entry accounts of the reporting entity Quantity
400

Example – On 6/14/XX, the reporting entity is awarded \$1.5 billion of the security being reported in the auction. The original issue (i.e., settlement) date for the security is 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

Line 1. In book-entry accounts of the reporting entity Quantity
N/A

Note: The \$1.5 billion proprietary auction award is not reported on Line 1 because the security will not be issued (i.e. the auction does not settle) until 6/17/XX. As of close of business on 6/16/XX the reporting entity does not have a settled position in a book-entry account.

1.1.2) Are short positions reported in Part I?

No. A reporting entity cannot be short settled positions held in a book-entry account.

Example – On 6/17/XX, the reporting entity is long \$400 million of the security being reported (in inventory) and short \$500 million of the security. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

Line 1. In book-entry accounts of the reporting entity Quantity
400

Note: The short position is not reported because it is not a settled position.

1.1.3) Are intercompany transactions reported in Part I?

No. Aggregating entities that are part of the same reporting entity may net receive and deliver obligations resulting from intercompany transactions.

Example – Aggregating entities A and B are part of the same reporting entity. On 6/16/XX, aggregating entity A sells from its inventory \$100 of the security on which the call is announced to aggregating entity B. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

Line 1. In book-entry accounts of the reporting entity Quantity
100

Note: Although aggregating entity A sold securities to aggregating entity B, the reporting entity of which aggregating entities A and B are a part is still long \$100 of the CUSIP.

Line 2. As collateral against borrowings of funds on general collateral finance repurchase agreements

1.2.1) What positions are reported on Line 2?

Report the gross amount of securities *delivered* as collateral against borrowings of funds on general collateral finance repurchase agreement transactions settled through a clearing corporation.

Example – On 6/16/XX, the reporting entity enters into an overnight, general collateral finance, tri-party repurchase agreement transaction for \$100 million of the security being reported. The opening leg of the transaction settles as scheduled on 6/16/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Quantity</u>
Line 2. As collateral against borrowings of funds on general collateral finance repurchase agreements	100

Line 3. As collateral against borrowings of funds on tri-party repurchase agreements

1.3.1) What positions are reported on Line 3?

Report the gross amount of securities *delivered* as collateral against borrowings of funds on tri-party repurchase agreement transactions settled outside of a clearing corporation.

Example – On 6/16/XX, the reporting entity enters into a tri-party repurchase agreement transaction for \$700 million of the security being reported. The opening leg of the transaction settles as scheduled on 6/16/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Quantity</u>
Line 3. As collateral against borrowings of funds on tri-party repurchase agreements	700

1.3.2) Where are delivery-versus-payment (bilateral) financing contracts reported?

Delivery-versus-payment financing contracts negotiated prior to or on the report date are reported in Part III. Continuing delivery-versus-payment financing contracts are reported in Part VII.

Line 4. As collateral or margin to secure other contractual obligations of the reporting entity

1.4.1) What positions are reported on Line 4?

Report the gross amount of securities *delivered* as collateral or margin to secure other contractual obligations of the reporting entity.

Example – On 6/10/XX, a reporting entity delivers \$200 million of the security being reported as collateral for a term, tri-party securities lending transaction. The closing leg of the securities lending transaction is scheduled to settle on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Quantity</u>
Line 4. As collateral or margin to secure other contractual obligations of the reporting entity	200

Line 5. Otherwise available to the reporting entity

1.5.1) What positions are reported on Line 5?

Report any positions that are not explicitly referenced on Lines 1-4, excluding delivery-versus-payment financing contracts, which are reported in Part III or Part VII.

Example – On 6/10/XX, a reporting entity delivers \$400 million of the security being reported as part of an open “bonds borrowed vs bonds pledged” transaction. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Quantity</u>
Line 5. Otherwise available to the reporting entity	400

Note: If the bonds borrowed vs bonds pledged transaction remains open on 6/17/XX, the reporting entity would also report the position in Part VI on Line 20.

