

Methodology of calculating public aggregated data

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Classification of derivatives and trades/positions

Reports published on the website are presented by: class of instrument, and venue of execution. In addition, reports are presented in the following categories: dual-sided reports maintained in KDPW_TR, EEA single-sided reports, and non-EEA single-sided reports. The section below describes the classification of reports by these three parameters.

Classification of derivatives by derivative class depending on the taxonomy used

As three different taxonomies may be used in reporting, it is necessary to attempt an assignment of taxonomies to classes of derivatives. At this time, only the transitional taxonomy E allows for a clear assignment. The other two taxonomies require either extension (taxonomy I) or development of a standard from scratch (taxonomy U).

The value in the field Taxonomy used=E (interim taxonomy) – assignment to a class is based on the field Product ID 1:

- commodity derivatives – field Product ID 1 = CO
- credit derivatives – field Product ID 1 = CR
- currency derivatives – field Product ID 1 = CU
- equity derivatives – field Product ID 1 = EQ
- interest rate derivatives – field Product ID 1 = IR
- other derivatives – field Product ID 1 = OT

Value in field Taxonomy used=I (ISIN/AII+CFI) – assignment to classes according to the CFI filled in field Product ID 2; however, due to the imperfection of the CFI standard, it is not possible to clearly differentiate between the classes of credit derivatives and interest rate derivatives. Only where any of the fields (Fixed rate of leg 1, Fixed rate of leg 2, Fixed rate day account, Fixed leg payment frequency, Floating rate payment frequency, Floating rate reset frequency, Floating rate of leg 1, Floating rate of leg 1) is additionally filled in the section for interest rate derivatives is it possible to clearly assign them to the class of interest rate derivatives.

In all other cases, the classes are put in the category “other” (the first and the fourth character of the CFI is checked for options; the first, the second and the third character of the CFI is checked for futures).

- commodity derivatives – field Product ID 2 = CFI(OxxTxx) – commodity options, CFI(FCxxxx) – commodity futures ;
- credit derivatives and interest rate derivatives – the data cannot be clearly assigned using the CFI,
- currency derivatives – field Product ID 2 = CFI(OxxCxx) – currency options, CFI(FFCxxx) – currency futures,
- equity derivatives – field Product ID 2 = CFI(OxxSxx) – stock options, CFI(FFSxxx) – futures for shares,
- interest rate derivatives - field Product ID 2 = CFI(FFDxxx) and any of the fields in the section for interest rate derivatives is filled - interest rate futures, or if the field Product ID 2 = CFI(OxxDxx) and any of the fields in the section for interest rate derivatives is filled (section 2e) – interest rate options,
- other – all other values.

Value in field Taxonomy used=U – assignment to a class based on field Product ID 1 – the data calculation methodology to be determined in the future as there is no standard which would describe the Unique Product Identifier (UPI).

Populating the field Taxonomy with value ‘U’ puts the report in the category ‘Other OT’.

Classification of trades/positions by market depending on the field Venue of Execution

Reports present data in the following categories, where classification is based on the field Venue of Execution:

- a) OTC – if the field Venue of Execution is populated with ‘XXXX’ or an MIC which complies with ISO 10383 but is not recorded in the MIFID database (link below),
- b) ETD – if the field Venue of Execution is populated with an MIC which complies with ISO 10383 and is recorded in the MIFID database published on:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display

- c) Derivatives traded off-exchange – if the field Venue of Execution is populated with 'XOFF'

Classification of trades/positions as EEA single-sided, non-EEA single-sided, and dual-sided

Trade counterparties are paired for the purpose of reporting when calculating positions and data related to trades. Reports are paired where data are found to match in the following fields:

- Trade ID,
- Counterparty ID,
- ID of the other counterparty.

CP1 and CP2 are cross-paired.

Reports presented on the website show data in the following categories:

- a) EEA single-sided, i.e., reports for which no pair has been retrieved (as described above) and the field 'Contract with non-EEA counterparty' is populated with 'N';
- b) Non-EEA single-sided, i.e., reports for which no pair has been retrieved (as described above) and the field 'Contract with non-EEA counterparty' is populated with 'Y'.
- c) Dual-sided, i.e., reports for which a pair has been retrieved (as described above).

