

Frequently Asked Questions (FAQ) about Trade Reporting

WHAT DOES TRADE REPORTING MEAN TO ME AS A CUSTOMER?

EMIR requires you to report your derivatives transactions to a trade repository. Failure to comply with this requirement may be subject to sanctions (e.g. fines) under national law.

DO I HAVE TO TAKE ANY FURTHER ACTION (IF SIGNED UP TO THE SERVICE)?

As a user of Danske Bank's Trade Reporting Service in principle no further action is required from your side. Going forward you must immediately notify us at emir-tradereporting@danskebank.com if a specific trade is made for speculative purposes (and not for hedging) or if you are acting as agent (rather than principal).

If you do NOT take advantage of our Trade Reporting Service you will need to engage with and report to a trade repository of your own choice. Alternatively you may agree with a third party service provider to do the trade reporting on your behalf.

DO ALL COUNTERPARTIES HAVE TO REPORT DERIVATIVES TRADES TO A TRADE REPOSITORY?

Yes. Apart from private individuals and a few other entities such as central banks, all parties to a derivatives trade must report their trades individually.

WHICH PRODUCTS ARE COVERED BY THE REPORTING OBLIGATION?

Basically all trades beyond spot value fall within the scope of the reporting obligation - including foreign exchange products such as FX forwards. Money market products such as deposits and repo transactions are, however, not covered. From a legal perspective, the legal definition of what is a derivatives contract covered by the reporting obligation can be found in the MiFID directive (EU directive 2004/39/EC, Annex 1, Section C, no{ 4)-(10)).

DO I HAVE TO REPORT INTRA-GROUP TRADES AS WELL

Yes. Reporting is also required for intra-group trades between different legal entities. These trades can be exempt from clearing and margining obligations, but they are still covered by the reporting obligation. Internal trades between two different divisions within the same legal entity are not covered by the obligation.

CAN DANSKE BANK REPORT CUSTOMERS' INTRA-GROUP TRADES OR TRADES WITH OTHER BANKS?

No. Danske Bank's Trade Reporting Service only applies to trades with Danske Bank as your counterparty..

WILL BOTH CLEARED AND NON-CLEARED TRADES HAVE TO BE REPORTED?

Yes.

WHO IS RESPONSIBLE FOR THE DATA SET SENT TO THE TRADE REPOSITORY?

You (the customer) are ultimately responsible for the correctness and timely transmission of data, even if the reporting task has been delegated to Danske Bank.

HOW WILL DANSKE BANK REPORT MARKET VALUES FOR MY TRADES?

Only customers categorised as Financial Counterparties or Non-Financial Counterparties above the clearing threshold (NFC+) will have to report daily market values. Danske Bank will calculate and report market values in accordance with values currently provided to customers in the monthly derivatives overviews. It is not a requirement to report market values for non-financial customers below the clearing threshold (NFC-).

WHAT DOES THE REPORTING SERVICE COST?

The service is currently provided free of charge. However, Danske Bank reserves the right to pass on trade related fees charged by the trade repository to customers. We will notify you in advance if we change our pricing structure for the service.

WHICH TRADE REPOSITORY WILL DANSKE BANK BE USING?

Trades will be reported to the DTCC GTR (The Depository Trust & Clearing Corporation -- Global Trade Repository).

WHAT HAPPENS IF REPORTING INCONSISTENCIES OCCUR?

Financial regulators are expected to make inquiries when identifying inconsistencies in trade reporting data. Danske Bank will monitor (high level) for potential discrepancies in order to identify and possibly correct the cause of such discrepancies.

WHAT ARE THE REQUIREMENTS FOR REPORTING OF EXISTING AND HISTORICAL TRADES?

All trades existing on or after 16 August 2012 have to be reported, even if they have expired when the reporting obligation takes effect on 12 February 2014.

Outstanding trades entered into before 16 August 2012 must be reported no later than 90 days after 12 February 2014. All other outstanding trades have to be reported by 12 February 2014.

Trades that have expired when the reporting takes effect on 12 February 2014 must be reported within three years from this date.

WILL DANSKE BANK ALSO REPORT HISTORICAL TRADES?

Yes. Danske Bank's reporting service covers all relevant trades, provided that Danske Bank is a party to the trade and that the trade existed on or after 16 August 2012.

WHO WILL GET ACCESS TO THE REPORTED DATA?

Only relevant authorities within the EU will get access to repository data.

WHERE CAN I SEE WHAT DANSKE BANK HAS REPORTED ON MY BEHALF?

Danske Bank will (at a minimum) provide an annual report with key data of trades reported within the preceding period.

If you would like to get an overview of trade reporting data more frequently, please contact us at emir-tradereporting@danskebank.com. You can subscribe to get unlimited access to all your repository data by contacting DTCC GTR for an individual agreement (www.dtcc.com).

WILL I HAVE TO INFORM DANSKE BANK OF MY LEI EVERY TIME I TRADE?

No. Your LEI will be registered in our system once and will be used when we report data on your behalf.

WHAT ARE THE CLEARING THRESHOLDS?

The clearing thresholds for Credit and Equity is EUR 1 billion and for Interest Rate, Foreign Exchange and Commodities the threshold is EUR 3 billion (notional on a 30 days rolling average).

Non-financial counterparties who exceed the thresholds with respect to derivatives turnover (not related to hedging of commercial activities or treasury financing) and all financial counterparties are subject to mandatory central clearing obligations. It is expected that the first clearing obligations enter into force in H2 2014.