Part II. Settlement Obligations Attributable to Outright Purchase and Sale Contracts Negotiated Prior to or on the Report Date (excluding settlement fails)

2.0.1) What is a “settlement obligation?”

A settlement obligation on a purchase is an obligation to receive and pay for a security. A settlement obligation on a sale is an obligation to deliver a security against payment.

2.0.2) What is meant by “(excluding settlement fails)” in the header to Part II?

A reporting entity should not report in Part II any settlement obligations attributable to outright purchase or sale contracts that were scheduled to settle on days prior to the report date and remain unsettled as of close of business on the report date. Settlement fails from days prior to the report date are reported in Part IV.

2.0.3) Are outright purchase or sale contracts that are scheduled to settle *on* the report date but fail to settle by close of business on the report date (i.e., failures-to-deliver and failures-to-receive) reported in Part II?

Yes. Part II includes any settlement obligations attributable to outright purchase or sale contracts that were *scheduled* to settle on the report date. If an outright purchase or sale contract fails to settle as scheduled on the report date, it is also reported in Part V.

Line 6. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts for cash settlement (T+0)

2.6.1) What positions are reported on Line 6?

Report outright purchase and sale contracts negotiated on the report date for settlement on the report date.

Example – On 6/17/XX, a reporting entity enters into two transactions involving the same CUSIP. It purchases \$500 million and sells \$700 million of the security being reported for same day settlement on 6/17/XX. The \$500 million purchase settles as scheduled on 6/17/XX; however, the \$700 million sale fails to settle on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 6. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts for cash settlement (T+0)	500	700

2.6.2) In the example above, why is the \$700 million sale transaction, which failed to settle, on 6/17/XX, reported on Line 6?

The \$700 million sale transaction is reported on Line 6 because it is a settlement obligation of the reporting entity attributable to an outright sale contract (i.e., the transaction was *scheduled* to settle on the report date (6/17/XX)).

2.6.3) Would the \$700 million fail-to-deliver be reflected elsewhere in the report?

The \$700 million sale transaction is also reported as a fail-to-deliver on Line 15, which is where settlement fails as of close of business on the report date are reported.

Line 7. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts for regular settlement (T+1)

2.7.1) What positions are reported on Line 7?

Report the gross amount of outright purchase and sale contracts negotiated on the day prior to the report date for settlement on the report date.

Example – On 6/16/XX, the reporting entity enters into two transactions involving the CUSIP. It purchases \$1.2 billion and sells \$500 million of the security being reported with next-day settlement. If Treasury requests large position reports for positions in that CUSIP to be

calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 7. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts for regular settlement (T+1)	1,200	500

Line 8. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts, including when-issued contracts, for forward settlement (T+n, n>1)

2.8.1) What positions are reported on Line 8?

Report outright purchase and sale contracts negotiated more than one business day prior to the report date for settlement on the report date. A reporting entity's auction award should not be included on Line 8. Report auction awards on Line 9, if applicable.

Example – On 6/10/XX, the reporting entity enters into a forward settling transaction to sell \$400 million of the security being reported for settlement on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 8. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts, including when-issued contracts, for forward settlement (T+n, n>1)		400

Line 9. Obligations to receive, on the report date, the security being reported attributable to Treasury auction awards

2.9.1) What positions are reported on Line 9?

An entity should report, on a gross basis, Treasury auction awards for which it has control (i.e., investment discretion).

2.9.2) Does the amount reported on Line 9 include the reporting entity's awards for bids submitted on behalf of its customers?

No. Do not report customer auction awards for which the reporting entity does *not* have control (i.e., investment discretion).

Example – On 6/10/XX, the reporting entity is awarded \$1.5 billion of the security being reported in the auction. The reporting entity submitted customer bids totaling \$700 million which were also awarded (to its customers) in the auction. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, and that date is also the issue (i.e., settlement) date for the security, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 9. Obligations to receive, on the report date, the security being reported attributable to Treasury auction awards	1,500	

2.9.3) Should a reporting entity's proprietary auction award be netted with other transactions scheduled to settle on the same day?

No. On Line 9 the reporting entity only reports its gross proprietary auction award in the CUSIP. This amount should not be netted with any other transactions in the CUSIP.

Example – On 6/10/XX, the reporting entity is awarded \$1.5 billion of the security being reported in the auction for its proprietary account. The reporting entity is also net short \$2 billion in the when-issued market. The reporting entity has a net settlement obligation to deliver \$500 million of the security to its clearing corporation on the issue date. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, and that date is also the issue (i.e., settlement) date for the security, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 9. Obligations to receive, on the report date, the security being reported attributable to Treasury auction awards	1,500	

2.9.4) Are there instances in which an entity would not report positions on Line 9?

Yes. An entity would not report a position on Line 9 if the report date (i.e., the date as of which positions are calculated) is any day other than the issue date for the security on which a call is announced. This applies in the case of an original issue (i.e., the CUSIP is issued for the first time) and a reopening (i.e., the auction of an additional amount of the CUSIP) of a Treasury security.

Example – On 6/10/XX, the reporting entity is awarded \$1.5 billion of the security being reported in the auction for its proprietary account. The issue (i.e., settlement) date for the security is 6/16/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 9. Obligations to receive, on the report date, the security being reported attributable to Treasury auction awards	N/A	N/A

Line 10. Obligations to receive or deliver, on the report date, principal STRIPS derived from the security being reported attributable to contracts for cash settlement, regular settlement, when-issued settlement, and forward settlement

Example – On 6/13/XX, the reporting entity enters into two transactions involving the CUSIP. The reporting entity purchases \$200 million and sells \$250 million of principal STRIPS derived from the security being reported for settlement on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 10. Obligations to receive or deliver, on the report date, principal STRIPS derived from the security being reported attributable to contracts for cash settlement, regular settlement, when-issued settlement, and forward settlement	200	250

Part III. Settlement Obligations Attributable to Delivery-versus-Payment Financing Contracts (including repurchase agreements and securities lending agreements) Negotiated Prior to or on the Report Date (excluding settlement fails)

3.0.1) What positions are reported in Part III?

Report delivery-versus-payment (i.e., bilateral) financing transactions that have a start leg or a close leg that is scheduled to settle on the report date.

3.0.2) What positions are not reported in Part III?

Do not include in Part III any settlement obligations attributable to delivery-versus-payment financing contracts that failed to settle on days prior to the report date. Settlement fails are reported in Part IV.

Example – On 6/16/XX, the reporting entity enters into an overnight, delivery-versus-payment reverse repurchase agreement transaction for \$600 million of the security being reported. The opening leg of the transaction fails to settle as scheduled on 6/16/XX.

If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would not report the \$600 million delivery-versus-payment reverse repurchase agreement on line 11. It would instead report the \$600 million delivery-versus-payment reverse repurchase agreement transaction on Line 14 as a fail-to-receive arising out of settlement fails on days prior to the report date.

Line 11. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, attributable to overnight agreements

3.11.1) What positions are reported on Line 11?

Report overnight delivery-versus-payment financing contracts that are scheduled to open or close on the report date.

Example – On 6/16/XX, the reporting entity enters into an overnight, delivery-versus-payment, reverse repurchase agreement transaction for \$400 million of the security being reported. The opening leg of the transaction settles as scheduled on 6/16/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 11. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, attributable to overnight agreements		400

Line 12. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, attributable to term agreements due to open on, or due to close on, the report date

3.12.1) What positions are reported on Line 12?

Report term delivery-versus-payment financing contracts that are scheduled to open or close on the report date.

Example – On 6/17/XX, the reporting entity enters into a term, delivery-versus-payment, reverse repurchase agreement transaction for \$100 million of the security being reported. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 12. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, attributable to term agreements due to open on, or due to close on, the report date	100	

Line 13. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, attributable to open agreements due to open on, or due to close on, the report date

3.13.1) What positions are reported on Line 13?

Report open delivery-versus-payment financing contracts that are scheduled to open or close on the report date.

