

TFC-1, -2 and -3 FAQ's

1. Q. What should I include in the “Net Reported Dealing Position?”

A. The Net Reported Dealing Position (NRDP) is defined as the actively managed net dealing position monitored and used by each reporter for internal risk management purposes. It should represent all positions taken under the authority of the manager in charge of foreign exchange operations. This figure typically comes from an internally generated report. It should not be derived from other figures on the TFC report. Reporters provide descriptions of what is included in calculating the NRDP with the first submission of the TFC-1 form and any time it is changed.

2. Q. Are both sides (purchase and sale) of foreign currency contracts reported?

A. Yes. Since foreign currency contracts provide for the exchange of one currency for another, both the purchase and the sale should be reported if both currencies are specified in the reports. For contracts involving only one reported currency, only the side of the contract for that currency should be reported.

3. Q. Can contracts be netted?

A. Contracts should be reported on a gross basis even if netted based on a bilateral netting agreement or by a clearinghouse on a multilateral basis. Only futures contracts traded on the same organized exchange and for the same maturity should be netted.

4. Q. Do we report profits and losses?

A. Unrealized gains and losses on foreign currency contracts and derivative instruments under mark-to-market accounting rules should not be included on the TFC reports. Contracts are included and reported at their contract amounts.