Methodology of calculating the number, notional amount and market value of aggregate open positions

Open position data are calculated by retrieving all active reports (i.e., reports which have not been cancelled, expired or terminated) as at the end of day.

The notional amount of open positions in contracts is calculated depending on classification:

- a) in the 'dual-sided' category, it is equal to the sum of the fields Notional Amount denominated in EUR and divided by 2.
- b) in the categories 'EEA single-sided' and 'non-EEA single-sided', it is equal to the sum of the fields Notional Amount denominated in EUR.

The notional amounts of open positions in contracts denominated in currencies other than EUR are converted to EUR at the exchange rate published by the European Central Bank. Where there are reports showing a notional amount in a currency whose exchange rate is not published by the ECB, the amount is converted to EUR at the exchange rate published by the National Bank of Poland in Table A of the mid exchange rates of foreign currencies.

The market value of positions in contracts is calculated depending on classification:

- a) in the 'dual-sided' category, it is equal to the sum of the fields Mark to Market Valuation (as at the date in the report) denominated in EUR; where both counterparties report valuation, the sum only includes the value reported by the seller;
- b) in the categories 'EEA single-sided' and 'non-EEA single-sided', it is equal to the sum of the fields Mark to Market Valuation (as at the date in the report) denominated in EUR.

The value of open positions in contracts denominated in currencies other than EUR are converted to EUR at the exchange rate published by the European Central Bank. Where there are reports showing a notional amount in a currency whose exchange rate is not published by the ECB, the amount is converted to EUR at the exchange rate published by the National Bank of Poland in Table A of the mid exchange rates of foreign currencies.

The number of positions in contracts is calculated depending on classification:

- a) in the 'dual-sided' category, it is equal to the number of reports (different TradId) taken to calculate the notional amount of positions divided by 2;

- b) in the categories 'EEA single-sided' and 'non-EEA single-sided', it is equal to the number of reports (different TradId) taken to calculate the notional amount.

Methodology of calculating the aggregate number, volume and value of reported trades in a period

Trade counterparties are paired for the purpose of calculating trade data. Reports are paired where data are found to match in the following fields:

- Trade ID,
- Counterparty ID,
- ID of the other counterparty.

CP1 and CP2 are cross-paired.

The number of new trades, the volume (QT) and notional amount (WT) of trades are calculated by retrieving and adding up all records with action type **N=New reported** in a given weekly period (by the field Reporting Timestamp) for which the data are being calculated. Cancelled records are not included in the calculation.

The number of trades (new TradId) is calculated depending on the category of trades as follows:

- a) in the 'dual-sided' category, it is equal to the number of records retrieved according to the aforementioned rule divided by 2;
- b) in the categories 'EEA single-sided' and 'non-EEA single-sided', it is equal to the number of records retrieved according to the aforementioned rule.

The volume of trades is calculated depending on the category of trades as follows:

- a) in the 'dual-sided' category, it is equal to the sum of values in the field Quantity of all records retrieved according to the aforementioned rule divided by 2;
- b) in the categories 'EEA single-sided' and 'non-EEA single-sided', it is equal to the sum of values in the field Quantity of all records retrieved according to the aforementioned rule.

The notional amount of trades is calculated depending on the category of trades as follows:

- a) in the 'dual-sided' category, it is equal to the sum of the fields Notional Amount denominated in EUR and divided by 2;
- b) in the categories 'EEA single-sided' and 'non-EEA single-sided', it is equal to the sum of the fields Notional Amount denominated in EUR.

The notional amounts of trades denominated in currencies other than EUR are converted to EUR at the exchange rate published by the European Central Bank. Where there are reports showing a notional amount in a currency whose exchange rate is not published by the ECB, the amount is converted to EUR at the exchange rate published by the National Bank of Poland in Table A of the mid exchange rates of foreign currencies.