Example – On 6/17/XX, the reporting entity enters into an open, delivery-versus-payment, repurchase agreement transaction for \$300 million of the security being reported. The opening leg of the repurchase agreement transaction is scheduled to settle on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 13. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, attributable to open agreements due to open on, or due to close on, the report date		300

Part IV. Settlement Fails from Days Prior to the Report Date (Legacy Obligations)

Line 14. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, arising out of settlement fails on days prior to the report date

4.14.1) What are settlement fails?

A settlement fail occurs when either the seller does not deliver the security as agreed or the buyer does not deliver funds (and therefore does not receive the security) as agreed, whether related to an outright purchase or sale contract, a repurchase agreement transaction, a securities lending agreement, or another transaction.

4.14.2) Are only settlement fails that occur on the business day prior to the report date included?

No. Report, on a cumulative basis, all transactions that remained unsettled as of close of business on the day prior to the report date. Include transactions from prior days that remain unsettled as of close of business on the day prior to the report date.

4.14.3) Do cash market settlement fails need to be distinguished from fail financing transactions?

No. Do not differentiate between cash market fails and fail financing transactions.

4.14.4) Should the positions reported include accrued interest?

No. Report only the par amount of the failed transaction (without accrued interest).

4.14.5) Are there instances in which an entity does not report positions in Part IV?

Yes. When the report date for the security on which the call is announced (6/17/XX) is the same as the *original* issue date (i.e., the date the CUSIP is issued for the first time, also 6/17/XX), Part IV is not applicable.

Example – As of close of business on 6/16/XX, the reporting entity has fails-to-receive of \$300 million and fails-to-deliver of \$400 million in the Treasury security. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 14. Obligations to receive or deliver, on the report date, the security being reported, and principal STRIPS derived from the security being reported, arising out of settlement fails on days prior to the report date	300	400

Part V. Settlement Fails as of the Close of Business on the Report Date

Line 15. Obligations to receive or deliver, on the business day following the report date, the security being reported, and principal STRIPS derived from the security being reported, arising out of settlement fails on the report date

5.15.1) Are only settlement fails that occur on the report date included?

No. Report, on a cumulative basis, all transactions that remained unsettled as of close of business on the report date. Include settlement fails from days prior to the report date that remain unsettled as of close of business on the report date.

Example – As of close of business on 6/16/XX, the reporting entity has fails-to-receive of \$300 million and fails-to-deliver of \$400 million. These fails remain unsettled (i.e., open) as of close of business on 6/17/XX. As of close of business on 6/17/XX, the reporting entity has an additional \$250 million fails-to-receive and \$150 million fails-to-deliver in the Treasury security. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>OTR</u>	<u>OTD</u>
Line 15. Obligations to receive or deliver, on the business day following the report date, the security being reported, and principal STRIPS derived from the security being reported, arising out of settlement fails on the report date	550	550

Part VI. Positions in the Security Being Reported as of the Close of Business on the Report Date

6.0.1) What positions are reported in Part VI?

Report settled positions held in book-entry accounts of the reporting entity and collateral or margin *delivered* against borrowings of funds or securities in tri-party arrangements. Positions reported in Part VI should include principal STRIPS derived from the security being reported.

Line 16. In book-entry accounts of the reporting entity

6.16.1) What positions are reported on Line 16?

Report the gross quantity of the security on which the call is announced held in any securities account containing securities issued in book-entry form, such as a Fedwire securities account or an account at a clearing bank or other custodian.

Line 17. As collateral against borrowings of funds on general collateral finance repurchase agreements

6.17.1) What positions are reported on Line 17?

Report the gross amount of securities *delivered* as collateral against borrowings of funds on general collateral finance repurchase agreement transactions settled at a clearing corporation.

Example – On 6/17/XX, the reporting entity enters into an overnight, tri-party, GCF repurchase agreement for \$700 million of the security being reported. The opening leg of the repurchase agreement settles as scheduled on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Quantity</u>
Line 17. As collateral against borrowings of funds on general collateral finance repurchase agreements	700

Line 18. As collateral against borrowings of funds on tri-party repurchase agreements

6.18.1) What positions are reported on Line 18?

