

**U.S. DEPARTMENT OF THE TREASURY**



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

**Issued: October 2015**

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***Note: This formula guidance is not a substitute for the large position reporting rules and should be used in conjunction with the regulation ([17 CFR part 420](#)). Further, this information does not constitute a formal interpretation of the large position reporting rules. Any questions regarding the large position reporting rules should be directed to the Government Securities Regulations Staff at (202) 504-3632 or [govsecreg@fiscal.treasury.gov](mailto: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.

### **B. ADMINISTRATIVE INFORMATION**

#### **AUTHORITY**

Treasury's large position reporting (LPR) rules are authorized under the Government Securities Act, as amended (GSA) ([15 U.S.C. 78o-5\(f\)](#)). The collection of information contained in Treasury's LPR rules for the Reports (17 CFR part 420) have been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 and assigned OMB control number 1535-0089.

#### **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 government securities market, including: Government securities brokers and dealers; registered investment companies; registered investment advisers; custodians, including depository institutions, that exercise investment discretion; hedge funds; pension funds; insurance companies; and foreign affiliates of U.S. entities.

*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.

A *reporting entity* means any corporation, partnership, person, or other entity and its affiliates. 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. One or more aggregating entity(ies) in a reporting entity, 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 an LPR threshold, regardless of whether the reporting entity from which it was separated meets or exceeds a threshold (see Appendix A to [17 CFR part 420](#)).

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.

## **D. SUBMISSION OF REPORTS**

### **REPORTING**

A reporting entity must file a large position report if it meets or exceeds the reporting requirement of § 420.2 of the LPR rules. Treasury will provide notice of the large position threshold(s) by issuing a press release announcing the call for Reports and subsequently publishing the notice in the *Federal Register*. Treasury will also send an email announcing the call for Reports to its large position reporting mailing list. Entities can subscribe to the *Notification of Calls for Large Position Reports* mailing list on the [TreasuryDirect.gov](http://TreasuryDirect.gov) website.

### **REPORTING DATE**

Reports must be received by the Federal Reserve Bank of New York before noon Eastern Time on the fourth business day following issuance of Treasury's press release announcing the call for Reports, and must include the required positions and administrative information.

### **SUBMISSION INSTRUCTIONS AND CONTACT INFORMATION**

All respondents must submit their completed Report to the Federal Reserve Bank of New York (Bank) by facsimile or hard copy. Reports may be faxed to (212) 720-5030 or delivered to the Bank at 33 Liberty Street, Data and Statistics Function, 4<sup>th</sup> Floor, New York, NY 10045. Questions regarding the method of submission of the Reports should be directed to the Bank's Government Securities Dealer Statistics Unit at (212) 720-7993 or (212) 720-8107. Questions about Treasury's LPR rules should be directed to Treasury's Government Securities Regulations Staff at (202) 504-3632 or [govsecreg@fiscal.treasury.gov](mailto:govsecreg@fiscal.treasury.gov).

## **II. WHAT TO REPORT**

A reporting entity that controls an amount of the specified Treasury security that equals or exceeds one of the LPR thresholds must compile and report the amounts of its positions in the order specified in § 420.3 of the LPR rules. Reporting entities may use the sample large position report in Appendix B to part 420 when submitting their reports. Reporting entities also may use a template of their own design when submitting their Reports; 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 should be reported as the number of contracts. Over-the-counter options contracts should be 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. Aggregating entities that are part of the same reporting entity may net receive and deliver obligations resulting from intercompany transactions.

### III. FORMULA GUIDANCE

#### A. Part I. Positions in the Security Being Reported as of 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. In book-entry accounts of the reporting entity

- Report the gross quantity of securities held in any securities account containing marketable Treasury securities issued in electronic form, such as a Fedwire securities account or an account at a clearing bank or other custodian.

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

- Report delivery versus payment (DVP) financing contracts in Part III or Part VII.

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

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

- On Lines 2, 3, and 4, report the gross amount of securities *delivered* as collateral or margin.

##### 5. Otherwise available to the reporting entity

- Report any positions that are not explicitly referenced on Lines 1—4, excluding DVP repurchase agreements.

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

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

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

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

**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)**

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

- An entity would only report on Line 9 if the report date is also the issue date for the security on which a call is announced.

**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**

**C. 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)**

**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**

**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**

**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**

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

**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**

- Report on a cumulative basis all transactions that remained unsettled as of the close of business on the day prior to the report date.
- Do not differentiate between cash related fails and failed financings.
- Report only the par amount of the failed securities (without accrued interest).

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

### **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**

- Report on a cumulative basis all transactions that remained unsettled as of the close of business on the report date.
- Do not differentiate between cash related fails and failed financings.
- Report only the par amount of the failed securities (without accrued interest).

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

### **16. In book-entry accounts of the reporting entity**

- Report the gross quantity of securities held in any securities account containing marketable Treasury securities issued in electronic form, such as a Fedwire securities account or an account at a clearing bank or other custodian.

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

- Report delivery versus payment (DVP) financing contracts in Part III or Part VII.

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

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

- On Lines 17, 18, and 19, report the gross amount of securities delivered as collateral or margin.

### **20. Otherwise available to the reporting entity**

- Report any positions that are not explicitly referenced on Lines 16—19, excluding DVP repurchase agreements.

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

### **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**

- The difference between Part III and Part VII is that the positions in Part III were *opened on or settle on the report date*; the positions in Part VII were *opened before and close after the report date*.

