

Chapter

Article 3a Counterparty side

(1) The counterparty side to the derivative contract referred to in field 14 of Table 1 of the Annex shall be determined in accordance with paragraphs 2 to 10.

(2) In the case of options and swaptions, the counterparty that holds the right to exercise the option shall be identified as the buyer and the counterparty that sells the option and receives a premium shall be identified as the seller.

(3) In the case of futures and forwards other than futures and forwards relating to currencies, the counterparty buying the instrument shall be identified as the buyer and the counterparty selling the instrument shall be identified as the seller.

(4) In the case of swaps related to securities, the counterparty that bears the risk of price movement of the underlying security and receives the security amount shall be identified as the buyer and the counterparty that pays the security amount shall be identified as the seller.

(5) In the case of swaps related to interest rates or inflation indices, the counterparty paying the fixed rate shall be identified as the buyer and the counterparty receiving the fixed rate shall be identified as the seller. In the case of basis swaps, the counterparty that pays the spread shall be identified as the buyer and the counterparty that receives the spread shall be identified as the seller.

(6) In the case of cross-currency swaps and swaps and forwards related to currencies, the counterparty receiving the currency which appears first when sorted alphabetically by International Organization for Standardization (ISO 4217) standard shall be identified as the buyer and the counterparty delivering that currency shall be identified as the seller.

(7) In the case of swaps related to dividends, the counterparty receiving the equivalent actual dividend payments shall be identified as the buyer and the counterparty paying the dividend and receiving the fixed rate shall be identified as the seller.

(8) With the exception of options and swaptions, in the case of derivative instruments for the transfer of credit risk, the counterparty buying the protection shall be identified as the buyer and the counterparty selling the protection shall be identified as the seller.

(9) In the case of derivative contracts relating to commodities, the counterparty that receives the commodity specified in the report shall be identified as the buyer and the counterparty that delivers the commodity shall be identified as the seller.

(10) In the case of forward-rate agreements, the counterparty paying the fixed rate shall be identified as the buyer and the counterparty receiving the fixed rate shall be identified as the seller.