Report the gross amount of securities *delivered* as collateral against borrowings of funds in tri-party arrangements settled outside of a clearing corporation.

6.18.2) Where are delivery-versus-payment financing transactions reported?

Report delivery-versus-payment financing contracts negotiated prior to or on the report date in Part III. Continuing delivery-versus-payment financing contracts are reported in Part VII.

Example – On 6/17/XX, the reporting entity enters into a term, tri-party repurchase agreement for \$100 million of the security being reported. The opening leg of the repurchase agreement settles as scheduled on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Quantity</u>
Line 18. As collateral against borrowings of funds on tri-party repurchase agreements	100

Line 19. As collateral or margin to secure other contractual obligations of the reporting entity

6.19.1) What positions are reported on Line 19?

Report the gross amount of securities *delivered* as collateral or margin.

Example – On 6/17/XX, the reporting entity enters into a term, tri-party, securities lending transaction for \$500 million of the security being reported. The opening leg of the tri-party securities lending transaction settles as scheduled on 6/17/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

Line 19. As collateral or margin to secure other contractual obligations of the reporting entity

Quantity

500

Line 20. Otherwise available to the reporting entity

6.20.1) What positions are reported on Line 20?

Report any positions that are not explicitly referenced on Lines 16-19, excluding delivery-versus-payment financing contracts which are reported in Part III or Part VII.

Part VII. Quantity of Continuing Delivery-versus-Payment Financing Contracts for the Security Being Reported

Line 21. Gross amount of security being reported borrowed or lent out on term delivery-versus-payment repurchase agreements opened before the report date and not due to close until after the report date, and on open delivery-versus-payment repurchase agreements opened before the report date and not closed on the report date

7.21.1) Are delivery-versus-payment repurchase agreements involving principal STRIPS derived from the security reported in Part VII?

Yes. Include in Part VII contracts involving principal STRIPS derived from the security being reported.

7.21.2) What is the difference between the delivery-versus-payment financing contracts reported in Part III and Part VII?

The difference between Part III and Part VII is that the positions reported in Part III *open on* or *close on* the report date; the positions reported in Part VII *open before* and *close after* the report date (i.e., in Part VII there is no obligation to deliver or receive on the report date as in Part III).

Example – On 6/10/XX, the reporting entity enters into a term, delivery-versus-payment repurchase agreement transaction for \$300 million of the security being reported. The opening leg of the transaction settles as scheduled on 6/10/XX. The closing leg of the transaction is scheduled to settle on 6/20/XX. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX:

	<u>OTR</u>	<u>OTD</u>
Line 21. Gross amount of security being reported borrowed or lent out on term delivery- versus-payment repurchase agreements opened before the report date and not due to close until after the report date, and on open delivery-versus-payment repurchase agreements opened before the report date and not closed on the report date	300	

Part VIII. Futures and Options Contracts

Line 22. a) Net position, as of the close of market on the business day prior to the report date, in futures, options on futures, and exchange-traded options contracts on which the security being reported is deliverable (report number of contracts)

8.22.1) If an entity has positions in futures, options on futures, or exchange-traded options contracts does it report the number of contracts or the dollar value of those contracts?

Report the net quantity of all futures, options on futures, and exchange-traded options contracts purchased (long) *or* sold (short).

8.22.2) Does an entity report only futures, options on futures, or exchange-traded options contracts for which the security being reported is the only security that is eligible for delivery?

No. Report all futures, options on futures, or exchange-traded options contracts for which the security being reported is eligible for delivery (i.e., if the security being reported is one of many securities that are eligible for delivery, the contract is reported). Entities must calculate the equivalent dollar value of the face amount at maturity of futures, options on futures, and exchange-traded options contracts to determine if it meets the announced threshold for reporting, which is expressed in dollars.

Example – Treasury announces a call for large position reports on a 10-year Treasury note with a reporting threshold of \$5 billion. Assume that each 10-year Treasury futures contract has a face value at maturity of \$100,000.

The reporting threshold for the number of futures, options on futures, and exchange-traded options contracts would be 50,000 contracts. *Note: This example is for illustrative purposes only. The calculation will depend on actual contract specifications for the specific futures contract exchange(s).*

8.22.4) Are futures, options on futures, and exchange-traded options contracts with different strike prices and expiration dates netted?

Yes. All futures, options on futures, and exchange-traded options contracts on which the security being reported is deliverable are netted regardless of the strike price or expiration date.

8.22.5) Are puts netted with calls?

Yes. All futures, options on futures, and exchange-traded options contracts on which the security being reported is deliverable are netted regardless of whether the option confers an obligation or a right to buy or sell the underlying security.

8.22.6) Can an entity be both net long and net short futures, options on futures, and exchange-traded options contracts?

No. In Part VIII an entity only reports the quantity it is net long *or* net short futures, options on

futures, and exchange-traded options contracts.

Example – On 6/16/XX, the reporting entity is long 30,000 futures contracts for which the Treasury security is eligible for delivery. The reporting entity is also short 10,000 options on futures and 10,000 exchange-traded options contracts for which the Treasury security is eligible for delivery. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Net Long</u>	<u>Net Short</u>
Line 22. a) Net position, as of the close of market on the business day prior to the report date, in futures, options on futures, and exchange-traded options contracts on which the security being reported is deliverable (report number of contracts)	10,000	

Line 22. b) Net position, as of the close of market on the report date, in futures, options on futures, and exchange-traded options contracts on which the security being reported is deliverable (report number of contracts)

Example – On 6/17/XX, the reporting entity is long 20,000 futures and options on futures contracts for which the Treasury security is eligible for delivery. The reporting entity is also short 50,000 exchange-traded options contracts for which the Treasury security is eligible for delivery. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Net Long</u>	<u>Net Short</u>
Line 22. b) Net position, as of the close of market on the report date, in futures, options on futures, and exchange-traded options contracts on which the security being reported is deliverable (report number of contracts)		30,000

Line 23. a) Net position, as of the close of market on the business day prior to the report date, in over-the-counter options contracts on which the security being reported is deliverable (report notional amount of contracts regardless of option delta)

8.23.1) If an entity has positions in over-the-counter options contracts does it report the number of contracts or the dollar value of those contracts?

Report, at par in millions of dollars, the net notional amount of all over-the-counter options contracts purchased (long) *or* sold (short).

8.23.2) Are over-the-counter options contracts with different strike prices and expiration dates netted?

Yes. All over-the-counter options contracts on which the security being reported is deliverable

are netted regardless of the strike price or expiration date.

8.23.3) Are puts netted with calls?

Yes. All over-the-counter options contracts on which the security being reported is deliverable are netted regardless of whether the option confers an obligation or a right to buy or sell the underlying security.

Example – On 6/16/XX, the reporting entity is long \$100 million over-the-counter options contracts and short \$250 million over-the-counter options contracts for which the Treasury security is eligible for delivery. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Net Long</u>	<u>Net Short</u>
Line 23. a) Net position, as of the close of market on the business day prior to the report date, in over-the-counter options contracts on which the security being reported is deliverable (report notional amount of contracts regardless of option delta)		150

Line 23. b) Net position, as of the close of market on the report date, in over-the-counter options contracts on which the security being reported is deliverable (report notional amount of contracts regardless of option delta)

Example – On 6/17/XX, the reporting entity is long over-the-counter options contracts with a notional value of \$500 million and short over-the-counter options contracts with a notional value of \$250 million for which the Treasury security is eligible for delivery. If Treasury requests large position reports for positions in that CUSIP to be calculated as of 6/17/XX, the reporting entity would report the following:

	<u>Net Long</u>	<u>Net Short</u>
Line 23. b) Net position, as of the close of market on the report date, in over-the-counter options contracts on which the security being reported is deliverable (report notional amount of contracts regardless of option delta)	250	