## **H. Part VIII. Futures and Options Contracts**

- While respondents will report the number of contracts in this section, they must calculate the equivalent dollar value of the face amount of the number of futures, options on futures, and exchange-traded options contracts to determine if they meet the announced large position threshold.

### **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)**

#### **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)**

- Report the net quantity of all futures, options on futures, and exchange-traded options contracts for which the specified Treasury security is deliverable.
- Report the net quantity of all futures, options on futures, and exchange-traded options contracts purchased (long) or sold (short), regardless of the strike price, expiration date, or whether the option is to buy or sell the underlying security.

**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)**

**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)**

- Report the net quantity of all over-the-counter options contracts for which the specified Treasury security is deliverable.
- Report amounts at par in millions of dollars.
- Report the net quantity of all over-the-counter options contracts purchased (long) or sold (short), regardless of the strike price, expiration date, or whether the option is to buy or sell the underlying security.

**Appendix A – Sample Large Position Report**

**Formula for Determining Whether to Submit a Large Position Report**

(Report all components as a positive number or zero in millions of dollars at par value)

|   | <u>Column A</u>               | <u>Column B</u>               |
|---|-------------------------------|-------------------------------|
|   | <u>Quantity</u>               |                               |
| <b>Part I. Positions in the Security Being Reported as of the Opening of Business on the Report Date</b>  |                               |                               |
| 1. In book-entry accounts of the reporting entity   | _____                         |                               |
| 2. As collateral against borrowings of funds on general collateral finance repurchase agreements  | _____                         |                               |
| 3. As collateral against borrowings of funds on tri-party repurchase agreements   | _____                         |                               |
| 4. As collateral or margin to secure other contractual obligations of the reporting entity  | _____                         |                               |
| 5. Otherwise available to the reporting entity  | _____                         |                               |
| <b>Part II. Settlement Obligations Attributable to Outright Purchase and Sale Contracts Negotiated Prior to or on the Report Date (excluding settlement fails)</b>                  | <u>Obligations to Receive</u> | <u>Obligations to Deliver</u> |
| 6. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts for cash settlement (T+0)   | _____                         | _____                         |
| 7. Obligations to receive or deliver, on the report date, the security being reported attributable to contracts for regular settlement (T+1)  | _____                         | _____                         |
| 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) | _____                         | _____                         |

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

\_\_\_\_\_

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

\_\_\_\_\_

**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)**

**Obligations  
to Receive**

**Obligations  
to Deliver**

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

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

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

\_\_\_\_\_

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

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

\_\_\_\_\_

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

**Quantity**

16. In book-entry accounts of the reporting entity

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

20. Otherwise available to the reporting entity

\_\_\_\_\_

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

**Quantity  
Borrowed**

**Quantity  
Lent**

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

\_\_\_\_\_

\_\_\_\_\_

**Part VIII. Futures and Options Contracts**

|   | <u>Quantity<br/>if Net Long</u> | <u>Quantity<br/>if Net Short</u> |
|---|---------------------------------|----------------------------------|
| 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)     | _____                           | _____                            |
| 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)                                   | _____                           | _____                            |
| 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) | _____                           | _____                            |
| 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)                               | _____                           | _____                            |

**A reporting entity must submit a large position 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.

Please specify which of the above criteria triggered the reporting requirement (check all that apply).

## Administrative Information to be Provided in the Report

- Name of Reporting Entity:
- Address of Principal Place of Business:
- Name and Address of the Designated Filing Entity:
- Treasury Security Reported on:
- CUSIP Number:
- Date or Dates for which Information is Being Reported:
- Date Report Submitted:
- Name and Telephone Number of Person to Contact Regarding Information Reported:

Name and Position of Authorized Individual Submitting this Report (Chief Compliance Officer; Chief Legal Officer; Chief Financial Officer; Chief Operating Officer; Chief Executive Officer; or Managing Partner or Equivalent of the Designated Filing Entity Authorized to Sign Such Report on Behalf of the Entity):

(Optional) Identify the business(es) engaged in by the reporting entity and any of its aggregating entities with respect to the specified Treasury security (check all that apply).

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> A. Broker or Dealer                       | <input type="checkbox"/> D. Futures Commission Merchant | <input type="checkbox"/> I. Commodity Pool Operator |
| <input type="checkbox"/> B. Government Securities Broker or Dealer | <input type="checkbox"/> E. Bank Holding Company        | <input type="checkbox"/> J. Pension Trustee         |
| <input type="checkbox"/> C. Municipal Securities Broker or Dealer  | <input type="checkbox"/> F. Non-Bank Holding Company    | <input type="checkbox"/> K. Non-Pension Trustee     |
|  | <input type="checkbox"/> G. Bank                        | <input type="checkbox"/> L. Insurance Company       |
|  | <input type="checkbox"/> H. Investment Adviser          | <input type="checkbox"/> M. Other (specify) _____   |

(Optional) Do you consider the reporting entity's overall investment strategy with respect to the specified Treasury security to be:

- Active
- Passive
- Combination of Active and Passive

Statement of Certification: "By signing below, I certify that the information contained in this report with regard to the designated filing entity is accurate and complete. Further, after reasonable inquiry and to the best of my knowledge and belief, I certify that: (i) the information contained in this report with regard to any other aggregating entities is accurate and complete; and (ii) the reporting entity, including all aggregating entities, is in compliance with the requirements of 17 CFR Part 420."

Signature of Authorized Person: